



**ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017
Dated April 30, 2018**

(As Amended and Refiled As of November 12, 2018)

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GLOSSARY

Certain terms and abbreviations used in this Annual Information Form are defined below:

“**ABCA**” means the *Business Corporations Act (Alberta)*, as amended from time to time, including the regulations promulgated thereunder.

“**affiliate**” or “**associate**” when used to indicate a relationship with a person or company, has the meaning set forth in the *Securities Act (Alberta)*.

“**AIF**” means this Annual Information Form dated April 30, 2018 for the financial year ended December 31, 2017.

“**Bigoray Assets**” means the interest held by Pulse in certain oil and gas properties located in the Bigoray area of Alberta, Canada.

“**Bigoray Purchase**” means Pulse’s acquisition of an interest in the Bigoray Assets.

“**Board**” or “**Board of Directors**” means the board of directors of Pulse, as constituted from time to time, including where applicable, any committee thereof.

“**COGE Handbook**” means the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time.

“**Common Shares**” means the common shares in the capital of Pulse.

“**Corporation**” or “**Pulse**” means Pulse Oil Corp., formerly known as Wolfpack Capital Corp., formed under the laws of Alberta.

“**CPC**” means a capital pool company under Policy 2.4 of the TSXV corporate finance manual.

“**Crimson**” means, collectively, Crimson Energy Ltd. and Crimson Oil & Gas Ltd.

“**Crimson Agreement**” means the asset purchase agreement between Pulse and Crimson dated September 1, 2016, as amended, in connection with the purchase by Pulse of the Bigoray Assets

“**EOR**” means enhanced oil recovery.

“**HRC (NZ)**” means HRC (NZ) Limited, incorporated under the laws of New Zealand on April 14, 2015. HRC (NZ) is a 100% owned subsidiary of Pulse OpCo.

“**Hydrate or HRC**” means Pulse OpCo until the completion of the Wolfpack Acquisition .

“**IFRS**” or “**GAAP**” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“**McDaniel**” means McDaniel & Associates Consultants Ltd.

“**NI 51-101**” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators.

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

“**Pulse OpCo**” means Pulse Oil Operating Corp. (formerly Hydrate Resources Corp.), a 100% owned subsidiary of Pulse formed under the laws of British Columbia.

“**QT**” means a Qualifying Transaction under Policy 2.4 of the TSXV corporate finance manual.

“**Queenstown Assets**” means the oil and gas property interests owned by Pulse located in the Queenstown area of Alberta, Canada.

“**Rolling Hills**” means Rolling Hills Energy Ltd.

“**Rolling Hills Agreement**” means the asset sale agreement between Pulse and Rolling Hills dated April 3, 2017 in connection with the purchase by Pulse of the Queenstown Assets.

“**Sproule**” means Sproule Associates Limited.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time, including the regulations promulgated thereunder.

“**TSXV**” means the TSX Venture Exchange.

“**Wolfpack**” means Pulse until the completion of the Wolfpack Acquisition.

“**Wolfpack Acquisition**” means the reverse take-over of Pulse (then named Wolfpack Capital Corp.) by the former shareholders of Pulse OpCo (then named Hydrate Resources Corp.), upon the completion of which Pulse OpCo became a 100% owned subsidiary of Pulse.

CONVENTIONS

Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars. All financial information with respect to Pulse has been presented in Canadian dollars in accordance with IFRS. The information in this AIF is stated as at December 31, 2017, unless otherwise indicated.

ABBREVIATIONS

	Oil and Natural Gas Liquids		Natural Gas
Bbl	barrel	Mcf	thousand cubic feet
Bbls	barrels	Mmcf	million cubic feet
Mbbl	thousand barrels	Mcf/d	thousand cubic feet per day
Bbls/d	barrels per day	MMBTU	million British Thermal Units
Mbbls/d	thousand barrels per day	NGLs	natural gas liquids

Other

AECO	Alberta Energy Corporation’s natural gas storage facility located at Suffield, Alberta
API	an indication of the specific gravity of crude oil measured on the American Petroleum Institute gravity scale. Crude oil with a relative density greater than 31.1° API gravity or higher is generally referred to as light crude oil
BOE	BOE barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 6

	(unless otherwise stated) Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)
BOE/D	barrel of oil equivalent per day
m3	cubic meters
EPEA	<i>Environmental Protection and Enhancement Act</i> (Alberta)
MBOE	1,000 barrels of oil equivalent
NEB	National Energy Board of Canada
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade
\$000 or M\$	thousands of dollars

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
Bbls	Cubic metres	0.159
Cubic metres	Bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

ADDITIONAL INFORMATION CONCERNING RESERVES DATA

Reserve Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, 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, specifically the forecast prices and costs.

Reserves are classified according to the degree of certainty associated with the estimates, as follows:

(a) 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; and

(b) 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.

Other criteria that must also be met for the categorization of reserves are provided in the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time (the "**COGE Handbook**").

Each of the proved reserve and probable reserve categories may be further divided into developed and undeveloped categories:

(a) 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 (for example, 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:

(i) 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; and

(ii) 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;

(b) 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 classification (proved, probable) 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 categories described above are applicable to individual reserve 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 reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

(b) at least a 50% probability that the quantities actually recovered will equal or exceed the estimated proved plus probable 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 will be 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 the COGE Handbook.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF may constitute forward-looking statements. These statements relate to future events or Pulse's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Pulse believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon by investors. These statements speak only as of the date of this AIF and are expressly qualified, in their entirety, by this cautionary statement.

Forward-looking statements or information in this AIF include, but are not limited to, the characteristics of Pulse's oil and natural gas interests, reserve quantities and the discounted present value of future net cash flows from such reserves, net revenue, future production levels, projection of market prices, capital expenditures, exploration plans, development plans, acquisition and disposition plans and the timing thereof, operating and other costs, world-wide supply and demand for petroleum products, royalty rates and treatment under governmental regulatory regimes. In addition, this AIF may contain forward-looking statements attributed to third party industry sources.

In particular, this AIF contains forward-looking statements pertaining to the following:

- future revenues and costs (including royalties) and revenues and costs per commodity unit;
- recovery factors;
- the performance characteristics of Pulse's oil and natural gas properties, including oil and natural gas production levels;
- well completions and the timing thereof;
- productive capacity of wells, anticipated or expected production rates and anticipated dates of commencement of production and timing of results therefrom;
- the size of the oil and natural gas reserves of Pulse and anticipated future cash flows;
- reserves;
- future development and growth prospects;
- ability to meet current and future obligations;
- future sources of funding for capital programs and future availability of such sources;
- future asset acquisitions or dispositions;
- future abandonment, reclamation and decommissioning costs;
- future tax liabilities and future use of tax pools and losses;

- development plans;
- anticipated land expiries;
- treatment under governmental regulatory regimes and tax laws;
- the ability to obtain financing on acceptable terms or at all; and
- currency, exchange and interest rates.

With respect to forward-looking statements contained in this AIF, Pulse has made assumptions regarding, among other things:

- the legislative and regulatory environments of the jurisdictions where Pulse carries on business or has operations;
- oil and natural gas production levels;
- the success of Pulse's operations and exploration and development activities;
- prevailing climatic conditions, royalty regimes, commodity prices and exchange and interest rates;
- the impact of increasing competition;
- availability of skilled labour, services and drilling equipment;
- timing and amount of capital expenditures;
- the legislative and regulatory environments of the jurisdictions where Pulse carries on business or has operations;
- conditions in general economic and financial markets;
- availability of drilling and related equipment;
- royalty rates and future operating costs;
- access to market for Pulse's production; and
- Pulse's ability to obtain additional financing on satisfactory terms.

Pulse's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- volatility in market prices for oil and natural gas and exchange and interest rates;
- uncertainties associated with estimating oil and natural gas reserves and reserves life;
- the risks inherent in the oil and gas industry, such as operational risks and market demand;
- pipeline and third party facility capacity constraints and access to sales markets;

- the ability of management to execute its business plan;
- governmental regulation of the oil and gas industry, including environmental regulation;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- geological, technical, drilling and processing problems;
- exploration and development activities are capital intensive and involve a high degree of risk;
- risks and uncertainties involving geology of oil and natural gas deposits;
- risks inherent in marketing operations, including credit risk;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- availability of sufficient financial resources to fund Pulse's capital expenditures;
- stock market volatility and market valuations;
- failure to realize the anticipated benefits of acquisitions and dispositions;
- unanticipated operating events which could reduce production or cause production to be shut-in or delayed;
- hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;
- the ability to add production and reserves through development and exploration activities;
- uncertainties in regard to the timing of exploration and development activities;
- uncertainties in regard to estimates and projections relating to production, cost and expense;
- changes in general economic, market and business conditions in Canada and globally;
- the possibility that government policies or laws, including laws and regulations related to the environment, may change or governmental approvals may be delayed or withheld;
- uncertainty in amounts and timing of royalty payments;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom;
- failure to obtain industry partner and other third party consents and approvals, as and when required;

- the availability of capital on acceptable terms or at all;
- competition for, among other things, capital, acquisition of reserves, unproved land and skilled personnel; and
- the other factors considered under “*Risk Factors*” below.

Statements relating to “reserves” are deemed to be forward-looking statements or information, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitable in the future. There are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of Pulse. The reserve data included herein represents estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary considerably from actual results. All such estimates are to some degree speculative and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties and classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of Pulse with respect to these reserves will vary from such estimates, and such variances could be material.

Pulse has included the above summary of assumptions and risks related to forward-looking information provided herein in order to provide investors with a more complete perspective on Pulse’s current and future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained herein, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. Except as required by applicable securities laws, Pulse does not undertake any obligation to publicly update or revise any forward-looking statements and readers should also carefully consider the matters discussed under the heading “*Risk Factors*” below.

The forward-looking statements or information contained herein are made as of the date hereof and Pulse undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved and probable 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.

The recovery and reserve estimates of crude oil, NGLs and natural gas reserves provided herein (including the documents incorporated by reference) are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of Pulse's natural gas and petroleum reserves does not represent the fair market value of Pulse's reserves.

Caution Respecting BOE

In this AIF, the abbreviation BOE means a barrel of oil equivalent on the basis of 1 BOE to 6 Mcf of natural gas when converting natural gas to BOEs. **BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 1 BOE is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of crude oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency conversion ratio of 6 Mcf to 1 BOE, utilizing a conversion ratio of 6 Mcf to 1 BOE may be misleading as an indication of value.**

Non-GAAP Measures

Certain financial measures in this document or in documents incorporated by reference herein do not have a standardized meaning as prescribed by GAAP and are therefore considered non-GAAP measures. These measures, such as funds from (used in) operations, may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide readers with additional measures for analyzing Pulse's ability to generate funds to finance its operations and information regarding its liquidity. The additional information should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP.

The terms "funds from (used in) operations", "funds from (used in) operations per share" and "netback" in this document or in documents incorporated by reference herein are not recognized measures under GAAP. Management believes that in addition to net losses and cash flow from (used in) operating activities as defined by GAAP, these terms are useful supplemental measures to evaluate operating performance. Users are cautioned however, that these measures should not be construed as an alternative to net losses or cash flow from (used in) operating activities determined in accordance with GAAP as an indication of Pulse's performance.

Management utilizes "funds from (used in) operations" as a key measure to assess the ability of Pulse to generate funds necessary to finance operating activities and capital expenditures. Funds from (used in) operations are based on cash flows from (used in) operating activities before the change in non-cash working capital and transaction expenses.

NOTE REGARDING DRILLING LOCATIONS

The references to drilling locations that are contained herein have been prepared by qualified reserves evaluators from Pulse as at the date hereof. Of the 20 drilling locations identified herein, all of which are 100% interests net to Pulse, 4 are proved locations, 2 are probable locations and 14 are unbooked locations. Proved locations and probable locations are derived from Pulse's independent reserves evaluation as prepared by Sproule Associated Limited, as of December 31, 2017, and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on 3-D seismic response within interpreted channel sequences. Unbooked locations do not have attributed reserves or resources. There is no certainty that Pulse will drill any or all booked or unbooked drilling locations and, if drilled, there is no certainty that such locations will result in additional oil and gas reserves,

resources or production. The drilling locations on which Pulse actually drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

CORPORATE STRUCTURE

Pulse's full name is "Pulse Oil Corp.". Pulse's registered and records office is located at 1700, 10175 – 101 Street NW, Edmonton, Alberta, T5J 0H3, and its head office is located at Suite 500, 666 Burrard Street, Vancouver, British Columbia, V6C 3P6.

Pulse was incorporated under the ABCA on September 17, 2012 under the name "Wolfpack Capital Corp.". On August 28, 2013, the Common Shares were listed and began trading on the TSXV, as a CPC, under the symbol "WLP.P".

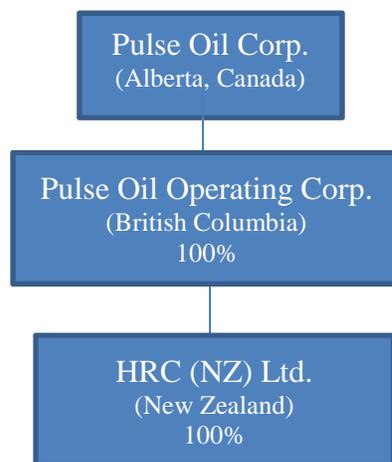
On October 20, 2016, as a result of Pulse not being able to complete a QT within the time period prescribed by the TSXV, the listing of Pulse's shares was transferred to the NEX board of the TSXV at which time Pulse's symbol changed from WLP.P to WLP.H. In addition, as required under the TSXV policy, an aggregate of 1,000,000 shares of Pulse that were subject to escrow and held by Pulse's officers and directors, were cancelled.

On November 30, 2016, Pulse changed its name to Pulse Oil Corp. and on December 1, 2016, its trading symbol changed to "PUL".

On February 24, 2017, Pulse completed its QT by acquiring all of the issued and outstanding shares of Pulse OpCo in exchange for common shares of Pulse. As a result of closing its QT, Pulse changed from a CPC to a Tier 2 oil and gas company trading on TSXV.

As of the date of this AIF, Pulse's subsidiaries are Pulse OpCo and HRC (NZ).

The following chart shows the corporate relationship between Pulse and its subsidiaries:



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Development from January 1, 2018 until April 30, 2018:

- a. Fiscal year 2018 is an active time for Pulse and significant changes are expected during the financial year. Pulse, as of the date of this report, are completing a number of projects related to reactivating wells at Bigoray in order to increase daily production and cashflow from proved reserves that, as of December 31, 2017, were classified as Proved Developed Non-Producing.
- b. McDaniel & Associates Consultants Ltd (“McDaniel”) and Sproule Associated Limited (“Sproule”), qualified independent reserves evaluators in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook, completed their independent reserves assessment (the “Assessments”) on Pulse’s interests within the Bigoray and Queenstown core operating areas, respectively for the fiscal year ended December 31, 2017. (“FY2017”). The Assessments were effective December 31, 2017 and resulted in a pre-tax net present value of \$24.37 million proven plus probable (“2p”) reserves and \$15.4 million proven (“1p”) reserves, using a 10% discount rate to Pulse’s net working interest. This represents an increase in the value of 1p reserves of 287% and an increase in the value of 2p reserves of 328% since Pulse started trading on the TSX-V.
- c. On January 9, 2018, Pulse reported on the completion of an independent resource assessment of Pulse’s Nisku EOR project in the Bigoray area of Alberta. The estimate, completed by Sproule, an independent qualified reserves evaluator, with an effective date of December 6, 2017, **includes the Bigoray EOR project potential only, and is in addition to the previously disclosed baseline independently assessed reserves in Pulse’s core areas at Bigoray and Queenstown and the reserves data included in this AIF.**
- d. In March 2018, Pulse initiated Phase 1 of the Bigoray Nisku Pinnacle Reef EOR project related to well and facility optimization.
- e. In April 2018, Pulse retained Schlumberger to complete three phases of Pulse’s petro-technical modelling of the Bigoray Nisku Pinnacle Reef EOR project.

Financial year ended December 31, 2017

- a. On February 24, 2017, the Wolfpack Acquisition was completed. This transaction constituted Wolfpack’s QT.

Pursuant to the Wolfpack Acquisition, each Hydrate common share was exchanged for Pulse common shares at a ratio of 1 Hydrate common share to 0.95 Pulse common share. In total, Pulse issued 27,781,197 Common Shares to the holders of common shares of Hydrate, inclusive of Common Shares to the holders of Hydrate common shares issued under the \$425,000 private placement that closed on December 22, 2016.

As a result of the closing of the QT, Pulse’s classification on the TSXV changed from a capital pool company to a Tier 2 oil and gas company effective March 7, 2017, and its common shares commenced trading under the symbol “PUL”.

- b. On March 8, 2017, Pulse successfully negotiated an extension to the terms of the Bigoray Purchase to insure the committed work program takes optimal advantage of Pulse’s funding plans and maximizes the value of the Bigoray Assets. The material amendments to the terms of the Bigoray Purchase agreement were as follows:

- (i) The deadline for the \$3,000,000 capital cost commitment required to acquire a 50% interest in the Bigoray Assets was revised to:
 - a. \$ 250,000 to be paid by March 20, 2017;
 - b. \$ 1,000,000 to be paid by June 30, 2017; and
 - c. \$ 1,750,000 to be paid by September 29, 2017.
- (ii) The deadline for acquiring the remaining 50% interest in the Bigoray Assets was revised to October 20, 2017.

c. On March 31, 2017, Pulse entered into a purchase and sale agreement, to acquire certain oil and gas assets located in the Queenstown area of Southern Alberta for consideration of \$1,350,000 (subject to customary post-closing adjustments) and three million Common Shares of Pulse at a price of \$0.155 per share. This acquisition completed on June 13, 2017.

d. On June 13, 2017, Pulse raised gross proceeds of \$3,115,167 under a brokered private placement through the issuance of 25,959,724 units of Pulse (the "**Basic Units**") at a price of \$0.12 per Basic Unit. Each Basic Unit was comprised of one Common Share and one Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share (a "**Warrant Share**") at an exercise price of \$0.17 per Common Share for a period of 24 months (June 13, 2019).

In addition to the Basic Units, Pulse also raised gross proceeds of \$1,697,768 through the issuance of 13,059,760 units of Pulse (the "**Flow-Through Units**") at a price of \$0.13 per Flow-Through Unit. Each Flow-Through Unit consisted of one Common Share issued on a flow-through basis pursuant to the *Income Tax Act* (Canada) (a "**Flow-Through Share**") and one Warrant (also on the same terms and conditions as the Warrants issued as part of the Basic Units).

e. On October 20, 2017, Pulse completed an asset exchange agreement that was signed on September 20, 2017. The joint venture formed by Pulse and an arm's-length Alberta incorporated private company (the "**Pulse JV**") had negotiated the agreement with an intermediate-sized oil and gas producer ("**PubCo**"). The transaction provided for the Pulse JV to exchange its 50% interest in the Central Alberta Bigoray Nisku-F Pool for PubCo's 75% interest in the nearby Bigoray Nisku-D Pool, allowing the Pulse JV to increase its interest in the Nisku D pool and the upside Pulse's management team feels Nisku D can provide to Pulse.

f. On October 31, 2017, Pulse completed an asset purchase and sale agreement that was signed on October 20, 2017 whereby Pulse increased its interest in the Bigoray Assets, superseding all prior terms noted above and assuming operatorship of the assets. Pursuant to the agreement, Pulse acquired 100% of the remaining working interest in the Bigoray Assets from Crimson. The acquisition price was \$4.1 million (including payments over time in a combination of cash and Common Shares) subject to customary closing adjustments. Pulse has the right, with no penalty, to accelerate the payment schedule. The acquired assets include increased interests in the Nisku-D and Nisku-E pool acreages and are concentrated in the light-oil prone West Pembina area of Central Alberta and 7,000 acres of hydrocarbon rights, proven producing and proven non-producing reserves in four separate formations, as well as valuable existing infrastructure associated with the Bigoray Assets.

g. On November 27, 2017, the Warrants began trading on the TSXV under the symbol "PUL.WT".

h. On December 6, 2017, Pulse completed the acquisition of all PNG rights in 160 acres of Bigoray land immediately adjacent to Pulse's 100% owned Bigoray Assets.

Financial year ended December 31, 2016

On July 4, 2016, the TSXV conditionally accepted Wolfpack's application for a further extension of the period within which it was required to complete a QT, to August 23, 2016 (the "**Extension Deadline**"), in which to complete a QT. Subsequently, Wolfpack was notified by the TSX-V that effective October 20, 2016 that its listing had been transferred to the NEX and 50% of the seed capital shares (1,000,000 shares) were cancelled concurrently with listing on the NEX.

On October 7, 2016, Wolfpack entered into a letter of intent (the "**LOI**") with Hydrate whereby Wolfpack would acquire all of the issued and outstanding securities of Hydrate, which transaction would constitute Wolfpack's QT.

On October 31, 2016, Hydrate closed the Bigoray Purchase, acquiring a 50% interest in the Bigoray Assets from Crimson for cash consideration of \$ 750,000. In addition to the initial payment of \$ 750,000, Hydrate agreed to fund, by March 31, 2017, the first \$3 million in capital costs to develop and enhance the Bigoray Assets. Pursuant to the Bigoray Purchase agreement, an option was granted to acquire Crimson's remaining interest in the Bigoray Assets, any after-acquired assets, and any additional wells for \$ 4.25 million until April 30, 2017, or a later date as mutually agreed by the parties.

On December 22, 2016, Pulse issued 2,833,334 non-transferable subscription receipts at a price of \$ 0.15 each for aggregate gross proceeds of \$ 425,000.

Financial year ended December 31, 2015

During the financial year ended, December 31, 2015, the business of Wolfpack, as a CPC, was limited to identifying and evaluating businesses and assets with a view to completing a QT. On December 8, 2015, the TSXV conditionally accepted Wolfpack's application to extend the period within which it was required to complete a QT. As a result, Wolfpack had until June 2, 2016 to complete a QT or it would be transferred to the NEX.

Significant Acquisitions

Pulse completed a significant acquisition during its most recently completed financial year for which disclosure was required under Part 8 of NI 51-102. The acquisition described as the Rolling Hills Agreement in the three-year history and was filed on SEDAR under Form 51-102F4 – *Business Acquisition Report* on August 24, 2017.

DESCRIPTION OF THE BUSINESS OF PULSE

General

Pulse is a Canadian company incorporated under the ABCA that has plans to become a leading oil and gas company. Pulse has recently completed transactions to consolidate its interests in the Bigoray area of Alberta, resulting in 100% control of Pulse's Bigoray operations, including production, facilities, pipelines and two Nisku oil Pinnacle Reefs within which, Pulse intends to conduct its EOR program. Pulse is conducting operations to grow production and execute on the EOR project in order to grow reserves and production within the large volume of independently estimated discovered petroleum initially in-place ("DPIIP") and through control of approximately 65 net sections of land across the Mannville, Cardium, Pekisko/Shunda and Nisku trends in Western Canada. Pulse will continue to focus on new acquisitions of affordable, small to

medium sized proven oil and gas assets with significant upside if acquisition and funding terms are acceptable to Pulse's management. Pulse plans to achieve further growth through low-risk, technically diligent drilling, infrastructure ownership and reserve growth utilizing proven EOR techniques and implementation of technology.

Principal Exploration Properties

Bigoray Area

Pulse currently holds approximately 44,720 net acres of land in the Bigoray area of Alberta. The Bigoray Assets, 100% operated by Pulse, consist of proved and probable, producing and non-producing oil and gas reserves, production infrastructure and pipelines as well as exploration properties. The area is prospective for Cardium Oil Pools, Mannville Gas Pools, Pekisko/Shunda Oil Pools, Nisku Oil Pools and Duvernay Shale. In particular Pulse holds 100% interest in two Nisku Oil Pools, the Nisku D and E Pools where Pulse intends to implement an EOR miscible flood scheme. Pulse currently owns and operates all the equipment and facilities in place from the previous water-flood production scheme, all of which will play a vital role in the miscible flood EOR scheme as well. As planning of the EOR project progresses, Pulse will determine if any additional injection/production wells, equipment and/or facilities are needed or if existing assets are in need of optimization or enhancement.

Pulse operates all of its production in the area and has an average working interest of 100%.

Pulse's 2017 exit year-end production in the area was approximately 162 boe/d consisting of 105 Bbl/d of crude oil and NGLs and 340 Mcf/d of conventional natural gas.

Pulse will continue to focus on assessing the potential for drilling, implementation of proven EOR techniques, utilization of technology and land sale opportunities in the area to achieve further growth and development within its Bigoray Assets.

Currently, Pulse has multiple options available to market its products and currently distributes its oil by truck to Pulse's contracted buyer, while gas is distributed by Pulse owned pipelines to nearby third-party gas processing facilities. As of the date of this AIF, there are no limitations or constraints on the sale or marketing of Pulse's oil and gas products.

Queenstown Area

Pulse currently holds approximately 30,878 net acres of land in the Queenstown area of Alberta. The Queenstown Assets, 100% operated by Pulse, contain at least 20 drill ready horizontal drilling locations established within the Mannville formation that are identified by existing 3D seismic. In addition to the Mannville formation, Pulse has identified opportunities in the Eilerslie, Pekisko/Shunda and Nisku formations.

Pulse is the operator of its production in the area and has an average working interest of 100%.

Pulse's 2017 exit year-end production in the area was approximately 67 boe/d consisting of 20 Bbl/d of crude oil and NGLs and 280 Mcf/d of conventional natural gas.

Pulse will continue to focus on assessing the potential for drilling, utilizing proven techniques and technologies, and land sale opportunities in the area to achieve further growth within its Queenstown Assets.

Currently, Pulse has signed agreements to market its products through October 2018 and prior to Pulse acquiring the Queenstown assets, there have been no limitations or constraints on production. Pulse, as an ordinary course of running its business, has reviewed additional options to market its products in advance of the October 2018 expiry of its current agreements. As of the

time of this AIF, there are no limitations or constraints on the sale or marketing of Pulse's oil and gas products and no limitations or constraints are anticipated.

Specialized Skill and Knowledge

Pulse employs and/or consults individuals with various professional skills in the course of pursuing its business plan. These professional skills include, but are not limited to, engineering, financial, geology, geophysics and business skills, which are widely available in the industry. Drawing on significant experience in the oil and natural gas business, Pulse believes its management team has a demonstrated track record of bringing together all of the key components to a successful exploration and production company: strong technical skills; expertise in planning and financial controls; ability to execute on business development opportunities; capital markets expertise; and an entrepreneurial spirit that allows Pulse to effectively identify, evaluate and execute on its business plan.

Competitive Conditions

The oil and natural gas industry is competitive in all its phases. Pulse competes with numerous other participants in the acquisition, exploration and development of oil and natural gas assets, and in the marketing of oil and natural gas. Pulse's competitors include resource companies; which may have greater financial resources, staff and facilities than Pulse. Competitive factors in the distribution and marketing of oil and natural gas include price and methods of and reliability of delivery. Pulse believes that its competitive position is equivalent to that of other oil and gas issuers of a similar size and at a similar stage of development. See "*Risk Factors*".

Cyclical and Seasonal Nature of Industry

Pulse's operational results and financial condition are dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on Pulse's financial condition. Furthermore, the level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. See "*Risk Factors*".

Contracts and Availability of Services

Pulse utilizes contracts in order to market and sell its oil and gas products. These agreements are primarily on a month-to-month basis, with the exception of a gas contract that expires in October 2018. There are no penalties or obligations after the expiry of any of the agreements. The access to market is not a constraint to Pulse at this time.

Pulse engages the services of drilling rigs and related equipment for the completion of specific drilling operations. Once those operations are complete, the drilling rig and related equipment are released and Pulse has no further contractual obligation to lease the equipment. Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Pulse and may delay exploration and development activities.

Pulse does not expect to renegotiate or terminate any of its existing contracts or sub-contracts during the current financial year.

Environmental

The oil and natural gas industry is currently subject to environmental laws and regulations pursuant to a variety of provincial and federal legislation. Pulse believes that it is in compliance with applicable existing environmental laws and regulations and is not aware of any proposed environmental legislation or regulations with which it would not be in material compliance. Procedures are put in place to ensure that the utmost care is taken in the day-to-day management of Pulse's oil and gas properties. However, in the future, the natural resources industry may become subject to more stringent environmental protection rules. This could increase the cost of doing business and may have a negative impact on future earnings. See "*Industry Conditions – Environmental Regulation*" and "*Risk Factors – Environmental Risks*".

Employees

As at December 31, 2017, Pulse had 3 employees.

Foreign Operations

Pulse maintains an inactive company registered in the country of New Zealand.

Reorganizations

Other than the Wolfpack Acquisition, there have been no material reorganizations of Pulse within the three most recently completed financial years or completed during or proposed for the current financial year. See "*General Development of the Business – Significant Acquisitions*".

Social or Environmental Policies

The health and safety of employees, contractors and the public, as well as the protection of the environment, is of utmost importance to Pulse. Pulse endeavours to conduct its operations in a manner that will minimize both adverse effects and consequences of emergency situations by:

- complying with government laws, regulations and standards, particularly relating to the environment, health and safety;
- operating consistent with industry codes, practices and guidelines;
- ensuring prompt, effective response and repair to emergency situations and environmental incidents;
- providing training to employees and contractors to ensure compliance with corporate safety and environmental rules and procedures; and
- communicating openly with members of the public regarding its activities.

Pulse believes that all employees have a vital role in achieving excellence in environmental, health and safety performance, which is best achieved through careful planning and the support and active participation of everyone involved. To further ensure that Pulse achieves excellence in health and safety performance, an emergency response plan and a corporate safety policy have been implemented. Furthermore, Pulse aligns itself with the best industry practices to ensure positive results.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

In accordance with NI 51-101, Pulse engaged Sproule to prepare a report (the “**Sproule Report**”) with a **preparation date of March 23, 2018**. The Sproule Report, as at the **effective date of December 31, 2017**, evaluated all of the crude oil, NGL and natural gas reserves at the Queenstown property held by Pulse.

Additionally, Pulse engaged McDaniel & Associates to prepare a report (the “**McDaniel Report**”) with a **preparation date of October 25, 2018**. The McDaniel Report, as at the **effective date of December 31, 2017**, evaluated all of the crude oil, NGL and natural gas reserves at the Bigoray property held by Pulse.

The two reports include 100% of the reserves attributed to Pulse at the time of the reports.

The Report on Reserves Data by Sproule on Form 51-101F2 is attached as Schedule A to this AIF. The Report on Reserves Data by McDaniel on Form 51-101F2 is attached as Schedule B to this AIF. The Report of Management and Directors on Reserves Data and Other Information on Form 51-101F3 is attached as Schedule C to this AIF.

Disclosure of Reserves Data

The Statement set forth below discloses Pulse’s reserves data (the “**Reserves Data**”) in respect to the Queenstown Assets and the Bigoray Assets based upon evaluation by Sproule and McDaniel, respectively. The Reserves Data summarizes the crude oil, natural gas liquids, and natural gas reserves of Pulse and the net present values of future net revenue for these reserves using forecast prices and costs supplied by Sproule (and utilized by McDaniel for consistency in the Corporation’s reserves). The Sproule Report and McDaniel Report have been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101 and the COGE Handbook. Additional information not required by NI 51-101 has been presented to provide continuity and additional information, which Pulse believes is important to readers of this AIF. Sproule and McDaniel were engaged to provide evaluations of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

Sproule has evaluated the Queenstown Assets, which comprise approximately **25%** of the net present value (discounted at 10%, before tax, using forecast prices and costs) of the Corporation’s proved plus probable reserves. McDaniel has evaluated the remaining **75%** of the net present value of its proved plus probable reserves, which is comprised of the Bigoray Assets, using similar evaluation parameters, including the same forecast price and inflation rate assumptions utilized by Sproule.

All of Pulse’s reserves are onshore in Canada and, specifically, in the Province of Alberta. The Sproule Report and McDaniel Report are based on certain factual data supplied by Pulse, Sproule’s opinion, and McDaniel’s opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to petroleum properties and contracts (except for certain information residing in the public domain) were supplied by Pulse to Sproule and McDaniel. Sproule and McDaniel accepted this data as presented and neither title searches nor field inspections were conducted.

The net present value of future net revenue attributable to 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. Pulse determined the future net revenue and present value of future net revenue after income tax expenses by utilizing Sproule’s and McDaniel’s before income tax future net revenue for the Queenstown Assets and Bigoray Assets, respectively, and Pulse’s estimate of income tax. Pulse’s estimates of the after-income tax value of future net revenue have been prepared based on before income tax reserves information and include

assumptions and estimates of Pulse's tax pools and the sequences of claims and rates of claim thereon. The values shown may not be representative of future income tax obligations, applicable tax horizon or after tax valuation. The after tax net present value of Pulse's oil and natural gas properties reflects the tax burden of its properties on a stand-alone basis. It does not provide an estimate of the value of Pulse as a business entity, which may be significantly different. Pulse's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2017 should be consulted for additional information regarding Pulse's taxes.

There are numerous uncertainties inherent in estimating quantities of crude oil, NGLs and natural gas reserves and the future cash flows attributed to such reserves. In general, such estimates are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, estimates of the economically recoverable crude oil, NGLs and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Pulse's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by Sproule or McDaniel 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 crude oil, NGLs and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

The information relating to Pulse's crude oil, NGLs and natural gas reserves contains forward looking statements relating to future net revenues, forecast capital expenditures, future development plans, timing and costs related thereto, forecast operating costs, anticipated production and abandonment costs. See "*Special Note Regarding Forward-Looking Statements*", "*Industry Conditions*" and "*Risk Factors*".

Throughout the following summary tables, differences may arise due to rounding.

Reserves Data (Forecast Prices and Costs)

The following tables summarize certain information contained in the Sproule Report and McDaniel Report using forecast prices and costs supplied by Sproule (and utilized by McDaniel for consistency in the Corporation's reserves reporting),

SUMMARY OF OIL AND GAS RESERVES AND NET PRESENT VALUES OF FUTURE NET REVENUE
AS OF DECEMBER 31, 2017

(Forecast prices and costs)

Reserves Category	RESERVES							
	Light and Medium Crude Oil		Heavy Oil		Conventional Natural Gas ⁽¹⁾		Natural Gas Liquids	
	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)
Proved								

Developed Producing	145.1	102.3	-	-	891.0	809.7	44.4	30.0
Developed Non-Producing	713.1	576.7	25.9	24.2	1175.6	1060.7	114.4	81.6
Undeveloped	147.9	125.7	-	-	1,272	1,081	38.2	32.4
Total Proved	1006.1	804.7	25.9	24.2	3338.6	2952.5	197	144
Probable	378.7	310.7	196.4	169.8	2569.9	2310.8	119.8	96.9
Total Proved Plus Probable	1384.8	1115.5	222.3	193.9	5910.4	5262.2	316.6	240.8

(1) Conventional Natural Gas includes both associated gas as well as non-associated gas in crude oil reserves.

NET PRESENT VALUES OF FUTURE NET REVENUES (\$000s)

Reserves Category	Before Income Taxes – Discounted at				
	(% / year)				
	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved					
Developed Producing	4,747.1	4,381.9	3,922.9	3,505.1	3,154.3
Developed Non-Producing	23,196.6	15,968.0	11,533.50	8,691.6	6,780.9
Undeveloped	1,867	1,287	790	385	62
Total Proved	29,810.7	21,637.9	16,245.4	12,581.6	9,997.2
Probable	20,066.1	13,319.3	9,440.7	6,987.4	5,307.8
Total Proved Plus Probable	49,876.8	34,956.2	25,686.1	19,570	15,305

NET PRESENT VALUES OF FUTURE NET REVENUES (\$000s)

Reserves Category	After Income Taxes – Discounted at					Unit Value Before Tax @ 10.0% (\$/BOE)
	(% / year)					
	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)	
Proved						
Developed Producing	4,020.4	3,822.9	3,473.6	3,132.9	2,836.8	14.68

Developed Non-Producing	16,767.4	11,564.2	8,305.3	6,204.2	4,791.7	13.42
Undeveloped	1244	683	217	-153	-442	2.34
Total Proved	22,031.8	16,070.1	11,996	9,184	7,187.6	11.09
Probable	14,703.8	9,484.5	6,428.2	4,484.7	3,151.6	9.81
Total Proved Plus Probable	36,735.7	25,554.6	18,424.1	13,668.7	10,339.2	10.58

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)

Reserves Category	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs ⁽¹⁾ (M\$)	Abandonment And Reclamation Costs ⁽²⁾ (M\$)	Future Net Revenue Before Income Taxes (M\$)
Proved Reserves	102,089.7	19,846.7	38,046.4	11,238.1	3,147.6	29,811.0
Proved Plus Probable	164,849.8	30,038.6	59,627.0	21,192.1	4,116.3	49,876.8

Note:

- (1) Development costs shown are associated with reserved attributed to the Assets in the Sproule Report and McDaniel Report and do not necessarily represent Pulse's exploration and development plans and budget with respect to the assets.
- (2) Reflects estimated abandonment and reclamation for all wells (both existing and undrilled wells) that reserves have been attributed to. See "Additional Information Concerning Abandonment and Reclamation Costs".

TOTAL FUTURE NET REVENUE BY PRODUCT TYPE

Reserves Category	Product Type	Future Net Revenue Before Income Taxes (Discounted at 10%/Year)	
		(M\$)	(\$/Bbl) (\$/Mcf)
Proved Reserves	Light and Medium Crude (including solution gas & by-products)	15,064	21.95/Bbl
	Heavy Oil (including solution gas and by-products)	76	3.15/Bbl
	Conventional Natural Gas (including by-products)	1,106	1.56/Mcf
		16,245	
Proved Plus Probable	Light and Medium Crude (including solution gas & by-products)	21,790	19.60/Bbl
	Heavy Oil (including solution gas and by-products)	2,447	12.62/Bbl
	Conventional Natural Gas (including by-products)	1,449	1.29/Mcf
		25,686	

Forecast Pricing and Cost Assumptions

The reserve data estimates contained herein are based on forecast prices and costs supplied by Sproule, applying Sproule's pricing, exchange rate and inflation rate assumptions as of December 31, 2017 (and utilized by McDaniel for consistency in the Corporation's reserves reporting). The forecast prices and costs used by Sproule and McDaniel assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. The

following table sets forth commodity benchmark reference pricing, inflation rate and exchange rate assumptions supplied by Sproule as of December 31, 2017 (and utilized by McDaniel for consistency in the Corporation's reserves reporting). Price offsets and differentials for each property were determined by comparing actual historical benchmark prices to actual prices received at the property.

**SUMMARY OF PRICING, INFLATION AND EXCHANGE RATE
ASSUMPTIONS USED IN SPROULE REPORT
Effective December 31, 2017**

Year	Crude Oil		Conventional Natural Gas		NGLs		Inflation Rate		
	Canadian Light Sweet Crude Oil ¹	Western Canadian Select Crude Oil ²	Natural Gas AECO-C (NIT) Spot ³	Edmonton Propane	Edmonton Butane	Edmonton Pentanes Plus	Operating Cost Inflation Rate	Capital Cost Inflation Rate	Exchange Rate
Year	(\$Cdn/Bbl)	(\$Cdn/Bbl)	(\$Cdn/MMBTU)	(\$Cdn/Bbl)	(\$Cdn/Bbl)	(\$Cdn/Bbl)	(%/Year)	(%/Year)	(\$US/\$Cdn)
Historical									
2013	93.27	74.93	3.13	38.37	69.88	105.48	1.0%	0.7%	0.971
2014	93.99	81.06	4.50	44.42	68.02	102.39	2.0%	-1.0%	0.905
2015	57.45	44.83	2.70	6.17	36.81	61.45	1.8%	-23.2%	0.783
2016	52.80	38.89	2.18	13.60	34.32	55.71	1.2%	-3.4%	0.755
2017	61.84	48.78	2.20	28.77	44.11	67.21	2.2%	-3.4%	0.771
Forecast									
2018	65.44	51.05	2.85	26.06	48.73	67.72	0.0%	0.0%	0.790
2019	74.51	59.61	3.11	32.84	55.49	75.61	2.0%	2.0%	0.820
2020	78.24	64.94	3.65	35.41	57.65	78.82	2.0%	2.0%	0.850
2021	82.45	68.43	3.80	37.85	60.12	82.35	2.0%	2.0%	0.850
2022	84.10	69.80	3.95	39.29	61.32	84.07	2.0%	2.0%	0.850
2023	85.78	71.20	4.05	40.25	62.55	85.82	2.0%	2.0%	0.850
2024	87.49	72.62	4.15	41.23	63.80	87.61	2.0%	2.0%	0.850
2025	89.24	74.07	4.25	42.23	65.07	89.43	2.0%	2.0%	0.850
2026	91.03	75.55	4.36	43.26	66.37	91.29	2.0%	2.0%	0.850
2027	92.85	77.06	4.46	44.30	67.70	93.19	2.0%	2.0%	0.850
2028	94.71	78.61	4.57	45.36	69.06	95.12	2.0%	2.0%	0.850
Thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	2.0%	2.0%	0.850

Notes:

¹ Canadian Light Sweet Crude at Edmonton, Alberta, 40° API, 0.3% sulphur (Edmonton Par prior to 2014)

² Western Canadian Select at Hardisty, Alberta, 20.5° API.

³ Alberta AECO Spot Gas price assuming 1,000 Btu/standard cubic feet

Reconciliations of Changes in Reserves and Future Revenue

RECONCILIATION OF PULSE GROSS⁽¹⁾ RESERVES BY PRINCIPAL PRODUCT TYPE

(Forecast prices and costs)

Factors	Light and Medium Crude Oil ⁽²⁾			Heavy Oil		Conventional Natural Gas ⁽³⁾			Natural Gas Liquids			
	Proved (Mbbbl)	Probable (Mbbbl)	Proved Plus Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved Plus Probable (Mbbbl)	Proved (MMcf)	Probable (MMcf)	Proved Plus Probable (MMcf)	Proved (Mbbbl)	Probable (Mbbbl)	Proved Plus Probable (Mbbbl)
December 31, 2016 ⁽⁴⁾	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0
Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revision	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0
Acquisitions	1,013.1	378.7	1,391.8	25.9	196.9	222.3	3,431.6	2,569.9	6,003.4	199.4	119.8	319
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category Transfer	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0
Production	(7.0)	0.0	(7.0)	0.0	0.0	0.0	(93)	0.0	(93)	(2.4)	0.0	(2.4)
December 31, 2017	1,006.1	378.7	1,384.8	25.9	196.9	222.3	3,338.6	2,569.9	5,910.4	197	119.8	316.6

(1) Gross Reserves means Pulse's working interest reserves before calculation of royalties, and before consideration of Pulse's royalty interests.

(2) Combined.

(3) Includes associated gas, non-associated gas and solution gas.

(4) Production in field acquired after preceding financial year-end, no initial data.

General notes to Reserves Data Tables

The following definitions form the basis of our classification of reserves and values presented in this report. The definitions are those set out in NI 51-101 and/or the COGE Handbook and incorporated into NI 51-101 by reference.

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

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology;

- specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed; and
- a remaining reserve life of 50 years.

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

1. 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.

2. 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.

3. 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. Possible reserves have not been considered in this report.

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

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

4. 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.

5. 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.

6. 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.

7. Undeveloped Reserves

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. ⁽¹¹⁾_(SEP)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.

8. Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in Sections 1, 2 and 3 are applicable to individual reserves entities, which refers to the lowest level at which reserves estimates are made, and to reported reserves, which refers to the highest level sum of individual entity estimates for which reserve estimates are made. Reported total reserves estimated by deterministic or probabilistic methods, whether comprised of a single reserves entity or an aggregate estimate for multiple entities, should target the following levels of certainty under a specific set of economic conditions:

- a) There is a 90% probability that at least the estimated proved reserves will be recovered.
- b) There is a 50% probability that at least the sum of the estimated proved reserves plus probable reserves will be recovered.
- c) There is a 10% probability that at least the sum of the estimated proved reserves plus probable reserves plus possible reserves will be recovered.

A quantitative measure of the probability associated with a reserves estimate is generated only when a probabilistic estimate is conducted. The majority of reserves estimates will be performed using deterministic methods that do not provide a 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. Whether deterministic or probabilistic methods are used, evaluators are expressing their professional judgment as to what are reasonable estimates.

9. **Remaining Recoverable Reserves** are the total remaining recoverable reserves associated with the acreage in which Pulse has an interest.
10. **Corporation Gross Reserves** are Pulse's working interest share of the remaining reserves, before deduction of any royalties.
11. **Corporation Net Reserves** are the gross remaining reserves of the properties in which Pulse has an interest, less all Crown, freehold, and overriding royalties and interests owned by others plus all royalty interest volumes received.
12. **Net Production Revenue** is income derived from the sale of net reserves of oil, non-associated and associated gas, and gas by-products, less all capital and operating costs.
13. **Fair Market Value** is defined as the price at which a purchaser seeking an economic and commercial return on investment would be willing to buy, and a vendor would be willing to sell, where neither is under compulsion to buy or sell and both are competent and have reasonable knowledge of the facts.
14. **Barrels of Oil Equivalent (BOE) Reserves** – BOE is the sum of the oil reserves, plus the natural gas reserves divided by a factor of 6, plus the natural gas liquid reserves, all expressed in barrels or thousands of barrels. Equivalent reserves can also be expressed in thousands of cubic feet of gas equivalent (McfGE) using a conversion ratio of 1 Bbl:6 Mcf.
15. **Oil (or Crude Oil)** – a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons, but does not include liquids obtained from the processing of natural gas. Crude oil volumes are further divided into Product Types, for reporting purposes.
16. **Gas (or Natural Gas)** – a mixture of lighter hydrocarbons that exist either in the gaseous phase or in solution in crude oil in reservoirs, but are gaseous at atmospheric conditions. Natural gas

may contain sulphur or other non-hydrocarbon compounds. Natural Gas volumes are further divided into Product Types, for reporting purposes.

17. **Non-Associated Gas** – an accumulation of natural gas in a reservoir where there is no crude oil.
18. **Associated Gas** – the gas cap overlying a crude oil accumulation in a reservoir.
19. **Solution Gas** – gas dissolved in crude oil.
20. **Natural Gas By-Products** – those components that can be removed from natural gas including, but not limited to, ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
21. **Product Types** - sub-classify the principle product types of petroleum, crude oil, gas and by-products, into specific groupings based on the properties of the hydrocarbon and the properties of the accumulation and reservoir rock from which it is found. Regulatory agencies may define in legislation the production types they require to be used for reporting purposes in their jurisdiction. The Canadian Securities Associations (CSA) defines the following Product Types for reporting purposes in NI 51-101, effective July 1, 2015.

Crude Oil

- I) **Light Crude Oil** means crude oil with a relative density greater than 31.1 degrees API gravity;
- II) **Medium Crude Oil** means crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity;
- III) **Heavy Crude Oil** means crude oil with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity;
- IV) **Tight Oil** means crude oil:
 - a. contained in dense organic rich rocks, including low-permeability shales, siltstones and carbonates, in which the crude oil is primarily contained in microscopic pore spaces that are poorly connected to one another, and
 - b. that typically requires the use of hydraulic fracturing to achieve economic production rates;
- V) **Bitumen** means a naturally occurring solid or semi-solid hydrocarbon:
 - a. consisting mainly of heavier hydrocarbons, with a viscosity greater than 10,000 millipascal-seconds (mPa·s) or 10,000 centipoise (cP) measured at the hydrocarbon's original temperature in the reservoir and at atmospheric pressure on a gas-free basis, and
 - b. that is not primarily recoverable at economic rates through a well without the

implementation of enhanced recovery methods;

- VI) Synthetic Crude Oil** means a mixture of liquid hydrocarbons derived by upgrading bitumen, kerogen or other substances such as coal, or derived from gas to liquid conversion and may contain sulphur or other compounds;
- VII) Conventional Natural Gas** means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional or erosional geological features;
- VIII) Coal Bed Methane** means natural gas that
- a. primarily consists of methane, and
 - b. is contained in a coal deposit;
- IX) Shale Gas** means natural gas:
- a) contained in dense organic-rich rocks, including low-permeability shales, siltstones and carbonates, in which the natural gas is primarily adsorbed on the kerogen or clay minerals, and
 - b) that usually requires the use of hydraulic fracturing to achieve economic production rates;
- X) Synthetic Gas** means a gaseous fluid:
- a. generated as a result of the application of an in-situ transformation process to coal or other hydrocarbon-bearing rock, and
 - b. comprised of not less than 10% by volume of methane;
- XI) Gas Hydrate** means a naturally occurring crystalline substance composed of water and gas in an ice-lattice structure;

By-Products

- XII) Natural Gas Liquids** means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates.
- XIII) Sulphur** is a non-hydrocarbon elemental by-product of gas processing and oil refining.

Additional Information Relating to Reserves Data

Undeveloped Reserves

The following tables set forth the proved undeveloped reserves and the probable undeveloped reserves, each by product type, attributed to Pulse in the three most recent financial years.

Proved Undeveloped Reserves

Year	Light and Medium Crude Oil (Mbbbl)		Conventional Natural Gas ⁽¹⁾ (MMcf)		Natural Gas Liquids (Mbbbl)	
	1 st Attributed	Booked Gross (Mbbbl)	1 st Attributed	Booked Gross (MMcf)	1 st Attributed	Booked Gross (Mbbbl)
2015	0.0	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0	0.0	0.0
2017	147.9	147.9	1,272	1,272	38.2	38.2

⁽¹⁾ Included associated, non-associated gas and solution gas.

Probable Undeveloped Reserves

Year	Light and Medium Crude Oil (Mbbbl)		Conventional Natural Gas ⁽¹⁾ (MMcf)		Natural Gas Liquids (Mbbbl)	
	1 st Attributed	Booked Gross (Mbbbl)	1 st Attributed	Booked Gross (MMcf)	1 st Attributed	Booked Gross (Mbbbl)
2015	0.0	0.0	0.0	0.0	0.0	0.0
2016	97.2	97.2	97.2	97.2	5.3	5.3
2017	173.9	365.3	1,496	1,687.4	44.9	55.4

⁽¹⁾ Included associated, non-associated gas and solution gas.

General Basis for Reserves and Timing of Development

The proved and probable undeveloped reserves have been estimated in accordance with procedures and standards contained in the "Canadian Oil and Gas Evaluation Handbook" maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time. All gross proved and probable undeveloped reserves during the year ended December 31, 2017 are attributed to the Assets.

Approximately 100 percent of the proved undeveloped reserves are scheduled to be developed within the next two years and 100 percent of the proved plus probable undeveloped reserves are scheduled to be developed within the next two years.

Undeveloped Reserves

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and natural gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserve estimates and the present worth of the future net revenue therefrom. These factors and

assumptions include, among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and government restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

While we do not anticipate any significant economic factors or significant uncertainties will affect any particular components of the reserves data, the reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond our control. See "*Risk Factors*".

Future Capital, Development, Abandonment and Reclamation Costs

The table below sets out the capital, abandonment and reclamation costs deducted in the estimation of future net revenue attributed to proved reserves and proved plus probable reserves (using forecast prices and costs supplied by Sproule).

Year	CAPITAL COST FORECAST (M\$)		ABANDONMENT AND RECLAMATION COST FORECAST	
	Total Proved ⁽¹⁾	Total Proved + Probable ⁽¹⁾	Total Proved ⁽¹⁾	Total Proved + Probable ⁽¹⁾
2018	4,600.0	8,750.0	0.0	0.0
2019	6,638.1	12,442.1	0.0	0.0
2020	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.0	0.0
2022	0.0	0.0	0.0	0.0
2023 - 2032	0.0	0.0	629.6	550.1
Remaining	0.0	0.0	2,519	3,567.1
Total	11,238.1	21,192.1	3,147.6	4,116.3
Discounted Total @ 10%	9,984.1	19,063.9	531.7	554.8

⁽¹⁾ Undiscounted except where noted.

Sources of Funding

All future development costs noted above relate to the Assets. It is expected that these will be financed through a combination of working capital, internally generated cash flows, and additional financing in the form issuance of new equity or debt. There can be no guarantee that funds will be available or that the Board of Directors will allocate funding to develop all of the reserves attributable in the Sproule Report or McDaniel Report. Failure to develop those reserves could have a negative impact on Pulse's future cash flow.

Interest expense or other costs of external funding are not included in the reserves and future net revenue estimates set forth above and would reduce the reserves and future net revenue to some degree depending upon the funding sources utilized. Pulse does not anticipate that interest or other funding costs would make further development of any of Pulse's properties uneconomic.

Other Oil and Gas Information

Oil and Gas Properties

The following is a description of Pulse's principal oil and natural gas properties on production or under development as at December 31, 2017. Reserve amounts are stated, before deduction of royalties, at December 31, 2017, based on escalating cost and price assumptions (gross) as supplied by Sproule (and utilized by McDaniel for consistency in the Corporation's reserves reporting) (see "*Statement of Reserves Data and Other Oil and Gas Information*"). Unless otherwise specified, gross and net acres and well count information are as at December 31, 2017. The estimate of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties due to the effects of aggregation.

General

Pulse's properties and facilities are located exclusively in Western Canada and more specifically in the Province of Alberta and are located onshore. Pulse operates in two core areas, namely the Bigoray area of North-Central Alberta and Queenstown area of Southern Alberta. Total capital expenditures, including cost of property acquisitions, for 2017 were \$8.68 million. In 2018, Pulse anticipates investing approximately \$9 million into further development capital in coming years, inclusive of reactivations, optimization and exploration drilling.

Queenstown Area

The Queenstown area is located 100 km south east of Calgary, Alberta, from Townships 18 to 19 and Ranges 21 to 22 west of the fourth meridian. Pulse holds a 100% working interest in approximately 30,878 net acres of land that contain a minimum of 20 drill ready horizontal locations established in the Mannville formation that are fully covered by 3D seismic.

Pulse has currently been producing predominately from the Mannville formation, but the geology suggests additional opportunities in the Ellerslie, Pekisko/Shunda and Nisku formations.

Pulse is the operator of its production. During 2017, Pulse acquired the property and initiated well optimization to increase production. Pulse is currently producing approximately 67 boe/d from 5 wells, consisting of light oil and liquid rich conventional natural gas. In 2018, Pulse plans to drill and complete at least one Horizontal Mannville well in Q4.

Bigoray Area

The Bigoray area is located 110 km south west of Edmonton, Alberta near the town of Drayton Valley, from townships 50-51 and ranges 8-9 west of the fifth meridian. Pulse holds a 100% working interest in approximately 44,720 net acres of land.

Pulse has currently been producing high quality light oil from 1 of 2 Nisku Pinnacle reefs and liquid rich gas from the Mannville formation. Geology suggests that additional opportunities exist in the Cardium Oil Pools, Mannville Gas Pools, Pekisko/Shunda Oil Pools, Nisku Oil Pools and Duvernay Shale trend.

Pulse is the operator of 100% of its production in the area. During 2017, Pulse completed its transactions to increase its ownership to 100% throughout the Bigoray area. In Q4, Pulse completed a re-activation of a shut in oil well that has increased production in the area to approximately 162 boe/d. The area is currently producing approximately 105 Bbl/d of light high quality oil and NGLs and 340 Mcf/d of conventional natural gas. In 2018, Pulse plans to invest capital in the Bigoray area to re-activate a number of wells that are capable of production. Additionally, it is anticipated that Pulse will begin the implementation of its EOR project on the Nisku Pinnacle Reefs in the area.

Oil and Gas Wells

The following table sets forth the number and status of wells in which Pulse had a working interest as at December 31, 2017.

Area	Oil Wells				Natural Gas Wells			
	Producing		Non-Producing ⁽¹⁾		Producing		Non-Producing ⁽¹⁾	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Queenstown	4.0	4.0	1.0	1.0	1.0	1.0	0.0	0.0
Bigoray	1.0	1.0	4.0	4.0	1.0	1.0	2.0	2.0
Total	5.0	5.0	5.0	5.0	2.0	2.0	2.0	2.0

Note:

- ⁽¹⁾ The non-producing oil and gas wells capable of production, but which are not currently producing, will be re-evaluated with respect to future product prices, proximity to facility infrastructure, design of future exploration and development programs and access to capital.

Land Holdings

The following table sets out Pulse's proved and unproved land holdings as at December 31, 2017.

Area	Proved Acres		Unproved Acres		Total Acres	
	Gross	Net	Gross	Net	Gross	Net
Queenstown	2,733	2,093	26,756	26,564	29,489	28,657
Bigoray	10,080	7,976	3,360	2,112	13,440	10,088
Total	12,813	10,069	30,116	28,676	42,929	38,745

Pulse expects that the rights to explore, develop and exploit 3,400 net acres of its unproved land holdings will expire by December 31, 2018.

Work Commitments

There are currently no work commitments associated with any unproved property.

Significant Factors or uncertainties relevant to properties with no attributed reserves

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases and fires and spills.

Pulse's properties with no attributed reserves have no material extraordinary risks or uncertainties beyond those, which are inherent of an oil and gas-producing Corporation.

Forward Contract

Pulse did not hold any forward contract obligations and accordingly financial hedges have not been included in the economic forecasts.

Tax Horizon

No material cash income taxes were paid by Pulse for the year ended December 31, 2017. Within the context of current commodity prices and capital spending plans, Pulse does not expect to incur income tax before 2021. This future tax horizon will also fluctuate depending on the ultimate nature and timing of Pulse's acquisitions and dispositions. If oil and natural gas prices were to strengthen beyond the levels anticipated by the current forward market, Pulse's tax pools would be utilized more quickly and it may experience higher than expected cash taxes or payment of such taxes in an earlier time period. However, it is difficult to give guidance on future taxability as Pulse operates within an industry that constantly changes given acquisitions, divestments, capital spending, dividends and overall commodity prices. See "*Risk Factors*".

Additional Information Concerning Abandonment and Reclamation Costs

Pulse basis its estimates for the costs of abandonment and reclamation of surface leases, wells and facilities on previous experience of management with similar well sites and facility locations. As at December 31, 2017, management expected to incur such costs on 14 net wells and 2 net facilities. The total of such costs, net of estimated salvage value, expected to be incurred is \$2.357 million (undiscounted) and \$1.360 million (discounted at 2.5%). These estimated abandonment and reclamation costs do not include any locations for undrilled wells.

For the purposes of estimating the Reserves Data, abandonment and reclamation costs for all wells (both existing and undrilled wells) that have been attributed reserves have been taken into account. No allowance was made, however, for the abandonment and reclamation of any pipelines or facilities or for wells with no attributed reserves. Future net revenue figures set forth in this Statement only include abandonment and reclamation liabilities for wells that have been assigned reserves.

Using public data and Pulse's own experience, Pulse estimates the amount and timing of future abandonment and reclamation expenditures at an operating area level. Wells within each operating area are assigned an average cost per well to abandon and reclaim the well. The estimated expenditures are based on current regulatory standards and actual abandonment and reclamation cost history.

Additional information related to our estimated share of future environmental and reclamation obligations for the working interest properties (including all abandonment and reclamation costs associated with all existing wells, facilities, pipelines and leases) can be found in Pulse's audited consolidated annual financial statements for the year ended December 31, 2017 and the accompanying management's discussion and analysis, which are available on SEDAR at www.sedar.com.

Costs Incurred

The following table summarizes the capital expenditures made by Pulse on crude oil and natural gas properties for the period ended December 31, 2017:

Area	Property Acquisition Costs			
	Proved Properties (M\$)	Unproved Properties (M\$)	Exploration Costs (M\$)	Development Costs (M\$)
Queenstown	2,164	0	0	19
Bigoray	6,243	0	0	223

Exploration and Development Activities

Pulse completed 2 well re-activations in the Bigoray field in the year-ended December 31, 2017. Additionally, Pulse completed well optimization activities to improve production from existing locations.

Production Estimates

The table below sets out the volume of Pulse's production before royalties estimated for the year ending December 31, 2018 which is reflected in the estimate of gross proved reserves and probable reserves disclosed in the tables contained under "*Statement of Reserves Data and Other Oil and Gas Information – Disclosure of Reserve Data (Sproule)*" and "*Statement of Reserves Data and Other Oil and Gas Information – Disclosure of Reserve Data (McDaniel)*".

Reserves Category	Corporation Gross First Year Production			
	Light and Medium Oil ⁽¹⁾ (Mbbls)	Conventional Natural Gas ⁽²⁾ (MMcf)	NGLs (Mbbls)	MBOE
Proved				
Queenstown	22.7	245.0	7.4	70.9
Bigoray	46.0	124.1	10.5	77.2
Total Proved 2018	68.7	369.1	17.9	148.1
Proved Plus Probable				
Queenstown	36.4	363.0	10.9	107.8
Bigoray	46.7	126.3	10.7	78.5
Total Proved Plus Probable 2018	83.1	489.3	21.6	186.3

(1) Including other by-products.

(2) Including solution gas and by-products and excluding by-products from oil wells.

(3) Unit values are based on net reserve volumes.

(4) Numbers may not add due to rounding.

Production History

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

	December 31, 2017 Year End			
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
AVERAGE DAILY PRODUCTION				
Light/Medium Oil (Bbls/d)	1.5	13.0	17.4	48.4
Conventional Natural Gas (Mcf/d)	88.7	346.6	401.9	496.3
Natural Gas Liquids (Bbls/d)	6.1	11.1	15.6	22.4
TOTAL PRODUCTION (boe/d)	21.7	79.1	97.0	149.7
AVERAGE NET PRODUCTION PRICES RECEIVED				
Light/Medium Oil (\$/Bbl)	42.61	51.55	54.79	65.20
Conventional Natural Gas (\$/Mcf)	1.70	1.79	1.17	1.46
Natural Gas Liquids (\$/Bbl)	12.15	65.92	40.21	42.07
TOTAL REVENUE (\$/boe)	18.79	26.05	20.13	25.39
ROYALTIES PAID				
Light/Medium Oil (\$/Bbl)	2.98	2.58	2.74	3.26
Conventional Natural Gas (\$/Mcf)	0.33	0.35	0.23	0.29
Natural Gas Liquids (\$/Bbl)	2.37	5.93	3.62	3.79
Combined (\$/boe)	3.61	2.48	2.19	2.43
PRODUCTION COSTS				
Light/Medium Oil (\$/Bbl)	13.52	9.73	15.23	22.80
Conventional Natural Gas (\$/Mcf)	1.04	0.92	0.93	1.14
Natural Gas Liquids (\$/Bbl)	7.43	19.24	14.23	16.23
Combined (\$/boe)	10.06	8.35	8.87	13.57
NETBACK RECEIVED				
Light/Medium Oil (\$/Bbl)	26.11	39.24	36.82	39.14
Conventional Natural Gas (\$/Mcf)	0.34	0.52	0.02	0.04
Natural Gas Liquids (\$/Bbl)	2.35	40.75	22.36	22.05
Combined (\$/boe)	5.12	15.22	9.07	9.39

Production Volume by Product

The following table discloses in total, working interest production volumes for the year ended December 31, 2017 for each product type:

Reserves Category	Light and Medium Oil ⁽¹⁾ (Mbbbls)	Conventional Natural Gas ⁽²⁾ (MMcf)	NGLs (Mbbbls)	MBOE
Queenstown	3.5	82.0	2.4	19.6
Bigoray	3.5	11.0	0	5.3
Total	7.0	93.0	2.4	24.9

(1) Including solution gas and other by-products.

(2) Including by-products, excluding solution gas and by-products from oil wells.

(3) Unit values are based on net reserve volumes.

(4) Numbers may not add due to rounding.

INDUSTRY CONDITIONS

Western Canada has seen significant growth in crude production volumes over recent years. This has resulted in pressure on the pipeline take-away capacity, leading to apportionment on the main lines and, in turn, backed-up local feeder pipelines. This has contributed to a widening of, and increased volatility in, the light oil pricing differential between WTI and Edmonton Par and the medium/heavy oil pricing differential between WTI and Cromer/WCS/Hardisty. Although pipeline expansions are ongoing and producers are increasingly turning to rail as an alternative means of transportation, the lack of firm pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market production. In addition, the pro-rationing of capacity on the interprovincial systems also continues to affect the ability to export oil and natural gas.

Under the Canadian constitution, interprovincial and international pipelines fall within the federal government's jurisdiction and require approval by both the NEB and the cabinet of the federal government. However, recent years have seen a perceived lack of policy and regulatory certainty at a federal level. Although the current federal government recently introduced draft legislation to amend the current federal approval processes, it is uncertain when the new legislation will be brought into force and whether any changes to the draft legislation will be made before the legislation is brought into force. It is also uncertain whether any new approval process adopted by the federal government will result in a more efficient approval process. The lack of regulatory certainty is likely to have an influence on investment decisions for major projects. Even when projects are approved on a federal level, such projects often face further delays due to interference by provincial and municipal governments as well as court challenges on various issues such as indigenous title, the government's duty to consult and accommodate indigenous peoples and the sufficiency of environmental review processes, which creates further uncertainty. Export pipelines from Canada to the United States face additional uncertainty as such pipelines require approvals of several levels of government in the United States.

Availability of Services

The availability of the services necessary to drill and complete horizontal oil wells and the implementation of EOR schemes form a substantial portion of Pulse's planned exploration and

development activities in 2018, may be constrained due to demand and competition for such services.

Legislation and Regulation

The oil and natural gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements among the Governments of Canada and Alberta, each of which should be carefully considered by investors in the oil and natural gas industry. It is not expected that any of these controls or regulations will affect the operations of Pulse in a manner materially different than they would affect other oil and natural gas producers of similar size. All current legislation is a matter of public record and Pulse is unable to predict what additional legislation or amendments may be enacted. Some of the principal aspects of legislation, regulations and agreements governing the oil and natural gas industry are described further below.

Pricing and Marketing – Oil and Natural Gas

The price of natural gas is determined by negotiation between buyers and sellers. Natural gas exported from Canada is subject to regulation by the NEB and the Government of Canada. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts must continue to meet certain other criteria prescribed by the NEB and the Government of Canada. Natural gas (other than propane, butane, and ethane) exports for the term of less than two years or for a term of two to twenty years must be made pursuant to an NEB order. Any natural gas export to be made pursuant to a contract of longer duration (to a maximum of 25 years) or for a larger quantity requires an exporter to obtain an export license from NEB and issuance of such license a public hearing and the approval of the Governor in Council.

On July 6, 2012, the federal government enacted the *Jobs, Growth and Long-term Prosperity Act*, which made amendments to the *National Energy Board Act* that affect the NEB's export and import framework. As a result of these changes, the NEB issued the Interim Memorandum of Guidance Concerning Oil and Gas Export Applications and Gas Import Applications under Part VI of the *National Energy Board Act* ("**Interim Oil and Gas MOG**"). The purpose of the Interim Oil and Gas MOG is to provide guidance to applicants until such time as the NEB has completed the review and update of the regulatory framework. As part of the review and update, the NEB is currently proposing amendments to the *National Energy Board Part VI (Oil and Gas) Regulations* and the *National Energy Board Export and Import Reporting Regulations*.

The Government of Alberta also regulates the volume of natural gas that may be removed for consumption elsewhere based on factors including, but not limited to, reserve availability, transportation arrangements and market considerations.

The lack of pipeline capacity continues to limit the ability to produce and market natural gas production although pipeline expansions are ongoing. In addition, the prorating of capacity on the interprovincial pipeline systems continues to limit oil exports.

Furthermore, recent years have seen the emergence of new sources of supply as natural gas deposits formerly regarded as inaccessible, particularly those locked in shales and other tight formations, both in Canada and the U.S., are now being exploited through new drilling and fracturing applications. Successful natural gas wells from these sources tend to be characterized by very high initial production volumes, which decline rapidly. From 2009 onwards, increased supply of natural gas from these sources, coupled with other factors such as reduced residential and industrial demand, resulted in a decrease in the price for natural gas. The effect on natural gas supply, as production of shale and other tight gas matures, cannot be determined, but the

contribution of shale gas to aggregate supply will likely have a continuing and considerable influence on natural gas pricing, at least in the short and medium term.

From 2009 through to 2017, Pacific Rim countries, particularly China, Japan and South Korea, through sovereign oil companies, or representatives of end users, have expressed interest in or invested in, infrastructure projects and exploration and development activities in Canada, with a view to securing sources of future supply. Infrastructure projects have a long lead time, but if consummated, may result in Canada becoming a significant exporter of liquefied natural gas to the Pacific Rim, as an additional or successor market to the U.S. It may also lead to future internationalization of pricing for natural gas.

Pricing for natural gas is also affected by storage levels, which are built up in summer months and depleted in winter. Recent years have seen storage levels at the beginning of the winter withdrawal season higher than historical averages.

The producers of oil are entitled to negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. Oil prices are primarily based on worldwide supply and demand. The specific price depends in part on oil quality, prices of competing fuels, distance to market, and the value of refined products, the supply/demand balance, and contractual terms of sale. Oil exporters are also entitled to enter into export contracts with terms not exceeding one year in the case of light crude oil and two years in the case of heavy crude oil, provided that an order approving such export has been obtained from the NEB. Any oil export to be made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export license from the NEB and the issuance of such a license requires a public hearing and the approval of the Governor in Council.

The North American Free Trade Agreement

The North American Free Trade Agreement (“**NAFTA**”) among the Governments of Canada, the United States and Mexico became effective on January 1, 1994. NAFTA carries forward most of the material energy terms that are contained in the Canada - U.S. Free Trade Agreement. Canada continues to remain free to determine whether exports of energy resources to the United States or Mexico will be allowed, provided that any export restrictions do not: (a) reduce the proportion of energy resources exported relative to domestic use (based upon the proportion prevailing in the most recent 36 month period); (b) impose an export price higher than the domestic price; or (c) disrupt normal channels of supply. All three countries are prohibited from imposing minimum or maximum export or import price requirements.

NAFTA contemplates the reduction of Mexican restrictive trade practices in the energy sector and prohibits discriminatory border restrictions and export taxes. The agreement also contemplates clearer disciplines on regulators to ensure fair implementation of any regulatory changes and to minimize disruption of contractual arrangements, which is important for Canadian natural gas exports.

The Government of the United States has publicly announced its interest in renegotiating NAFTA and several rounds of negotiations have occurred. It is uncertain whether the Government of the United States will successfully change or alter the terms of NAFTA and if so, to what extent. See “*Risk Factors – Trade Relations*”.

Extractive Sector Transparency Measures Act

The *Extractive Sector Transparency Measures Act* (“**ESTMA**”), a federal regime for the mandatory reporting of payments to government, came into force on June 1, 2015. ESTMA contains broad reporting obligations with respect to payments to governments and state owned entities, including employees and public office holders, made Canadian businesses involved in resource extraction. Under ESTMA, all payments made to payees (broadly defined to include any

government or state owned enterprise) must be reported annually if the aggregate of all payments in a particular category to a particular payee exceeds \$100,000 per financial year. The categories of payments include taxes, royalties, fees, bonuses, dividends and infrastructure improvement payments. Failure to comply with the reporting obligations under ESTMA is punishable upon summary conviction with a fine of up to \$250,000. In addition, each day that passes prior to a non-compliant report being corrected forms a new offence, and therefore, a payment that goes unreported for a year could result in over \$9,000,000 in total liability.

Provincial Royalties and Incentives

General

In addition to federal regulation, each province has legislation and regulations that govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of crude oil, natural gas, natural gas liquids and sulphur production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee, although production from such lands is also subject to certain provincial taxes and royalties. Operations not on Crown lands and subject to the provisions of specific agreements are also usually subject to royalties negotiated between the mineral owner and the lessee. These royalties are not eligible for incentive programs sponsored by various governments as discussed below.

Crown royalties are determined by governmental regulation and are generally calculated as a percentage of value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type or quality of the petroleum product produced. Other royalties and royalty-like interests are from time to time carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties; net profits interests or net carried interests.

From time to time the governments of the western Canadian provinces have established incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced recovery projects. These programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. Royalty holidays and reductions would reduce the amount of Crown royalties paid by oil and natural gas producers to the provincial governments and would increase the net income and funds from operations of such producers. However, the trend in recent years has been for provincial governments to allow such incentive programs to expire without renewal, and consequently few such incentive programs are currently operative.

Alberta

Producers of oil and natural gas from Crown lands in Alberta are required to pay annual rental payments, currently at a rate of \$3.50 per hectare, and make monthly royalty payments in respect of oil and natural gas produced from Crown lands.

Producers of oil and natural gas from Crown lands in Alberta are also required to pay a royalty on substances produced from Crown lands.

On May 27, 2010, the Government of Alberta announced changes to the existing royalty framework under the Petroleum Royalty Regulation, 2009 and the Natural Gas Royalty Regulation, 2009 which became effective January 1, 2011 (the "**Alberta Royalty Framework**"). Changes include making the Natural Gas Deep Drilling Program, which adjusts the royalties for deep gas wells, a permanent initiative under the Alberta Royalty Framework. Qualifying wells under the Natural Gas Deep Drilling Program include natural gas wells with gas-oil ratios of

greater than 1,800:1 which have been spud or deepened on or after May 1, 2010 and have a true vertical depth greater than 2,000 metres. An Emerging Resources and Technologies Initiative has also been created to encourage new exploration and development from higher cost and more technically challenging resources, such as shale gas, coal seams and horizontal oil and gas wells. In particular, pursuant to the Emerging Resource and Technologies Initiative: (a) coalbed methane wells will receive a maximum royalty rate of 5% for 36 producing months on up to 750 MMcf of production, retroactive to wells that began producing on or after May 1, 2010; (b) shale gas wells will receive a maximum royalty rate of 5% for 36 producing months with no limitation on production volume, retroactive to wells that began producing on or after May 1, 2010; (c) horizontal gas wells will receive a maximum royalty rate of 5% for 18 producing months on up to 500 MMcf of production, retroactive to wells that commenced drilling on or after May 1, 2010; and (d) horizontal oil wells and horizontal non project oil sands wells will receive a maximum royalty rate of 5% with volume and production month limits set according to the depth (including the horizontal distance) of the well, retroactive to wells that commenced drilling on or after May 1, 2010.

On January 29, 2016, the Government of Alberta announced changes to the Alberta Royalty Framework. Under the new modernized royalty framework (the “**MRF**”), the sliding scale royalty concept will be maintained, but will be achieved with a greater degree of simplicity. The new royalty percentage will be applied to the gross revenue generated from all hydrocarbons, with no differentiation between produced substances, and wells will be charged a flat 5% royalty rate until revenues exceed a normalized well cost allowance, which will be based on vertical well depth and lateral length. The calculation of this cost allowance, and other details regarding the various parameters within the new formula under the MRF was announced in 2016 and was fully implemented as of January 1, 2017. Prior to January 1, 2017, the former royalty framework continued to apply to any wells drilled prior to that date, and thereafter for a period of 10 years following which; such wells will be transitioned into the MRF.

In addition to any negotiated royalty amount payable to the freehold mineral owner, producers of oil and natural gas from freehold lands in Alberta are required to pay annual freehold mineral taxes. The freehold mineral tax is a tax levied by the Government of Alberta on the value of oil and natural gas production from non-Crown lands and is derived from the Freehold Mineral Rights Tax Act (Alberta). The freehold mineral tax is levied on an annual basis on calendar year production using a tax formula that takes into consideration, among other things, the amount of production, the hours of production, the value of each unit of production, the tax rate and the percentages that the owners hold in the title. The basic formula for the assessment of freehold mineral tax is: revenue less allocable costs equals net revenue divided by wellhead production equals the value based upon unit of production. If payors do not wish to file individual unit values, a default price is supplied by the Crown. On average, the tax levied is 4% of revenues reported from fee simple mineral title properties.

These changes to the royalty regime in Alberta may have a material effect on Pulse. See “*Risk Factors – Fiscal and Royalty Regimes.*”

Climate Change Regulation

Federal

Canada is a signatory to the United Nations Framework Convention on Climate Change (“**UNFCCC**”), which was entered into in order work towards stabilizing atmospheric concentrations of greenhouse gas (“**GHG**”) emissions at a level to prevent “dangerous anthropogenic interference with the climate system”. The UNFCCC came into force on March 21, 1994. Subsequent international negotiations led to the Kyoto Protocol, an international treaty which extends the UNFCCC and commits its signatories to reduce GHG emissions. The Kyoto Protocol was adopted in December 1997 and came into force on February 16, 2005. Canada

withdrew from the Kyoto Protocol effective December 2012. On December 12, 2015, the UNFCCC adopted the Paris Agreement, which Canada ratified on October 5, 2016.

In May 2015, Canada submitted its Intended Nationally Determined Contribution (“**INDC**”) to the UNFCCC Secretariat, pledging a 30% reduction from 2005 levels – approximately 523 Mt – by 2030. In addition, provincial/territorial and federal leaders met and agreed that they would work together to build a national climate change plan. At a follow-up meeting of the First Ministers and Prime Minister on March 3, 2016, the parties agreed under the Vancouver Declaration on Clean Growth and Climate Change to launch a process to develop the Pan-Canadian Framework on Clean Growth and Climate Change (the “**Framework**”), which was released on December 9, 2016 at the First Ministers meeting. Saskatchewan was the only province that decided not to adopt the Framework. Prior to the release of the Framework, the Government of Canada announced in October 2016 that it would set a minimum price on carbon starting at \$10 per tonne of CO₂e in 2018, which will increase by \$10 per year until it reaches \$50 per tonne of CO₂e by 2022. This approach will be reviewed in 2022 to confirm the path forward, including continued increases in stringency. Under the federal plan, each province and territory will be required to implement carbon pricing in its jurisdiction by 2018, whether in the form of a carbon tax or a cap-and-trade system. If the carbon price in a jurisdiction does not meet the federal minimum price, the Government of Canada will step in and impose a carbon price that makes up the difference and return the revenue to the province or territory. In addition, provincial and territorial goals for reducing emissions must be at least as stringent as federal targets. Currently, Canada’s four biggest provinces representing more than 80% of Canada’s population (Ontario, Québec, Alberta and British Columbia) have carbon pricing in place.

In March 2016, a Joint Statement on Climate, Energy, and Arctic Leadership was issued. This joint statement sets out specific commitments on energy development, environmental protection, and Arctic leadership. In particular, Canada and the US have made commitments to reduce methane emissions by 40-45% below 2012 levels by 2025 from the oil and gas sector, finalize and implement the second phase of an aligned GHG emission standard for post-2018 model year on-road heavy duty vehicles, phase out fossil fuel subsidies, accelerate clean energy development and foster sustainable energy development.

With regards to GHG emissions, In March 2004, the Government of Canada announced the introduction of the Greenhouse Gas Emissions Reporting Program (“**GHGRP**”), which applies to large industrial GHG emitters in Canada. All facilities that emit the equivalent of 50,000 tonnes or more of CO₂e per year are required to submit a report to Environment Canada. Facilities with emissions below the reporting threshold of 50,000 tonnes per year can voluntarily report their GHG emissions.

It is expected that any regulations eventually implemented by the Government of Canada will have an impact of the oil and gas industry as a whole, which could result in increased costs for Pulse to comply with such legislation. In the meantime, Pulse will continue to monitor the policies of the Government of Canada and any resulting legislation with respect to GHG emissions. The US Environmental Protection Agency (“**EPA**”) is proceeding to regulate greenhouse gases under the *Clean Air Act*. This EPA action is subject to legal and political challenges, the outcome of which cannot be predicted. The ultimate form of Canadian regulation is anticipated to be strongly influenced by the regulatory decisions made within the United States. Various states have enacted or are evaluating low carbon fuel standards, which may affect access to market for crude oils with higher emissions intensity.

Alberta

On July 1, 2007, the *Specified Gas Emitters Regulation* (“**SGER**”) came into force under Alberta’s *Climate Change and Emissions Management Amendment Act* requiring Alberta facilities, which emit more than 100,000 tonnes of GHGs annually (“**Regulated Emitters**”) to reduce their GHG emissions intensity by 12% (from average 2003-2005 levels). If a facility is not able to abate GHG

emissions sufficiently to meet the reduction target, it may utilize the following compliance mechanisms: (a) emissions performance credits obtained from other regulated facilities; (b) emissions offsets obtained from non-regulated facilities or projects which reduce or remove GHG emissions; or (c) credits for contributions to the Climate Change and Emissions Management Fund. Regulated Emitters may choose any combination of these compliance mechanisms to comply with their target. At present, Pulse does not believe that it owns any facilities subject to this Alberta regulation. The Government of Alberta also published a new climate change action plan in January of 2008 wherein it set an objective to deliver a 50% reduction in GHG emissions by 2050 compared to business as usual, by employing: (a) mandatory carbon capture and storage (“**CCS**”) for certain facilities and development across all industrial sectors; (b) energy efficiency and conservation; and (c) research and investment in clean energy technologies, including carbon separation technologies to assist CCS.

On June 25, 2015, the Government of Alberta renewed the SGER for a period of two years with significant amendments while Alberta’s newly formed Climate Advisory Panel conducted a comprehensive review of the province’s climate change policy. In 2015, Regulated Emitters are required to reduce their emissions intensity by 2% from their baseline in the fourth year of commercial operation, 4% of their baseline in the fifth year, 6% of their baseline in the sixth year, 8% of their baseline in the seventh year, 10% of their baseline in the eighth year, and 12% of their baseline in the ninth or subsequent years (to be increased to 15% as of January 1, 2016 and 20% as of January 1, 2017). Regulated Emitters can meet their emissions intensity targets through a combination of the following: (a) producing its products with lower carbon inputs; (b) purchasing emissions offset credits from nonregulated emitters (generated through activities that result in emissions reductions in accordance with established protocols); (c) purchasing emissions performance credits from other Regulated Emitters that earned credits through the reduction of their emissions below the 100,000 tonne threshold; (d) cogeneration compliance adjustments; and (e) by contributing to the Climate Change and Emissions Management Fund (the “**Fund**”). Contributions to the Fund are made at a rate of \$15 per tonne of GHG emissions, increasing to a rate of \$20 per tonne of GHG emissions in 2016 and \$30 per tonne of GHG emissions in 2017. Proceeds from the Fund are directed at testing and implementing new technologies for greening energy production.

On November 22, 2015, as a result of the Climate Advisory Panel's Climate Leadership report, the Government of Alberta announced its Climate Leadership Plan, which proposes to introduce a carbon tax on all emitters. An economy-wide levy on GHG emissions will be phased in, starting in January 2017 at \$20 per tonne of GHG emissions, increasing to \$30 per tonne in January 2018. An oil sands specific approach was also proposed to replace the \$30 per tonne of GHG emissions to further reduce emissions and promote carbon competitiveness rather than rewarding past intensity levels. A 100 megatonne per year limit for GHG emissions was proposed for oil sands operations, which currently emit roughly 70 megatonnes per year. This cap exempts new upgrading and cogeneration facilities, which are allocated a separate 10-megatonne limit. The existing SGER will be replaced for large industrial facilities with a *Carbon Competitiveness Regulation*, in which sector specific output-based carbon allocations will be used to ensure competitiveness.

Environmental Regulation

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation, all of which is subject to governmental review and revision from time to time. Such legislation provides for restrictions and prohibitions on the release or emitting of various substances produced in association with certain oil and gas industry operations, such as sulphur dioxide and nitrous oxide. In addition, such legislation sets out the requirements for the satisfactory abandonment and reclamation of well and facility sites and provides for, among other things, restrictions and prohibitions on spills, releases, discharges, or emissions of various substances produced in association with oil and gas operations, habitat protection, and minimum setbacks of oil and gas activities from fresh water bodies. Compliance

with such legislation can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, and the imposition of material fines and penalties. Certain environmental protection legislation may subject Pulse to statutory strict liability in the event of an accidental spill or discharge from a licensed facility, meaning that fault need not be established by claimants affected by such a spill or discharge. Further, as Canadian environmental legislation evolves, the use of administrative penalties by the imposition of fines for the commission of environmental offences on an absolute liability basis has grown.

Federal

Environmental legislation is evolving in a manner that has and is expected to continue to result in stricter standards and enforcement, larger fines, liabilities and sanctions, and potentially increased capital expenditures and operating costs.

Alberta

Environmental legislation in the Province of Alberta is, for the most part, set out in *the Environmental Protection and Enhancement Act* (“**EPEA**”), the *Water Act*, and the *Oil and Gas Conservation Act* (“**OGCA**”). EPEA, the *Water Act*, and the OGCA impose strict environmental standards with respect to releases of effluents and emissions, require stringent compliance, reporting and monitoring obligations, and impose significant penalties for non-compliance.

The regulatory landscape in Alberta has undergone a transformation from multiple regulatory bodies to a single regulator for upstream oil and gas, oil sands and coal development activity. On June 17, 2013, the Alberta Energy Regulator (the “**AER**”) assumed the functions and responsibilities of the former Energy Resources Conservation Board, including those found under the OGCA. On November 30, 2013, the AER assumed the energy related functions and responsibilities of Alberta Environment and Parks (“**AEP**”) in respect of the disposition and management of public lands under the *Public Lands Act*. On March 29, 2014, the AER assumed the energy related functions and responsibilities of AEP in the areas of environment and water under the EPEA and the *Water Act*, respectively. The AER's responsibilities exclude the functions of the Alberta Utilities Commission and the Surface Rights Board, as well as Alberta Energy's responsibility for mineral tenure. The objective behind the transformation to a single regulator is the creation of an enhanced regulatory regime that is efficient, attractive to business and investors, and effective in supporting public safety, environmental management and resource conservation while respecting the rights of landowners.

In December 2008, the Government of Alberta released a new land use policy for surface land in Alberta, the Alberta Land Use Framework (the “**ALUF**”). The ALUF sets out an approach to manage public and private land use and natural resource development in a manner that is consistent with the long-term economic, environmental and social goals of the province. It calls for the development of seven region specific land use plans in order to manage the combined impacts of existing and future land use within a specific region and the incorporation of a cumulative effects management approach into such plans.

The *Alberta Land Stewardship Act* (the “**ALSA**”) provides the legislative authority for the Government of Alberta to implement the policies contained in the ALUF. Regional plans established under the ALSA are deemed to be legislative instruments equivalent to regulations and will be binding on the Government of Alberta and provincial regulators, including those governing the oil and gas industry. In the event of a conflict or inconsistency between a regional plan and another regulation, regulatory instrument or statutory consent, the regional plan will prevail. Further, the ALSA requires local governments, provincial departments, agencies and administrative bodies or tribunals to review their regulatory instruments and make any appropriate changes to ensure that they comply with an adopted regional plan. The ALSA also contemplates the amendment or extinguishment of previously issued statutory consents such as regulatory

permits, licenses, registrations, approvals and authorizations for the purpose of achieving or maintaining an objective or policy resulting from the implementation of a regional plan. Among the measures to support the goals of the regional plans contained in the ALSA are conservation easements, which can be granted for the protection, conservation and enhancement of land, and conservation directives, which are explicit declarations contained in a regional plan to set aside specified lands in order to protect, conserve, manage and enhance the environment.

On August 22, 2012, the Government of Alberta approved the Lower Athabasca Regional Plan ("**LARP**"), which came into force on September 1, 2012. The LARP is the first of seven regional plans developed under the ALUF. LARP covers a region, located in the northeastern corner of Alberta that is approximately 93,212 square kilometres in size. The region includes a substantial portion of the Athabasca oil sands area, which contains approximately 82% of the province's oil sands resources and much of the Cold Lake oil sands area. LARP establishes six new conservation areas and nine new provincial recreation areas. In conservation and provincial recreation areas, conventional oil and gas companies with pre-existing tenure may continue to operate. Any new petroleum and gas tenure issued in conservation and provincial recreation areas will include a restriction that prohibits surface access.

The South Saskatchewan Regional Plan ("**SSRP**") was approved by the Government of Alberta on July 23, 2014 and became effective on September 1, 2014. The SSRP is the second regional plan developed under the ALUF and covers approximately 83,764 square kilometres and includes 44% of the province's population.

The SSRP creates four new and four expanded conservation areas, and two new and six expanded provincial parks and recreational areas. Similar to LARP, the SSRP will honour existing petroleum and natural gas tenure in conservation and provincial recreational areas. However, oil and gas companies must nonetheless minimize impacts of activities on the natural landscape, historic resources, wildlife, fish and vegetation when exploring, developing and extracting the resources. Any new petroleum and natural gas tenures sold in conservation areas, provincial parks, and recreational areas will prohibit surface access. Freehold mineral rights will not be subject to this restriction. With the implementation of the new Alberta regulatory structure under the AER, AEP will remain responsible for development and implementation of regional plans. However, the AER will take on some responsibility for implementing regional plans in respect of energy related activities.

Liability Management Rating Programs

In Alberta, the AER administers the Licensee Liability Rating Program (the "**LLR Program**") as part of the Liability Management Rating Assessment Process. The LLR Program is a liability management program governing most conventional upstream oil and gas wells, facilities and pipelines. The OGCA establishes an orphan fund (the "**Orphan Fund**") to pay the costs to suspend, abandon, remediate and reclaim a well; facility or pipeline included in the LLR Program if a licensee or working interest participant ("**WIP**") becomes defunct. The Orphan Fund is funded by licensees in the LLR Program through a levy administered by the AER. The LLR Program is designed to minimize the risk to the Orphan Fund posed by unfunded liability of licensees and prevent the taxpayers of Alberta from incurring costs to suspend, abandon, remediate and reclaim wells, facilities or pipelines. The LLR Program requires a licensee whose deemed liabilities exceed its deemed assets to provide the AER with a security deposit. The ratio of deemed liabilities to deemed assets is assessed once each month and upon the submission of a license transfer application, and failure to post the required security deposit may result in the initiation of enforcement actions by the AER.

On May 1, 2013, the AER began to implement a three-year program of changes to the LLR Program. Some of the important changes which were implemented through this three-year process include:

- a 25% increase to the prescribed average reclamation cost for each individual well or facility (which increased a licensee's deemed liabilities);
- a \$7,000 increase to facility abandonment cost parameters for each well equivalent (which increased a licensee's deemed liabilities);
- a decrease in the industry average netback from a five-year to a three-year average (which affected the calculation of a licensee's deemed assets, as the reduction from five to three years results in the average being more sensitive to price changes); and
- a change to the present value and salvage factor, which increases to 1.0 for all active facilities from the current 0.75 for active wells and 0.50 for active facilities (which increased a licensee's deemed liabilities).

The changes were implemented over a three-year period, ending August 2015. The changes to the LLR Program stem from concern that the previous regime significantly underestimated the environmental liabilities of licensees.

Further, on July 4, 2014, the AER introduced the inactive well compliance program (the “**IWCP**”) to address the growing inventory of inactive wells in Alberta and to increase the AER's surveillance and compliance efforts under Directive 013: Suspension Requirements for Wells (“**Directive 013**”). The IWCP applies to all inactive wells that are noncompliant with Directive 013 as of April 1, 2015. The objective is to bring all inactive noncompliant wells under the IWCP into compliance with the requirements of Directive 013 within five years. As of April 1, 2015, each licensee is required to bring 20% of its inactive wells into compliance every year, either by reactivating or suspending the wells in accordance with Directive 013 or by abandoning them in accordance with Directive 020: Well Abandonment. On March 1, 2016, the AER invited feedback on amendments to Directive 013. The proposed amendments will review the requirements on low risk well management plans and annual inspection plans.

In June 2016, the AER released Bulletins 2016-16 and 2016-21, which, among other things, implement important changes to the AER's procedures relating to liability management ratings, license eligibility and transfers. Bulletin 2016-16 introduced changes requiring, as a condition to transferring existing AER licenses, approvals and permits, the ER would require all transferees to demonstrate a liability management ratio (“**LMR**”) of 2.0 or higher immediately following the transfer. The LMR is the ratio of a permit holder's deemed assets to deemed liabilities. Bulletin 2016-21 clarified that transferees must either demonstrate an LMR of 2.0 or higher or provide other evidence that the transferee will be able to meet their obligations with an LMR of less than 2.0. These changes may impact Pulse's ability to transfer licenses, approvals or permits, and may result in increased costs and delays.

Land Tenure

Oil and natural gas located in the western Canadian provinces is owned both by the respective provincial governments and by private individuals. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licenses and permits for varying periods and on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. Where oil and natural gas is privately owned, rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in Pulse's other public filings before making an investment decision. The risks set out below are not an exhaustive list, and should not be taken as a complete summary or description of all the risks associated with Pulse's business and the oil and natural gas business generally.

Overview

Pulse's business consists of the exploration and production of oil and natural gas projects, with producing properties in Alberta. There are a number of inherent risks associated with the exploration and production of oil and gas reserves. Many of these risks are beyond the control of Pulse.

Nature of Business

An investment in Pulse should be considered highly speculative due to the nature of the Corporation's involvement in the exploration for, and the acquisition, production and marketing of, oil and natural gas reserves and its current stage of development. Oil and gas operations involve many risks, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Pulse.

Commodity Price Volatility

Pulse's results of operations and financial condition are dependent on the prevailing prices of oil and natural gas. Oil and natural gas prices have fluctuated widely in the recent past and are subject to fluctuations in response to relatively minor changes in supply, demand, market uncertainty and other factors that are beyond Pulse's control. Oil and natural gas prices are impacted by a number of factors including, but not limited to: the global supply of and demand for oil and natural gas; global economic conditions; the actions of the Organization of Petroleum Exporting Countries ("OPEC"); government regulation; political stability; the ability to transport crude to markets; developments related to the market for liquefied natural gas; the availability and prices of alternate fuel sources; and weather conditions. In addition, significant growth in crude production volumes in western Canada and the northern United States has resulted in pressure on transportation and pipeline capacity, contributing to the widening of the light oil pricing differential between WTI and Cromer/WCS/Hardisty, resulting in fluctuations in the price of oil and natural gas. All of these factors are beyond Pulse's control and can result in a high degree of price volatility.

Fluctuations in currency exchange rates further compound this volatility when the commodity prices, which are generally set in United States dollars, are stated in Canadian dollars. Pulse's financial performance also depends on revenues from the sale of commodities, which differ in quality, and location from underlying commodity prices quoted on financial exchanges. Of particular importance are the price differentials between Pulse's oil prices and quoted market prices. Not only are these discounts influenced by regional supply and demand factors, they are also influenced by other factors such as transportation costs, capacity and interruptions; refining demand; the availability and cost of diluent used to blend and transport product; and the quality of the oil produced, all of which are beyond Pulse's control. See also "*Variations in Foreign Exchange Rates and Interest Rates*".

Fluctuations in the price of commodities and associated price differentials may impact the value of Pulse's assets and the ability to maintain its business and to fund growth projects. Prolonged periods of commodity price depression and volatility may also negatively impact Pulse's ability to meet guidance targets and meet all of its financial obligations as they come due. Any substantial and extended decline in the price of oil and gas would have an adverse effect on Pulse's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations

and may have a material adverse effect on Pulse's business, financial condition, results of operations, prospects and the level of expenditures for the development of oil and natural gas reserves, including delay or cancellation of existing or future drilling or development programs or curtailment in production.

Any material or sustained decline in prices could result in a reduction of Pulse's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or gas and a reduction in the volumes of Pulse's reserves. Pulse might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Pulse's expected net production revenue and a reduction in its oil and gas acquisition, development and exploration activities.

Oil and natural gas prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies and OPEC actions. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

In addition, bank borrowings available to Pulse may, in part, be determined by Pulse's borrowing base. A sustained material decline in prices from historical average prices could reduce Pulse's borrowing base, therefore reducing the bank credit available to Pulse which could require that a portion, or all, of Pulse's bank debt be repaid.

Pulse conducts regular assessments of the carrying value of its assets in accordance with IFRS. If oil and natural gas prices decline significantly and remain at low levels for an extended period of time, the carrying value of Pulse's assets may be subject to impairment.

Trade Relations

The Government of the United States has publicly announced its interest in renegotiating NAFTA with Canada and Mexico. NAFTA currently prohibits government intervention in the normal operation of the North American energy market, whether in the form of price discrimination through the imposition of export taxes or the direct disruption of supply channels. In addition, NAFTA ensures that North American customers have equal access to oil produced in either country, ensuring a broad demand base for Pulse's oil and natural gas. It is uncertain whether the Government of the United States may successfully change or alter the terms of the NAFTA, and what effects those changes may have on Pulse.

Canada and ten other countries recently concluded discussions and agreed on the draft text of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP"), which is intended to allow for preferential market access among the countries that are parties to the CPTPP. The text of CPTPP has not been finalized or published and the agreement remains subject to ratification by the governments of each of the countries involved.

Canada has also pursued a number of other international free trade agreements with countries around the world. Canada and the European Union recently agreed to the Comprehensive Economic and Trade Agreement ("CETA"), which provide for duty-free, quota-free market access for Canadian oil and gas products to the European Union. Although CETA remains subject to ratification by certain national legislatures in the European Union, provisional application of CETA commenced on September 21, 2017. While it is uncertain what effect CETA, CPTPP or any other trade agreements will have on the oil and gas industry in Canada, the lack of available infrastructure for the offshore export of oil and gas may limit the ability of Canadian oil and gas producers to benefit from such trade agreements.

Further, unlegislated proposals from the Government of the United States have contemplated prohibitive actions against foreign businesses competing in the United States economy. It is uncertain whether the Government of the United States will proceed with any proposed or contemplated actions, or the effects those actions may have on Pulse.

The imposition of a "cross-border" tax could adversely affect our business or financial condition

U.S. legislators are considering the adoption of a border adjustment tax, which, if adopted, would reduce or eliminate the cost U.S. companies can deduct from revenues for importing goods, including the importation of oil and gas. The impact of such a tax on Pulse cannot be predicted, however, such impacts could be negative and could have a material adverse effect on Pulse's business and financial results.

Capital Lending Markets

As a result of recent economic uncertainties in the oil and gas industry and, in particular, the lack of risk capital available to the junior resource sector, Pulse, along with other junior resource entities, may have reduced access to bank debt and to equity. As future capital expenditures will be financed out of funds generated from operations, bank borrowings, if available, and possible issuances of debt or equity securities, Pulse's ability to fund future capital expenditures is dependent on, among other factors, the overall state of lending and capital markets and investor and lender appetite for investments in the energy industry, generally, and Pulse's securities in particular.

To the extent that external sources of capital become limited, unavailable or available only on onerous terms, Pulse's ability to invest and to maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by Pulse is, and will continue to be, affected by numerous factors beyond its control. Pulse's ability to market its oil and natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. Pulse may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and gas business.

Exploration and Production Risks

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by Pulse will result in new discoveries of crude oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Pulse currently has a limited number of specific identified exploration or development prospects. Management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards and their past practices. The long-term commercial success of Pulse depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Pulse will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Pulse may determine

that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow outs, cratering, sour gas releases, fires, spills or leaks. These risks could result in personal injury, loss of life, and environmental or property damage. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial conditions.

Fiscal and Royalty Regimes

In addition to federal regulation, each province has legislation and regulations, which govern land tenure, drilling and construction permits, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on well productivity, geographical location, field discovery data and the type or quality of the petroleum product produced. See "*Industry Conditions*".

The royalty regime in any jurisdiction in which Pulse's oil and natural gas assets are located, may be subject to further review and changes which could adversely impact Pulse's financial condition and operations. An increase in royalties would reduce Pulse's earnings and could make future capital investments, or Pulse's operations, less economic.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time.

Insurance

Pulse's involvement in the exploration for and development of oil and gas properties may result in Pulse becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Pulse has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Pulse may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce the funds available to Pulse. The occurrence of a

significant event that Pulse is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Pulse's financial position, results of operations or prospects.

Project Risks

Pulse will manage and participate in a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Project cost estimates may not be accurate due to a lack of history of comparable projects. Furthermore, significant project cost over-runs could make a project uneconomic.

Pulse's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond Pulse's control, including: the availability of processing capacity; the availability and proximity of pipeline capacity; the availability of storage capacity; the supply of and demand for oil and natural gas; the availability of alternative fuel sources; the effects of inclement weather; the availability of drilling and related equipment; unexpected cost increases; accidental events; currency fluctuations; changes in regulations; the availability and productivity of skilled labour; and the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, Pulse could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Substantial Capital Requirements and Liquidity

Pulse anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If Pulse's future revenues or reserves decline, Pulse may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash flow from operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Pulse. Moreover, future activities may require Pulse to alter its capitalization significantly. The inability of Pulse to access sufficient capital for its operations could have material adverse effect on Pulse's financial condition, results of operations or prospects.

Competition

Pulse will actively compete for acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than Pulse. Pulse's competitors will include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The oil and gas industry is highly competitive. Pulse's competitors for the acquisition, exploration, production and development of oil and natural gas properties, and for capital to finance such activities include companies that have greater financial and personnel resources available to them than Pulse.

Pulse's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Cost of New Technologies

The oil industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before Pulse. There can be no assurance that Pulse will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by Pulse or implemented in the future may become obsolete. In such case, Pulse's business, financial condition and results of operations could be materially adversely affected. If Pulse is unable to utilize the most advanced commercially available technology, its business, financial condition and results of operations could be materially adversely affected.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise. Pulse's actual interest in properties may vary from its records. If a title defect does exist, it is possible that Pulse may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on Pulse's business, financial condition, results of operations and prospects. There may be valid challenges to title, or proposed legislative changes which affect title, to the oil and natural gas properties Pulse controls that, if successful or made into law, could impair Pulse's activities on them and result in a reduction of the revenue received by Pulse.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of crude oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Pulse to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of Pulse will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Pulse's financial condition, results of operations or prospects.

Reserve and Resource Estimates

There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and natural gas liquids resources, reserves and cash flows to be derived therefrom, including many factors beyond Pulse's control. For prospective resources, the chance of commerciality will be the product of the chance that a project will result in a discovery of petroleum or natural gas and the chance that an accumulation will be commercially developed. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The reserve and associated cash flow information and estimates represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. Pulse's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Further, the evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluation.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

Actual future net revenue from Pulse's assets will be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs. Actual production and revenues derived therefrom will vary from the estimates, and such variations could be material.

There are numerous uncertainties inherent in estimating quantities of resources, including many factors beyond Pulse's control, and no assurance can be given that the indicated level of resources will be realized. In general, estimates of recoverable resources are based upon a number of factors and assumptions made as of the date on which the resource estimates were determined, such as geological and engineering estimates which have inherent uncertainties, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable natural gas and the classification of such resources based on risk of recovery prepared by different engineers or by the same engineers at different times may vary substantially.

Geological risking of prospective resources addresses the probability of success for the discovery of petroleum; this risk analysis is conducted independently of probabilistic estimates of petroleum volumes and without regard to the chance of development. Principal risk elements of the petroleum system include: (a) trap and seal characteristics; (b) reservoir presence and quality; (c) source rock capacity, quality and maturity; and (d) timing, migration and preservation of petroleum in relation to trap and seal formation. Geological risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators.

Estimates with respect to resources that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of resources, rather than upon actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same resources

based upon production history will result in variations, which may be material, in the estimated resources.

Pulse's prospective resources described herein or in the documents incorporated by reference herein are those undiscovered, highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of petroleum but where the level of proof is insufficient for classification as reserves or contingent resources.

Resources estimates may require revision based on actual production experience. Market price fluctuations of natural gas prices may render uneconomic the recovery of the resources.

Liability Management

Alberta has developed a liability management program designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines in the event that a licensee or permit holder becomes defunct. These programs generally involve an assessment of the ratio of a licensee's deemed assets to deemed liabilities. If a licensee's deemed liabilities exceed its deemed assets, a security deposit is required. Changes of the ratio of Pulse's deemed assets to deemed liabilities or changes to the requirements of liability management programs may result in significant increases to the security that Pulse must post. See "*Industry Conditions*".

Climate Change

Pulse's exploration and production facilities and other operations and activities emit greenhouse gases and which may require Pulse to comply with greenhouse gas emissions legislation at the provincial or federal level. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on Pulse and its operations and financial condition.

Reserve Replacement

Pulse's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on Pulse successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves Pulse may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Pulse's reserves will depend not only on Pulse's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that Pulse's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

Pulse makes acquisitions and dispositions of businesses and assets that occur in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as realizing the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of Pulse. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management

continually assesses the value and contribution of individual properties and other assets. In this regard, non-core assets are periodically disposed of, so that Pulse can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of Pulse, if disposed of, could realize less than their carrying amount on the consolidated financial statements of Pulse.

Finding, Developing and Acquiring Petroleum and Natural Gas Reserves on an Economic Basis

Petroleum and natural gas reserves naturally deplete as they are produced over time. The success of Pulse's business is highly dependent on its ability to acquire and/or discover new reserves in a cost efficient manner. Substantially all of Pulse's cash flow is derived from the sale of the petroleum and natural gas reserves it accumulates and develops. In order to remain financially viable, Pulse must be able to replace reserves over time at a lesser cost on a per unit basis than its cash flow on a per unit basis. The reserves and costs used in this determination are estimated each year based on numerous assumptions and these estimates and costs may vary materially from the actual reserves produced or from the costs required to produce those reserves. Pulse mitigates this risk by employing a qualified and experienced team of petroleum and natural gas professionals, operating in geological areas in which prospects are well understood by management and by closely monitoring the capital expenditures made for the purposes of increasing its petroleum and natural gas reserves.

Operational Dependence

Other companies operate some of the assets in which Pulse has an interest. As a result, Pulse will have limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect Pulse's financial performance. Pulse's return on assets operated by others will therefore depend upon a number of factors that may be outside of Pulse's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Reliance on Key Personnel

Pulse's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on Pulse's business, financial condition, results of operations and prospects. Pulse does not have any key personnel insurance in effect. The contributions of the existing management team to Pulse's immediate and near term operations are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Pulse will be able to continue to attract and retain all personnel necessary for the development and operation of our business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of Pulse's management.

Management of Growth

Pulse may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Pulse to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Pulse to deal with this growth could have a material adverse impact on its business, operations and prospects.

Expiration of Licenses and Leases

Pulse's properties are held in the form of licenses and leases and working interests in licenses and leases. If Pulse or the holder of the license or lease fails to meet the specific requirement of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of Pulse's licenses or leases or the working interests relating to a license or lease may have a material adverse effect on Pulse's results of operations and business.

Permits and Licenses

The operations of Pulse may require licenses and permits from various governmental authorities. There can be no assurance that Pulse will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its properties.

Additional Funding Requirements

Pulse's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, Pulse may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Pulse to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Pulse's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Pulse's ability to expend the necessary capital to replace its reserves or to maintain its production. If Pulse's cash flow from operations and current cash balance is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favorable terms.

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/United States dollar exchange rate, which will fluctuate over time. Future Canadian/United States exchange rates could accordingly impact the future value of Pulse's reserves as determined by independent evaluators. Furthermore, an increase in interest rates could result in a significant increase in the amount Pulse pays to service debt.

Issuance of Debt

From time to time, Pulse may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Pulse's debt levels above industry standards. Neither Pulse's articles of incorporation nor its bylaws limit the amount of indebtedness that Pulse may incur. The level of Pulse's indebtedness from time to time could impair Pulse's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. Pulse's ability to meet its debt service obligations will depend on Pulse's future operations, which are subject to prevailing industry conditions and other factors, many of which are beyond the control of Pulse. As certain of the indebtedness of Pulse would bear interest at rates which fluctuate with prevailing interest rates, increases in such rates would increase Pulse's interest payment obligations and could have a material adverse effect on Pulse's financial condition and results of operations. Further, Pulse's indebtedness would be secured by substantially all of Pulse's assets. In the event of a violation by Pulse of any of its loan covenants or any other default by Pulse on its obligations relating to its indebtedness, the lender could declare such indebtedness to be immediately due and payable and, in certain cases, foreclose on Pulse's assets. In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature

declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Hedging

From time to time, Pulse may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, Pulse will not benefit from such increases. Similarly, from time to time Pulse may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, Pulse will not benefit from its fluctuating exchange rate.

Availability of Drilling Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Pulse and may delay exploration and development activities. Seasonal restrictions to access Pulse work sites may delay exploration and development activities.

Litigation

In the normal course of Pulse's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to Pulse and as a result, could have a material adverse effect on Pulse's assets, liabilities, business, financial condition and results of operations.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to portions of Western Canada. Pulse is not aware that any claims have been made in respect of its properties and assets, however, if a claim arose and was successful such claim may have a material adverse effect on Pulse's business, financial condition, results of operations and prospects.

Tax Risk

Pulse strives to run its business in as tax efficient a manner as possible. The tax system in Canada is complicated and subject to changes. Changes in taxation laws or reviews and assessments could result in higher taxes being payable by Pulse, which could adversely affect Pulse's profitability. Pulse has no control over changes in tax laws or reviews and assessments.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, Pulse may disclose confidential information relating to the business, operations or affairs of this Corporation. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put Pulse at competitive risk and may cause significant damage to its business. The harm to Pulse's business from a breach of

confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, Pulse will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Conflicts of Interest

Directors and officers of Pulse may also be directors and officers of other oil and gas companies involved in oil and gas exploration and development, and conflicts of interest may arise between their duties as officers and directors of Pulse and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the ABCA.

Dilution

Pulse may make future acquisitions or enter into financings or other transactions involving the issuance of its securities, which may be dilutive.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. There can be no assurance that these seasonal factors will not adversely affect the timing and scope of Pulse's exploration and development activities, which could in turn have a material adverse impact on Pulse's business, operations and prospects.

Third Party Credit Risk

Pulse is, or may be, exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to Pulse, such failures could have a material adverse effect on Pulse and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in Pulse's ongoing capital program, potentially delaying the program and the results of such program until Pulse finds a suitable alternative partner.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. Pulse cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on Pulse's business, financial condition, results of operations and cash flows.

Expansion into New Activities

The operations and expertise of Pulse's management are currently focused primarily on oil and gas production, exploration and development in Western Canada. In the future, Pulse may acquire or move into new industry related activities or new geographical areas, may acquire different energy related assets, and as a result may face unexpected risks or alternatively, significantly increase Pulse's exposure to one or more existing risk factors, which may in turn result in Pulse's future operational and financial conditions being adversely affected.

Forward-Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this AIF under the heading "*Special Note Regarding Forward-Looking Statements*" above.

DIVIDENDS

Pulse has not declared or paid any dividends since incorporation. Any decision to pay dividends on the Common Shares will be made by the Board of Directors on the basis of Pulse's earnings, financial requirements and other conditions existing at the relevant time.

DESCRIPTION OF SHARE CAPITAL

Pulse is authorized to issue an unlimited number of Common Shares without nominal or par value.

Pulse is authorized to issue an unlimited number of common shares without par value. As at the date of this AIF, there were 88,494,385 Common Shares issued and outstanding. Please see below for details related to Stock Option Plan as well as details related to Pulse's outstanding Stock Options and Warrants.

Common Shares

The holders of Common Shares are entitled to receive notice of, and to one vote per common share at, every meeting of shareholders of Pulse, to receive such dividends as the Board declares and to share equally in the assets of Pulse remaining upon the liquidation, dissolution or winding up of Pulse after the creditors of Pulse have been satisfied.

Stock Option Plan

On August 18, 2017, Pulse's shareholders approved a stock option plan (the "**Stock Option Plan**"). The Stock Option Plan provides for the issuance of stock options up to a maximum of ten percent (10%) of Pulse's issued and outstanding capital as at the date of grant. This is a "rolling" plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as Pulse's issued and outstanding share capital increases. At no time will more than 10% of the outstanding shares be subject to grant under the Stock Option Plan. In accordance

with the policies of the TSXV, Pulse must obtain shareholder approval of a "rolling" plan at each annual meeting of shareholders.

As at the date of this AIF, up to 8,849,438 options in the aggregate may be granted under the Stock Option Plan. The number of options currently outstanding is 350,000 and therefore the number available for grant is 8,499,438.

Warrants

As of the date of this AIF, Pulse has 38,694,484 Warrants outstanding entitling the holder of each Warrant to acquire one Common Share of Pulse at an exercise price of \$0.17 until June 13, 2019

MARKET FOR SECURITIES AND TRADING HISTORY

The Common Shares are listed and posted for trading on the TSXV under the symbol "PUL". The Warrants are listed and posted for trading on the TSXV under the symbol "PUL.WT".

The following table sets forth the price range (high and low closing prices) in Canadian dollars of Common Shares and volume traded on the TSXV for the periods indicated.

2017	High	Low	Volume
	\$	\$	
January ⁽¹⁾	0.06	0.06	-
February ⁽¹⁾	0.06	0.06	-
March ⁽²⁾	0.21	0.06	1,522,600
April	0.15	0.13	298,500
May	0.19	0.13	2,648,708
June	0.17	0.12	905,800
July	0.14	0.10	202,000
August	0.13	0.09	375,500
September	0.13	0.10	354,200
October	0.17	0.07	6,888,287
November	0.25	0.14	6,184,562
December	0.24	0.15	3,804,613

Note:

(1) Pre-RTO shares were listed on the NEX under the symbol "WLP".

(2) Common Shares began trading on March 7, 2017 under the symbol "PUL" following completion of the Wolfpack Acquisition.

The following table sets forth the price range (high and low closing prices) in Canadian dollars of the Warrants and volume traded on the TSXV for the periods indicated.

2017	High	Low	Volume
	\$	\$	
January ⁽¹⁾	-	-	-
February ⁽¹⁾	-	-	-
March ⁽²⁾	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-

October	-	-	-
November ⁽¹⁾	0.065	0.03	26,645
December	0.15	0.045	187,030

Notes:

(1) On November 27, 2017, the Warrants commenced trading on the TSXV under the symbol PUL.WT.

PRIOR SALES

The following table summarizes information about Pulse options that are outstanding at December 31, 2017:

Number of Options	Price Per Share	Weighted Average	Expiry Date	Options Exercisable
440,000 ⁽¹⁾	\$0.10	\$0.10	August 23, 2018	440,000

Notes:

(1) On January 31, 2018, 90,000 options were exercised at a price of \$0.10 for proceeds of \$9,000. As at the date of this AIF there are 350,000 options outstanding.

ESCROWED SECURITIES

On February 24, 2017, the Wolfpack Acquisition was completed pursuant to which Pulse acquired all of the issued and outstanding shares of Pulse OpCo. This transaction qualified as Pulse's QT. As part of the Wolfpack Acquisition, 15,720,057 Common Shares (the "**Escrow Shares**") were deposited in escrow with Computershare Trust Company of Canada. Upon the issuance by the TSXV of their final bulletin on March 7, 2017 approving the Wolfpack Acquisition and other elements of Pulse's QT, 10% of the Common Shares were released from escrow with an additional 15% authorized to be released on the dates that are 6, 12, 18, 24, 30 and 36 months following March 7, 2017.

The following table summarizes Pulse's securities that remained in Escrow at December 31, 2017:

Designation of Class	Number Held in Escrow	Percentage of Class
Common Shares	11,790,042	13.33%

DIRECTORS AND OFFICERS

The following table sets forth the names and municipalities of residence of the directors and executive officers of Pulse as at the date of this AIF, their respective positions and offices with Pulse, date first elected as a director, their principal occupation(s) within the past five years and the number of Common Shares beneficially owned, directly or in directly, or controlled by the proposed director.

Name and Municipality of Residence and Office Held, if any	Present and Previous Principal Occupation	Date First Elected as a Director	Number and Percentage of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled by Proposed Director
Garth Johnson ⁽¹⁾ <i>Surrey, British Columbia</i> Chief Executive Officer, Secretary and director	Chief Executive Officer, Secretary and Director of Pulse from February 24, 2017 to present; Co-founder, CEO, Director and Corporate Secretary of Hydrate Resources Corp. since 2015, which became a 100% owned subsidiary of Pulse on February 24, 2017; Director and CEO of TAG Oil Ltd. until he resigned as TAG'S CEO in 2015.	February 24, 2017	6,084,208 (6.87%)
Drew Cadenhead ⁽²⁾ <i>Oakura, New Zealand</i> President, Chief Operating Officer and director	President, Chief Operating Officer and Director of Pulse from February 2017 to present; In 2015, co-founder, President, COO and a Director of Hydrate Resources Corp. which became a 100% owned subsidiary of Pulse on February 24, 2017; Chief Operating Officer of TAG Oil Ltd., until he resigned as TAG's COO in 2015.	February 24, 2017	5,646,710 (6.38%)
Douglas Ellenor ⁽¹⁾⁽²⁾ <i>Surrey, British Columbia</i> Director	Director of Pulse from February 2017 to present; Since 2004, Dr. Ellenor has continued working in the oil and gas industry as an independent consultant and he currently sits on the board of Amerisur Resources plc, a company with exploration and production activities in South America.	February 24, 2017	321,750 (0.36%)
John Doyle ⁽¹⁾⁽²⁾ <i>Okotoks, Alberta</i> Director	Director of Pulse from February 2017 to present; Since 2005, Co-founded and Partner of Base Engineering; Contract drilling and completion Manager for TAG Oil Ltd. from 2009 until 2014.	February 24, 2017	Nil
Aaron Doyle <i>Calgary, Alberta</i> Chief Financial Officer	Chief Financial Officer of Pulse from February 2017 to present. Owner and Director of private independent consulting company, AFLO Resources Corp. from 2006 until present.	February 24, 2017	102,334 (0.11%)

Notes:

¹Member of the Audit Committee.

²Member of the Corporate Governance and Compensation Committee.

The directors listed above will hold office until the next annual meeting of Pulse or until their successors are elected or appointed.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed in this AIF, no director or officer of Pulse, has, within ten years before the date hereof, been a director, chief executive officer or chief financial officer of any person or company that, while such person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the other company access to any exemptions under applicable securities law, for a period of more than 30 consecutive days (collectively, an “**Order**”); or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed in this AIF, no director, executive officer, or to the best of Pulse’s knowledge, any shareholder holding a sufficient number of securities of Pulse to affect materially control of Pulse, is, or within ten years prior to the date of this AIF has been, a director or executive officer of any company (including Pulse) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Dr. Douglas Ellenor was a non-executive director of Austral Pacific Energy Ltd: from January 1, 2006 to March 6, 2009.

Austral Pacific Energy arranged a borrowing facility in late 2006 to finance their majority share of the development of the Cheal Oil Field in the Taranaki Basin, New Zealand. Completion of the processing facilities was completed near the end of 2007 and the field put on stream. However, the wells did not perform quite as planned and that coupled with the collapse of oil prices in 2008 resulted in the company being unable to meet the repayment schedule. By early 2009, given market conditions, it was impossible to raise further funds either in the market or via loans. The company’s directors then requested that the lender agree to negotiate a 12 month standstill agreement in which the company would further decrease costs, increase production through additional drilling and endeavour to raise further funds. Such an agreement was not reached and it was finally agreed that the company be placed in receivership, effective 1 May 2009.

Personal Bankruptcies

No director or executive officer of Pulse or a shareholder holding a sufficient number of securities of Pulse to affect materially the control of Pulse, has, within the past ten years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties or Sanctions

No director or officer of Pulse has been:

(a) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which some of the directors and officers of Pulse are subject to. All of the directors and officers of Pulse are engaged in and will continue to be engaged in companies or businesses, which may be in competition with the business of Pulse. Accordingly, situations may arise where some or all of the directors and officers of Pulse will be in direct competition with Pulse. Conflicts, if any, will be subject to the procedures and remedies as provided under the ABCA. See also “Risk Factors”.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to Pulse to which Pulse is a party or of which any of its property is the subject matter, and there are no such proceedings known to Pulse to be contemplated.

There are no penalties or sanctions imposed against Pulse by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year, there are no other penalties or sanctions imposed by a court or regulatory body against Pulse that would likely be considered important to a reasonable investor in making an investment decisions, and there are no settlement agreements Pulse entered into before a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, there were no material interests, direct or indirect, of directors or executive officers of Pulse, any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years of Pulse or during the current financial year which has materially affected, or is reasonably expected to materially affect, Pulse.

TRANSFER AGENT AND REGISTRAR

Pulse's transfer agent and registrar is Computershare Trust Company of Canada at its offices at 530 – 8th Avenue SW, Calgary, Alberta, T2P 3S8.

MATERIAL CONTRACTS

Except as disclosed herein and other than contracts entered into in the ordinary course of business, there have been no material contracts entered into by Pulse within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by Pulse during, or related to, the year ended December 31, 2017 other than McDaniel and Sproule, Pulse's independent engineering evaluators, EAL Partners, Pulse's auditors, and D&H Group LLP, the predecessor auditor of Pulse OpCo.

None of the principals of McDaniel or Sproule had any registered or beneficial interests, direct or indirect, in any securities or other property of Pulse or of Pulse's associates or affiliates either at the time they prepared the statement, report or valuation prepared by it, at any time thereafter or to be received by them.

EAL Partners, Pulse's auditors, are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

D&H Group LLP, Pulse OpCo's predecessor auditors, are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Pulse or any associate or affiliate of Pulse.

ADDITIONAL INFORMATION

Additional information relating to Pulse can be found under Pulse's profile on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Pulse's securities and securities authorized for issuance under equity compensation plans is contained in Pulse's information circular for Pulse's most recent shareholders' meeting that involved the election of directors. Additional financial information is contained in Pulse's consolidated financial statements and the related management's discussion and analysis for the year ended December 31, 2017.

Additional copies of this AIF and the materials listed in the preceding paragraph are available on the foregoing basis and upon request by contacting Pulse at its offices at 500, 666 Burrard Street, Vancouver, BC V6C 3P6 or by phone at (604) 909-1152.

SCHEDULE A FORM 51-101F2 REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

To the Board of Directors of Pulse Oil Corp. (the “**Company**”):

1. We have evaluated the Company’s reserves data at December 31, 2017. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2017, estimated using forecast prices and costs. ^[1]_{SEP}
2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation. ^[1]_{SEP}
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “COGE Handbook”), maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter). ^[1]_{SEP}
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook. ^[1]_{SEP}
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2017, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company’s management and Board of Directors:

Independent Qualified Reserves Evaluator	Effective Date	Location of Reserves (country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (ME)
Sproule	December 31, 2017	Canada	Nil	6,353	Nil	6,353
McDaniel & Associates	December 31, 2017	Canada	Nil	19,333	Nil	19,333
TOTAL			Nil	25,686	Nil	25,686

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6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate. ^{ }_{SEP}
 7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.
 8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. ^{ }_{SEP}

Executed as to our report referred to above:

Sproule Associates Limited

Calgary, Alberta

March 23, 2018

Original Signed by Gary R. Finnis, P.Eng.
on behalf of Matthew J. Tymchuk, P.Eng.

Matthew J. Tymchuk, P.Eng.
Manager, Engineering

Original Signed by Victor Verkhogliad, P.Geol.

Victor Verkhogliad, P.Geol.
Manager, Geoscience

Original Signed by Alec Kovaltchouk, P.Geo.

Alec Kovaltchouk, P.Geo. ^{ }_{SEP}
VP, Geoscience

Original Signed by Nora T. Stewart, P.Eng.

^{ }_{SEP} Nora T. Stewart, P.Eng. ^{ }_{SEP}
Senior VP, Reserves Certification and Director

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

Original Signed by

B.J Wurster, P.Eng.

B. J. Wurster, P. Eng.
Vice President

Calgary, Alberta, Canada
October 25, 2018

SCHEDULE B FORM 51-101F3 REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Terms to which a meaning is ascribed in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities have the same meaning herein.

Management of Pulse Oil Corp. (“Pulse” or the “**Corporation**”) are responsible for the preparation and disclosure of information with respect to Pulse’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

Independent qualified reserves evaluators have evaluated and reviewed Pulse’s reserves data. The report of the independent qualified reserves evaluators is presented in the Annual Information Form of Pulse for the year ended December 31, 2017.

The Board of Directors of Pulse has:

- (a) reviewed Pulse’s procedures for providing information to the independent qualified reserves evaluators;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and;
- (c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The Board of Directors has reviewed Pulse’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Garth Johnson
CEO, Secretary and Director

Drew Cadenhead
President, COO and Director

Doug Ellenor

Director

John Doyle

Director

SCHEDULE D FORM 52-110F1 AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE

AUDIT COMMITTEE CHARTER

This charter governs the operations of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Pulse Oil Corp. (the "**Corporation**") who shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Committee will be made up of three or more directors as determined by the Board, a majority of whom shall be independent as defined in applicable securities law, Each Committee member shall satisfy the financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board with the assistance of the Corporate Governance and Compensation Committee, it requested by the Board.

Members of the Committee shall be appointed by the Board. The Corporate Governance and Compensation Committee of the Board shall recommend to the Board eligible directors to fill vacancies on the Committee. Each member shall serve until his or her successor is appointed, unless such member shall resign or be removed by the Board or otherwise cease to be a director of Pulse. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

Communication, Expenses and Authority to Engage Advisors

The Committee shall have access to such officers and employees of Pulse, Pulse's external auditor and to such information respecting Pulse, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Committee provides an avenue for communication, particularly for outside directors, with the external auditor and financial and senior management and the Board. The external auditor shall have a direct line of communication to the Committee through its Chair and shall report directly to the Committee. The Committee, through its Chair, may directly contact any employee in Pulse as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter invoking, Pulse's financial practices or transactions.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at Pulse's expense.

Pulse shall be responsible for all expenses of the Committee that are deemed necessary, or appropriate by the Committee in carrying out its duties.

Meetings and Record Keeping

Meetings of the Committee shall be conducted as follows:

1. the Committee shall meet at least four times annually at such times and at such locations as the Chair of the Committee shall determine, provided that meetings shall be scheduled so as to permit timely review of the quarterly and annual financial statements and reports. The external auditor or any two members of the Committee may also request a meeting of the Committee. The Chair of the Committee shall hold in camera sessions of the Committee, without management present, at every meeting;
2. a resolution in writing, signed by all of the members of the Committee is as valid as if it had been passed at a meeting of the Committee;
3. the Chair of the Committee shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;
4. the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating, in the meeting to hear each other;
5. if the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
6. the Chair shall, in consultation with management and the external auditor, establish the agenda for the meetings and instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;
7. every question at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination;
8. the President and Chief Executive Officer, the Chief Financial Officer and the Controller shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair of the Committee. Other management representatives or employees may be invited to attend as necessary; and
9. a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a copy of the minutes of such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All material information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

Responsibilities

The Committee is part of the Board. Its primary functions are to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the oversight, review and approval of the financial statements and the accounting and financial reporting processes of Pulse; (ii) the assessment of the system of internal controls that management has established; and (iii) the external audit process. In addition, the Committee shall assist the Board, as requested, in fulfilling its oversight responsibilities with respect to (a) financial policies and strategies; (b) financial risk management practices; and (c) transactions or circumstances which could materially affect the financial profile of Pulse.

The Committee shall be directly responsible, in its capacity as a committee of the Board, for recommending to the Board the nomination of the external auditor and the compensation and retention of the external auditor and overseeing, the work of the external auditor and the relationship of the external auditor with Pulse (including the resolution of disagreements between management and the external auditor regarding financial reporting).

The Committee should have a clear understanding with the external auditor that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the shareholders of Pulse.

Specific Duties

A. Relationship with External Auditor

The Committee shall:

1. consider and make a recommendation to the Board as to the nomination or re-appointment of the external auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, ensuring that such auditor is a participant in good standing pursuant to applicable securities laws;
2. consider and make a recommendation to the Board as to the compensation of the external auditor which is to be paid by Pulse;
3. oversee the work of the external auditor in performing their audit, review or attest services and oversee the resolution of any disagreements between management of Pulse and the external auditor;
4. review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with Pulse and its affiliates in order to determine the external auditor's independence;
5. as may be required by applicable securities laws, rules and guidelines, either:
 - (a) pre-approve all non-audit services to be provided by the external auditor to Pulse (and its subsidiaries, if any), or, in the case of de minimus non-audit services, approve such non-audit services prior to the completion of the audit; or
 - (b) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services; and
6. review and approve the hiring policies of Pulse regarding partners and employees and former partners and employees of the present and former external auditor of Pulse.

B. Financial Statements and Financial Reporting

The Committee shall:

1. review with management and the external auditor, and recommend to the Board for approval, the annual and interim financial statements of Pulse and related annual and interim financial reporting, including management's discussion and analysis and earnings press releases prior to the public disclosure of such information;
2. upon completion of each audit, review with the external auditor the results of such audit. This process should include but not be limited to reviewing;
 - (a) the scope and quality of the audit work performed;
 - (b) the capability of Pulse's financial personnel;
 - (c) the co-operation received from Pulse's financial personnel during the audit;
 - (d) compliance with covenants under loan agreements;
 - (e) significant transactions outside of the normal business of Pulse; and
 - (f) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;
3. review with management and recommend to the Board for approval, any financial statements of Pulse which have not previously been approved by the Board and which are to be included in a prospectus or other public disclosure document of Pulse;
4. consider and be satisfied that adequate policies and procedures are in place for the review of Pulse's public disclosure of financial information extracted or derived from Pulse's financial statements, and periodically assess the adequacy of such procedures; and
5. review accounting, tax, legal and financial aspects of the operations of Pulse as the Committee considers appropriate

C. Internal Controls

The Committee shall:

1. review with management and the external auditor, the adequacy and effectiveness of the internal control and management information systems and procedures of Pulse (with particular attention given to accounting, financial statements and financial reporting matters) and determine whether Pulse is in compliance with applicable legal and regulatory requirements and with Pulse's policies;
2. read the external auditor's recommendations regarding any matters, including internal control and management information systems and procedures, and management's responses thereto, report to the Board on such recommendations and identify which

- recommendations should be adopted and provide reasons for rejecting those recommendations the Committee feels should not be adopted; and
3. establish procedures for the receipt, retention and treatment of complaints, submissions and concerns regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- D. Financial Risk Management

The Committee shall:

1. review the appropriateness and effectiveness of Pulse's policies and business practices that have an impact on the financial integrity of Pulse, including those relating to accounting and management reporting;
2. review the financial risks arising from Pulse's exposure to such things as commodity prices, interest rates, foreign currency exchange rates and credit, the activities of Pulse's marketing group, tax and government audits, tax filings and other matters affecting Pulse's status or payment of income tax, and Pulse's insurance program, including, directors' and officers' insurance, and report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the business of Pulse.