

**FORM 51-102F4
BUSINESS ACQUISITION REPORT**

ITEM 1. IDENTITY OF COMPANY

1.1 Name and Address of Company

Saturn Oil & Gas Inc. ("**Saturn**" or the "**Company**")
Suite #1000, 207 9th Avenue S.W.
Calgary, Alberta T2P 1K3

1.2 Executive Officer

John Jeffrey
Chief Executive Officer
Telephone: 587-932-7900

ITEM 2. DETAILS OF ACQUISITION

2.1 Nature of Business Acquired

On July 6, 2022, Saturn completed the acquisition (the "**Acquisition**") of certain oil and gas assets (the "**Acquired Assets**") located in the Viking area of west-central Saskatchewan pursuant to a purchase and sale (the "**Purchase Agreement**") dated May 31, 2022 with an arm's-length third party vendor (the "**Vendor**"). The Purchase price for the Acquired Assets was \$260 million (\$242.6 million after interim closing adjustments) and had an effective date of May 1, 2022.

The Acquired Assets include over 140 net sections of land. Production from the Assets is weighted approximately 98% to light oil and liquids with net proved plus probable reserves of 13.5 MMboe (10.4 MMboe net total proved reserves), as estimated by McDaniel & Associates Consultants Ltd. ("**McDaniel**") in its independent engineering report dated May 30, 2022 and effective January 1, 2022 evaluating the oil, NGLs and natural gas reserves attributable to the Acquired Assets and prepared for the company (the "**Acquisition Reserves Report**").

The average net production of the Acquired Assets for the year ended December 31, 2021 was approximately 5,595 Boe/d (98% oil and NGL) with approximately \$152.8 million of net royalty revenue.

Reserves data and other oil and gas information in respect of the Acquired Assets is set forth in Schedule "C" to this BAR.

2.2 Acquisition Date

July 6, 2022, with an effective date of May 1, 2022.

2.3 Consideration

Pursuant to the terms of the Purchase Agreement, the Purchase price for the Acquired Assets was \$260 million (\$242.6 million after interim closing adjustments) and had an effective date of May 1, 2022.

2.4 Effect on Financial Position

The effect of the Acquisition on Saturn's financial position is as outlined in the unaudited pro-forma operating statements included with this business acquisition report.

In connection with the Acquisition, Saturn completed: (a) a bought deal prospectus offering of 27,181,860 subscription receipts at a price of \$2.75 per subscription receipt for gross proceeds of approximately \$75 million; and (b) entered into an amended and restated \$200 million senior-secured term loan agreement. Each subscription converted into one common shares and one-half of a common share purchase warrant exercisable for \$3.20 per warrant until July 7, 2023 on completion of the Acquisition.

Except in the conduct of business by Saturn in the ordinary course, Saturn does not presently have any plans or proposals for material changes in its business or affairs or the Acquired Assets, which may have a significant effect on the results of operations and financial position of Saturn, or to make any material changes to Saturn's business.

2.5 Prior Valuations

No valuation opinion was obtained by Saturn or the Vendor or in respect of the Acquired Assets within the last 12 months required by securities legislation or a Canadian securities exchange or market to support the consideration paid by the Company for the Acquired Assets.

2.6 Parties to Transaction

The Parties to the Acquisition were Saturn and the Vendor.

The Acquisition did not involve an informed person (as defined in Section 1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*), associate or affiliate of Saturn.

2.7 Date of Report

July 28, 2022.

ITEM 3. FINANCIAL STATEMENTS AND OTHER INFORMATION

The following financial statements attached hereto form part of this business acquisition report:

- Schedule A Operating Statements of the Acquired Assets, comprised of: (i) an Audited Operating Statement for the Acquired Assets for the year ended December 31, 2021; (ii) an Unaudited Operating Statement for the Acquired Assets for the year ended December 31, 2020; and (iii) Unaudited Operating Statements of the Acquired Assets for the three months ended March 31, 2022 and 2021;
- Schedule B Unaudited Pro-Forma Operating Statements of Saturn for year ended December 31, 2021 and the three months ended March 31, 2022; and
- Schedule C Reserves Data and other Oil and Gas Information in respect of the Acquired Assets.

ITEM 4. READER ADVISORY

This business acquisition report contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to Saturn. Forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "will" or similar words suggesting future outcomes or statements regarding an outlook. All statements, other than statements of historical fact, included herein including, without limitation, statements or information about the integration of the business of into the Saturn's operations, estimated assumed liabilities associated with the Acquired Assets; expected production and cash flow related to the Acquired Assets; expected number of future drilling locations related to the Acquired Assets; reserve estimates; future production levels; decline rates; drilling locations; future operational and technical synergies resulting from the Acquisition; management's ability to replicate past performance in the Acquired Asset fairway; future negotiation of contracts; the ability of the Company to optimize production from the Acquired Assets on the timeline provided herein; future consolidation opportunities and acquisition targets; the business plan, cost model and strategy of the Company; future cash flows; and future commodities prices are forward-looking statements.

By their nature, forward-looking statements involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, commodity price and exchange rate fluctuations, the current COVID-19 pandemic, actions of OPEC and OPEC+ members, the conflict in the Ukraine changes in legislation impacting the oil and gas industry, adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with

respect to exploration or development projects or capital expenditures; and other risk factors as detailed from time to time and the additional risks identified in Saturn's filings with Canadian securities regulators on SEDAR (available at www.sedar.com). These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, Saturn does not assume any obligation to update or revise them to reflect new events or circumstances.

Abbreviations

Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Bbls/d	barrels per day
Mbbls	thousand barrels
NGLs	natural gas liquids

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMbtu	million British Thermal Units
MMboe	million barrels of oil equivalent

Other

AECO	the natural gas storage facility located at Suffield, Alberta
API	American Petroleum Institute
API	an indication of the specific gravity of crude oil measured on the API gravity scale
	BOE or boe barrel or barrels of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil
boe/d	barrels of oil equivalent per day
\$US	United States dollars
Mboe	thousand barrels of oil equivalent.
MMboe	million barrels of oil equivalent
RLI	reserve life index
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
M\$	thousands of dollars
MM\$	millions of dollars

Conversions

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

To Convert From	To	Multiply By
Mcf	cubic metres	28.317
cubic metres	cubic feet	35.315
Bbls	cubic metres	0.159
cubic metres	Bbls	6.289
Acres	hectares	0.405
Hectares	Acres	2.471

Barrel of Oil Equivalency

The term "boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1

Bbl 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 the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

Certain Reserves Data Information

The discounted and undiscounted net present value of future net revenues attributable to the reserves of the Acquired Assets do not represent the fair market value of the reserves of the Acquired Assets. There is no assurance that the forecast prices and costs assumptions applied by McDaniel in evaluating the reserves attributable to the Acquired Assets will be attained and variances could be material. The estimates of light and medium oil, NGLs and conventional natural gas provided in this BAR or otherwise referred to in this BAR are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual light oil, NGLs and conventional natural gas reserves may be greater than or less than the estimates provided in this BAR or otherwise referred to in this BAR, and the difference may be material.

The determination of light and medium oil, NGLs and conventional natural gas reserves involves the preparation of estimates that have an inherent degree of associated risk and uncertainty. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific 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 and resources definitions. In addition, rules set forth in the COGE Handbook and NI 51-101 override professional judgments as to volumes of recovery, well productivity and other factors.

The information set forth in this BAR relating to the reserves and future net revenues of the Acquired Assets constitutes forward-looking statements which are subject to certain risks and uncertainties.

Unless otherwise specified, the NGLs reported by McDaniel, in its capacity as the independent qualified reserves evaluator for the Acquisition Reserves Report, that are referred to in this BAR are reported on a combined basis with any condensate as required under NI 51-101.

The estimates of reserves 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.

Definitions

Certain terms used in this BAR in describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations used in this BAR, but not defined or described, are defined in NI 51-101 or the COGE Handbook and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook.

Reserve Categories

Reserves are estimated remaining quantities of crude oil and conventional 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; and

- specified economic conditions, specifically the forecast prices and costs.

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

- (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.
- (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 COGE Handbook.

Each of the reserve categories (proved and probable) may be 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.
 - (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 definitions 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 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- (b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the estimated proved plus probable reserves.

A qualitative 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.

Interests in Reserves, Production, Wells and Properties

An issuer's interest in reserves, production, wells and properties can be reported in a number of ways:

- (a) "**gross**" means: (i) in relation to an issuer's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the issuer; (ii) in relation to wells, the total number of wells in which an issuer has an interest; and (iii) in relation to properties, the total area of properties in which an issuer has an interest.
- (b) "**net**" means: (i) in relation to an issuer's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves; (ii) in relation to an issuer's interest in wells, the number of wells obtained by aggregating the issuer's working interest in each of its gross wells; and (iii) in relation to an issuer's interest in a property, the total area in which the issuer has an interest multiplied by the working interest owned by the issuer.
- (c) "**working interest**" means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the issuer the right to "work" the property (lease) to explore for, develop, produce and market the leased substances.

Description of Exploration and Development Wells and Costs

- (a) "**development costs**" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the crude oil and natural gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to: (i) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves; (ii) drill and equip development wells,

development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly; (iii) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and (iv) provide improved recovery systems.

- (b) "**development well**" means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.
- (c) "**exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and natural gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "**prospecting costs**") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are: (i) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "**geological and geophysical costs**"); (ii) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records; (iii) dry hole contributions and bottom hole contributions; (iv) costs of drilling and equipping exploratory wells; and (v) costs of drilling exploratory type stratigraphic test wells.
- (d) "**exploration well**" means a well that is not a development well, a service well or a stratigraphic test well.
- (e) "**service well**" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt water disposal, water supply for injection, observation or injection for combustion.

Special Note Regarding Forward-Looking Statements

Certain statements contained in this BAR constitute forward looking statements. All forward-looking statements are based on the Company's belief and assumptions based on information available at the time the assumption was made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. By their nature, such forward-looking 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. The Company believes 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 BAR should not be unduly relied upon.

In particular, this BAR contains forward-looking statements pertaining to, but not limited to, the following:

- the impact of the Acquisition on the Company's operations, reserves, inventory and opportunities, financial condition, access to capital and overall strategy;
- capacity of infrastructure;
- reserve life indexes;
- the performance characteristics of the oil and natural gas properties comprising part of the Acquired Assets;
- the estimated quantity of the oil and gas reserves associated with the Acquired Assets and anticipated future cash flows from such reserves;
- the estimated assumed liabilities associated with the Acquired Assets;
- the source of funding for the Company's activities including development costs;
- projections of commodity prices and costs;
- supply and demand for oil and natural gas;
- treatment under governmental regulatory regimes and tax laws;
- expected production rates;
- fluctuations in depletion, depreciation, and accretion rates; and
- expected changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes.

The actual results could differ materially from those anticipated in these forward looking statements as a result of the material risk factors set forth below:

- failure to realize the anticipated benefits of acquisitions, including the Acquisition;
- unforeseen difficulties in integrating assets (including the Acquired Assets) acquired through acquisitions into the Company's operations;
- impacts of the current coronavirus (COVID-19) pandemic;
- volatility in market prices for oil and natural gas;
- operational risks and liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- the estimated assumed liabilities associated with the Acquired Assets;
- changes in royalty regimes;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition);
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- general business and market conditions;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- the uncertainties in regard to the timing of Saturn's exploration and development program;
- fluctuations in the costs of borrowing;
- political or economic developments;
- ability to obtain regulatory approvals;
- the results of litigation or regulatory proceedings that may be brought against the Company; and
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry.

In addition, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

With respect to forward-looking statements contained in this BAR, the Company has made assumptions regarding, among other things: that commodity prices will be consistent with the current forecasts of its engineers; field netbacks; average production rates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; royalty regimes will not be subject to material modification; that the Company will be able to obtain skilled labour and other industry services at reasonable rates; that the timing and amount of capital expenditures and the benefits therefrom will be consistent with the Company's expectations; the impact of increasing competition; that the conditions in general economic and financial markets will not vary materially; that the Company will be able to access capital, including debt, on acceptable terms; that drilling, completion and other equipment will be available on acceptable terms; that government regulations and laws will not change materially; that royalty rates will not change in any material respect; and that future operating costs will be consistent with the Company's expectations.

The Company has included the above summary of assumptions and risks related to forward-looking statements provided in this BAR in order to provide investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. The reader is cautioned that such assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect.

These factors should not be construed as exhaustive. The forward-looking statement disclosure contained in this BAR is expressly qualified by this cautionary statement. Please refer to the Company's most recent Annual Information Form and Management Discussion and Analysis for additional risk factors relating to Saturn, which can be accessed either on Saturn's website at www.saturnoil.com or under the Company's profile on www.sedar.com. Readers are cautioned not to place undue reliance on this forward-looking statement, which is given as of the date hereof, and to not use such forward-looking statements for anything other than its intended purpose. Saturn undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

SCHEDULE A – OPERATING STATEMENTS

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Independent auditor's report

To the Directors of Saturn Oil & Gas Inc.

Our opinion

In our opinion, the accompanying financial information of the West Central Saskatchewan Conventional Assets (the Property) for the year ended December 31, 2021 is prepared, in all material respects, in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an oil and gas property that is to be acquired.

What we have audited

The Property's financial information comprises the operating statement containing oil and gas sales, royalties, processing revenue, operating expenses, transportation expenses and operating income for the year ended December 31, 2021, and the notes to the financial information, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial information* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the vendor of the Property and Saturn Oil & Gas Inc. in accordance with the ethical requirements that are relevant to our audit of the financial information in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other matter

The financial information of the Property for the year ended December 31, 2020 and the three-month periods ended March 31, 2022 and March 31, 2021 is unaudited.

Responsibilities of management and those charged with governance for the financial information

Management of Saturn Oil & Gas Inc. is responsible for the preparation of the financial information of the Property in accordance with the financial reporting framework specified in subsection 3.11(5) of National

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an acquired oil and gas property, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the management's financial reporting process.

Auditor's responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of management's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
May 27, 2022

**WEST CENTRAL SASKATCHEWAN CONVENTIONAL ASSETS
OPERATING STATEMENTS**

(Cdn \$000s)	Notes	Three months ended March 31		Year ended December 31	
		2022 (Unaudited)	2021 (Unaudited)	2021	2020 (Unaudited)
Revenue					
Oil and gas sales	2a, 3	46,520	32,457	160,489	94,688
Royalties	2c	(2,326)	(1,729)	(7,661)	(4,781)
		44,194	30,728	152,828	89,907
Expenses					
Operating	2d	5,326	3,610	16,833	17,320
Transportation	2e	974	1,238	5,280	5,362
		6,300	4,848	22,113	22,682
Operating Income		37,894	25,880	130,715	67,225

See accompanying notes to the operating statements

WEST CENTRAL SASKATCHEWAN CONVENTIONAL ASSETS NOTES TO THE OPERATING STATEMENTS

For the three months ended March 31, 2022 and 2021,
and the years ended December 31, 2021 and 2020

1. BASIS OF PRESENTATION

The operating statements containing schedules of revenues, royalties, operating and transportation expenses (the "Operating Statements") include the operating results relating to the operations of the West Central Saskatchewan Conventional Assets (the "West Central Assets" or the "Acquired Assets") of the Vendor. (the "Vendor") for the three months ended March 31, 2022 and 2021 and the years ended December 31, 2021 and 2020.

The line items in the Operating Statements have been prepared in all material respects using accounting policies that are permitted by International Financial Reporting Standards ("IFRS") applicable to publicly accountable enterprises, with such accounting policies applying to those line items as if such line items were presented as part of a complete set of financial statements. The Operating Statements have been prepared in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for operating statements of an acquired oil and gas property.

The Operating Statements include the following line items: oil and gas sales, royalties, processing revenue, operating expenses and transportation expenses related to the Acquired Assets and do not include any provision for depletion and depreciation, decommissioning obligations, capital costs, impairment of properties, general and administrative expenses or income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

Revenue is recognized when control of the product transfers to the customer and the collection is reasonably probable, generally upon delivery of the product. Sales of crude oil, natural gas liquids ("NGLs") and natural gas production are based on variable pricing as the transaction prices are based on benchmark commodity prices and other variable factors, including quality differentials and location.

Each contract is evaluated based on the nature of the performance obligations, including the Company's role as either principal or agent. Where the Company acts as principal, revenue is recognized on a gross basis. Where the Company acts as agent, revenue is recognized on a net basis.

b) Joint Operations

A portion of the Company's exploration and development activities are conducted jointly with others. The joint interests are accounted for on a proportionate consolidation basis and as a result, the Operating Statements reflect only the Company's proportionate share of the revenues and expenses from these activities.

c) Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable provincial regulations and/or terms of individual royalty agreements.

d) Operating Expenses

Operating expenses include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses relating to

equipment, facilities and material furnished by the operator are recorded at cost. Operating expenses also include field labour, insurance, maintenance, repairs, property taxes, utilities, supplies and allocated overhead on certain wells in accordance with the joint operating agreement.

e) Transportation Expenses

Transportation expenses include costs for services to move production to sales points and include trucking and pipeline tariffs. Costs are recognized when the transportation is provided.

3. OIL AND GAS SALES

(Cdn \$000s) ⁽¹⁾	Three months ended March 31		Year ended December 31	
	2022 (Unaudited)	2021 (Unaudited)	2021	2020 (Unaudited)
Crude oil sales	46,113	32,151	158,782	93,194
NGL sales	126	81	405	290
Natural gas sales	266	211	1,251	808
Processing revenue	15	14	51	396
Total oil and gas sales	46,520	32,457	160,489	94,688

SCHEDULE B – PRO FORMA FINANCIAL STATEMENTS

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SCHEDULE B – PRO FORMA FINANCIAL STATEMENTS

Pro Forma Operating Statement for the Three Months Ended March 31, 2022 (Unaudited)

(Cdn \$000s)	Notes	Saturn 2022	Acquired Assets 2022	Pro Forma 2022
Revenue				
Petroleum and natural gas sales	2a, 3	69,115	46,520	115,635
Royalties	2c	(11,197)	(2,326)	(13,523)
		57,918	44,194	102,112
Expenses				
Operating	2d	19,124	5,326	24,450
Transportation	2e	367	974	1,341
		19,491	6,300	25,791
Operating income		38,427	37,894	76,321

Pro Forma Operating Statement for the Year Ended December 31, 2021 (Unaudited)

(Cdn \$000s)	Notes	Saturn 2021	Acquired Assets 2021	Pro Forma 2021
Revenue				
Petroleum and natural gas sales	2a, 3	116,214	160,489	276,703
Royalties	2c	(18,050)	(7,661)	(25,711)
Oil and gas revenue		98,164	152,828	250,992
Expenses				
Operating	2d	42,392	16,833	59,225
Transportation	2e	1,107	5,280	6,387
		43,499	22,113	65,612
Operating income		54,665	130,715	185,380

Saturn Oil & Gas Inc.

Notes to Pro Forma Operating Statements

Three Months Ended March 31, 2022 and Years Ended December 31, 2021

(amounts in thousands of Canadian dollars, unless otherwise stated, unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma operating statements (the "pro forma statements") of Saturn Oil & Gas Inc. (the "Company" or "Saturn") for the three months ended March 31, 2022 and for the years ended December 31, 2021 have been prepared by management of the Company for illustrative purposes only and give effect to the Company's proposed acquisition (the "Acquisition") of certain petroleum and natural gas properties locations in West Central Saskatchewan (the "West Central Assets" or the "Acquired Assets"). The pro forma statements containing schedules of gross revenues, royalties and operating and transportation costs, give effect to the acquisition of the West Central Assets.

The pro forma statements have been prepared from information derived from, and should be read in conjunction with:

- the unaudited interim consolidated financial statements of the Company as at and for the three months ended March 31, 2022;
- the audited consolidated financial statements of the Company as at and for the year ended December 31, 2021;
- the unaudited interim operating statement for West Central Assets for the three months ended March 31, 2022;
- the audited operating statement for West Central Assets for the year ended December 31, 2021;

The pro forma statements give effect to the Acquisition as if the Acquisition had occurred on January 1, 2021.

The line items of the pro forma statements are prepared in accordance with accounting policies that are permitted by IFRS and the financial reporting framework specified in subsection 3.14 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for acceptable accounting policies for pro forma financial statements.

The pro forma statements may not be indicative of the results that would have occurred if the events reflected therein had been in effect on the date indicated or of the results which may be obtained in the future. The actual results of operations of the Company for any period following the closing of the Acquisitions will vary from the amounts set forth in the pro forma statements and such variation may be material.

The pro forma statements do not include any provision for depletion, depreciation and amortization, administration, share-based compensation, asset retirement obligation accretion, interest and other financing expense, or income taxes, joint operations, revenue recognition, royalties, transportation expenses, operating expenses or use of estimates. These pro forma operating statements have been prepared by management in accordance with the principles of IFRS issued and outstanding as of June 2, 2022, the date these pro forma operating statements were compiled. However, these operating statements are not in compliance with IFRS as certain notes and information have been omitted or condensed for the purpose of the pro forma operating statements. In the opinion of management, the

unaudited pro forma statements include all the necessary adjustments for the fair presentation of the ongoing entity.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

Revenue is recognized when control of the product transfers to the customer and the collection is reasonably probable, generally upon delivery of the product or completion of the service for processing revenue. Sales of crude oil, natural gas liquids (“NGLs”) and natural gas production are based on variable pricing as the transaction prices are based on benchmark commodity prices and other variable factors, including quality differentials and location.

Each contract is evaluated based on the nature of the performance obligations, including the Company’s role as either principal or agent. Where the Company acts as principal, revenue is recognized on a gross basis. Where the Company acts as agent, revenue is recognized on a net basis.

b) Joint Operations

A portion of the Company’s exploration and development activities are conducted jointly with others. The joint interests are accounted for on a proportionate consolidation basis and as a result, the Operating Statements reflect only the Company’s proportionate share of the revenues and expenses from these activities.

c) Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with the applicable provincial regulations and/or terms of individual royalty agreements.

d) Operating Expenses

Operating expenses include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses relating to equipment, facilities and material furnished by the operator are recorded at cost. Operating expenses also include field labour, insurance, maintenance, repairs, property taxes, utilities, supplies and allocated overhead on certain wells in accordance with the joint operating agreement.

e) Transportation Expenses

Transportation expenses include costs for services to move production to sales points and include trucking and pipeline tariffs. Costs are recognized when the transportation is provided.

f) Operating Income

The term "operating income" does not have a prescribed meaning under IFRS. For purposes of these Operating Statements, operating income is calculated as oil and gas sales, net of royalties, less operating and transportation expenses.

3. OIL AND GAS SALES

Three Months Ended March 31, 2022

(\$000s) ⁽¹⁾	Saturn 2022	Acquired Assets 2022	Pro Forma 2022
Crude oil sales	67,032	46,113	113,145
NGL sales	977	126	1,103
Natural gas sales	433	266	699
Processing revenue	673	15	688
Total oil and gas sales	69,115	46,520	115,635

(1) Oil and gas sales are reported before realized derivatives.

Year Ended December 31, 2021

(\$000s) ⁽¹⁾	Saturn 2021	Acquired Assets 2021	Pro Forma 2021
Crude oil sales	112,802	158,782	271,584
NGL sales	1,194	405	1,599
Natural gas sales	727	1,251	1,978
Processing revenue	1,491	51	1,542
Total oil and gas sales	116,214	160,489	276,703

(1) Oil and gas sales are reported before realized derivatives.

SCHEDULE C – RESERVES INFORMATION

On July 6, 2022, Saturn and the Vendor completed the Acquisition. The assets acquired by Saturn pursuant to the Acquisition consisted of primarily light-oil assets located in the Viking area of west-central Saskatchewan.

The tables below are a summary of all of the Acquired Assets crude oil, natural gas liquids and natural gas proved developed producing and proved plus probable producing reserves and the net present value of future net revenue attributable to such reserves as prepared by McDaniel in the McDaniel Report prepared May 30, 2022 and effective January 1, 2022, and prepared in accordance with COGEH guidelines. The tables summarize the data contained in the McDaniel Report and, as a result, may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

McDaniel was engaged by Saturn to provide an independent reserves evaluation of all of the Acquired Assets proved developed producing and proved plus probable producing reserves and no attempt was made to evaluate possible or undeveloped reserves. Saturn has reviewed the reserves data with McDaniel in conjunction with the preparation thereof.

The future net revenues and net present values was calculated using the average forecast price and costs of McDaniel, GLJ Ltd. and Sproule Associates Limited as of January 1, 2022 for the future crude oil, natural gas and natural gas product prices and were presented in Canadian dollars. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by 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 oil, natural gas and natural gas liquids provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. See “*Risk Factors*”.

Summary of Reserves as of January 1, 2022 (Forecast Prices and Costs)

Reserves Category	Reserves ⁽⁴⁾					
	Light & Medium Oil		Conventional Natural Gas		Natural Gas Liquids ⁽³⁾	
	Gross ⁽¹⁾ (Mbbbl)	Net ⁽²⁾ (Mbbbl)	Gross ⁽¹⁾ (MMcf)	Net ⁽²⁾ (MMcf)	Gross ⁽¹⁾ (Mbbbl)	Net ⁽²⁾ (Mbbbl)
Proved						
.....						
Developed Producing	6,752	6,659.9	1,537.1	1,524.7	48.2	47.7
Developed Non-Producing	-	-	-	-	-	-
.....						
Undeveloped	3,306.4	3,234.4	-	-	-	-
.....						
Total Proved	10,058.5	9,894.4	1,537.1	1,524.7	48.2	47.7
.....						
Total Probable	3,049.9	2,990.9	326.5	323.6	10.2	10.0
.....						
Total Proved & Probable	13,108.4	12,885.3	1,863.7	1,848.2	58.4	57.8
.....						

Notes:

1. Gross reserves are working interest reserves before royalty deductions.
2. Net reserves are working interest reserves after royalty deductions plus royalty interest reserves.
3. Natural Gas Liquids includes Condensate volumes.
4. These figures are derived from volumes that are arithmetic sums of multiple estimates of reserves categories or sub-categories, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should review the estimates of

individual classes of reserves and appreciate the differing probabilities of recovery associated with each class as explained under the headings “*Certain Reserves Data Information*”, “*Definitions*” and “*Abbreviations*”.

Summary of Net Present Value of Future Net Revenue Forecast Prices and Costs as of January 1, 2022

Reserves Category	Before Income Taxes Discounted at (%/year)					After Income Taxes Discounted at (%/year)					Unit Value Before Tax @10% ⁽¹⁾ (\$/BOE)
	@0% (M\$)	@5% (M\$)	@10% (M\$)	@15% (M\$)	@20% (M\$)	@0% (M\$)	@5% (M\$)	@10% (M\$)	@15% (M\$)	@20% (M\$)	
Proved											
Developed Producing	273,608.9	257,180.3	234,383.8	213,953.1	196,915.4	189,391.3	187,406.7	169,970.7	155,877.7	143,795.9	33.67
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Undeveloped	85,289.5	61,179.2	43,589.5	30,878.0	21,592.7	60,147.6	41,113.4	27,015.2	16,826.4	9,438.3	13.48
Total Proved	358,898.4	318,359.5	277,973.3	244,831.0	218,508.1	249,538.8	225,520.1	196,986.0	172,704.1	153,234.2	27.26
Total Probable	150,567.7	101,777.5	71,794.6	53,605.1	42,017.8	112,593.7	75,848.5	52,832.9	38,980.0	30,266.6	23.50
Total Proved + Probable	509,466.2	420,137.0	349,767.8	298,436.1	260,525.9	362,132.6	301,368.6	249,818.8	211,684.1	183,500.7	26.40

Note:

- The unit values are based on net reserve volumes.

Production Estimates

The following table sets out for each product type the average net production rate estimated for the year ending December 31, 2022 in the estimates contained in the Acquisition Reserves Report for gross proved reserves and gross probable reserves. Actual results may differ significantly from the information below. See “*Special Note Regarding Forward-Looking Statements*” herein.

	Light and Medium Oil (bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (bbl/d)	(BOE/d)
Total Proved	4,420	620	19	4,542
Total Probable	138	0	0	138
Total Proved + Probable	4,558	620	19	4,680

Production History

Average Daily Production

The following table sets forth, by product type, the average net daily production volumes, product prices received, royalties paid, operating expenses and resulting netbacks with respect to the Assets, quarterly and for the year ended December 31, 2021.

Three months ended	March 31	June 30	September 30	December 31	Year ended December 31, 2021
Average Daily Production⁽¹⁾					
Light and Medium oil (bbl/d)	5,500	5,874	5,052	5,434	5,464
Natural Gas (Mcf/d)	638	670	670	674	663
NGLs (bbl/d)	20	21	24	21	21
Total (BOE/d)	5,626	6,007	5,188	5,567	5,595
BOE Metrics (\$/boe)					
Price	65.23	75.49	82.47	91.24	78.53
Royalties	3.10	3.48	3.83	4.00	3.60
Production Costs	12.26	11.22	12.62	11.88	11.97
Netback	49.87	60.79	66.02	75.36	62.96

Notes:

1. Production is presented before royalties.

Pricing Assumptions

The forecast cost and price assumptions in this BAR assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. The following oil and natural gas benchmark reference pricing, inflation and exchange rates as at January 1, 2022 were utilized in the Acquisition Reserves Report.

Summary of Pricing and Inflation Rate Assumptions January 1, 2022 Forecast Prices and Costs

Year	Crude Oil Price Forecasts							Inflation %	US/CAN Exchange Rate %US/\$CAN
	WTI Crude Oil ⁽¹⁾ \$US/bbl	Brent Crude Oil ⁽²⁾ \$US/bbl	Edmonton Light Crude Oil ⁽³⁾ \$C/bbl	Alberta Bow River Hardisty Crude Oil ⁽⁴⁾ \$C/bbl	Western Canadian Select Crude Oil ⁽⁵⁾ \$C/bbl	Alberta Heavy Crude Oil ⁽⁶⁾ \$C/bbl	Sask Cromer Medium Crude Oil ⁽⁷⁾ \$C/bbl		
History									
2011	95.10	111.25	95.05	78.55	77.10	67.90	89.05	2.90	1.010
2012	94.20	111.65	86.10	74.35	73.10	63.65	82.10	1.55	1.000
2013	97.95	108.60	93.05	76.55	75.25	65.25	88.25	0.95	0.970
2014	93.00	99.00	93.50	80.40	79.10	71.20	87.80	1.90	0.905
2015	48.80	52.35	57.75	46.10	44.80	39.55	51.45	1.10	0.785
2016	43.30	43.55	53.90	40.45	39.15	33.35	49.10	1.45	0.755
2017	50.90	54.25	62.85	52.00	50.70	45.20	59.85	1.60	0.770
2018	64.95	71.05	69.65	51.25	49.95	40.00	70.20	2.25	0.770
2019	57.00	64.35	69.00	60.00	58.70	54.80	68.00	2.00	0.755
2020	39.25	41.75	45.00	36.50	35.40	30.70	43.75	(0.10)	0.745
2021	67.95	70.65	80.25	69.35	68.80	63.10	77.70	1.35	0.800
Forecast									
2022	72.83	75.33	86.82	75.22	74.42	66.45	83.26	0.0	0.797
2023	68.78	71.46	80.73	69.92	69.17	61.90	77.45	2.3	0.797
2024	66.76	69.62	78.01	67.26	66.54	59.45	74.84	2.0	0.797
2025	68.09	71.01	79.57	68.60	67.87	60.64	76.34	2.0	0.797
2026	69.45	72.44	81.16	69.98	69.23	61.87	77.86	2.0	0.797
2027	70.84	73.88	82.78	71.37	70.61	63.11	79.42	2.0	0.797
2028	72.26	75.36	84.44	72.80	72.02	64.37	81.01	2.0	0.797
2029	73.70	76.87	86.13	74.25	73.46	65.67	82.63	2.0	0.797
2030	75.18	78.40	87.85	75.49	74.69	66.68	84.28	2.0	0.797
2031	76.68	79.97	89.61	77.00	76.19	68.02	85.97	2.0	0.797
2032	78.21	81.57	91.40	78.54	77.71	69.38	87.69	2.0	0.797
2033	79.78	83.20	93.23	80.11	79.27	70.77	89.44	2.0	0.797
2034	81.37	84.87	95.09	81.72	80.85	72.18	91.23	2.0	0.797
2035	83.00	86.57	96.99	83.35	82.47	73.63	93.05	2.0	0.797
2036	84.66	88.30	98.93	85.02	84.12	75.10	94.91	2.0	0.797
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	2.0	0.797

Notes:

1. West Texas Intermediate at Cushing Oklahoma 40 degrees APO, 0.5% sulphur.
2. North Sea Brent Blend 37 degrees API, 1.0% sulphur
3. Edmonton Light Sweet 40 degrees API, 0.3% sulphur.
4. Bow River at Hardisty, Alberta (Heavy stream).
5. Western Canadian Select at Hardisty, Alberta.
6. Heavy crude oil 12 degrees API at Hardisty, Alberta (after deduction of blending costs to reach pipeline quality).
7. Midale Cromer crude oil 29 degrees API, 2.0% sulphur.
8. Additional differentials for quality and transport were assigned at \$2.25/bbl and \$3.5/bbl less than Edmonton Light Crude Oil.

Liquids Price Forecasts

Year	Edmonton Ethane \$/bbl	Edmonton Propane \$/bbl	Edmonton Butanes \$C/bbl	Edmonton Cond. & Natural Gasolines \$/bbl	Inflation %	US/CAN Exchange Rate %US/\$CAN
Forecast						
2022	11.48	43.38	57.49	91.85	0.0	0.797
2023	10.33	35.92	50.17	85.53	2.3	0.797
2024	9.81	34.62	48.53	82.98	2.0	0.797
2025	10.01	35.31	49.50	84.63	2.0	0.797
2026	10.22	36.02	50.49	86.33	2.0	0.797
2027	10.42	36.74	51.50	88.05	2.0	0.797
2028	10.64	37.47	52.53	89.82	2.0	0.797
2029	10.86	38.22	53.58	91.61	2.0	0.797
2030	11.08	38.99	54.65	93.44	2.0	0.797
2031	11.31	39.77	55.74	95.32	2.0	0.797
2032	11.54	40.56	56.86	97.22	2.0	0.797
2033	11.77	41.37	57.99	99.17	2.0	0.797
2034	12.00	42.20	59.15	101.15	2.0	0.797
2035	12.24	43.05	60.34	103.17	2.0	0.797
2036	12.49	43.91	61.54	105.24	2.0	0.797
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	2.0	0.797

Gas Price Forecasts

Year	US Henry Hub Gas Price \$US/MMBtu	Alberta AECO Spot Price ⁽¹⁾ \$C/MMBtu	Alberta Average Plantgate ⁽²⁾ \$C/MMBtu	Alberta Aggregat or Plantgate \$C/MMBtu	Empress \$C/MMBtu	Sask. Prov. Gas Plantgate \$C/MMBtu	British Columbia Average Plantgate \$C/MMBtu	British Columbia Station 2 \$C/MMBtu	Inflation %	US/CAN Exchange Rate %US/\$CAN
Forecast										
2022	3.85	3.56	3.36	3.36	3.88	3.81	3.26	3.48	0.0	0.797
2023	3.44	3.21	3.00	3.00	3.49	3.46	2.92	3.14	2.3	0.797
2024	3.17	3.05	2.84	2.84	3.34	3.31	2.75	2.98	2.0	0.797
2025	3.24	3.11	2.89	2.89	3.41	3.37	2.81	3.03	2.0	0.797
2026	3.30	3.17	2.95	2.95	3.48	3.44	2.87	3.10	2.0	0.797
2027	3.37	3.23	3.01	3.01	3.54	3.51	2.93	3.16	2.0	0.797

Gas Price Forecasts

Year	US Henry Hub Gas Price \$/MMBtu	Alberta AECO Spot Price ⁽¹⁾ \$/MMBtu	Alberta Average Plantgate ⁽²⁾ \$/MMBtu	Alberta Aggregat or Plantgate \$/MMBtu	Empress \$/MMBtu	Sask Prov. Gas Plantgate \$/MMBtu	British Columbia Average Plantgate \$/MMBtu	British Columbia Station 2 \$/MMBtu	Inflation %	US/CAN Exchange Rate \$/CAN
2028	3.44	3.30	3.07	3.07	3.61	3.58	2.99	3.22	2.0	0.797
2029	3.50	3.36	3.13	3.13	3.69	3.65	3.06	3.29	2.0	0.797
2030	3.58	3.43	3.20	3.20	3.76	3.72	3.12	3.35	2.0	0.797
2031	3.65	3.50	3.26	3.26	3.83	3.80	3.18	3.42	2.0	0.797
2032	3.72	3.57	3.32	3.32	3.91	3.87	3.25	3.49	2.0	0.797
2033	3.79	3.64	3.39	3.39	3.99	3.95	3.31	3.56	2.0	0.797
2034	3.87	3.71	3.46	3.46	4.07	4.03	3.38	3.63	2.0	0.797
2035	3.95	3.79	3.53	3.53	4.15	4.11	3.45	3.70	2.0	0.797
2036	4.03	3.86	3.60	3.60	4.23	4.19	3.52	3.78	2.0	0.797
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	2.0	0.797

Notes:

1. Historical prices based on AECO 7A (near month process). 5A (daily price) expected to be equal to 7A over long term. 2021 historical prices: 7A \$3.55/MMBTU.
2. This forecast also applies to direct sales contracts and the Alberta gas reference price used in the Crown royalty calculations.