

**RESERVE AND ECONOMIC EVALUATION
GAS PROPERTY**

**COLLE SANTO GAS CONCESSION
ABRUZZO, ITALY**

Prepared for

AVANTI ENERGY INC.

**March 31, 2018
(April 1, 2018)**

Chapman Petroleum Engineering Ltd.

1122 - 4th Street S.W., Suite 700, Calgary, Alberta T2R 1M1 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

April 16, 2018

Avanti Energy Inc.
1450, 701 Georgia Street
Vancouver, BC
V7Y 1G5

Attention: Mr. Doug Ford

Dear Sir:

Re: Reserve and Economic Evaluation – Avanti Energy Inc.
Colle Santo Gas Concession, Abruzzo, Italy – March 31, 2018

In accordance with your authorization we have prepared a reserve and economic evaluation of a gas property located in Abruzzo, Italy, prepared for Avanti Energy Inc. (the "Company") for an effective date of March 31, 2018 (April 1, 2018).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), compliant with the NI 51-101 standards and the professional practice standard under our Permit to Practice with APEGA. The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION contains the authorization and purpose of the report and describes the methodology and economic parameters used in the preparation of this report.

The EXECUTIVE SUMMARY contains the results of this reserve and economic evaluation presented in a form consistent with the requirements of Form 51-101 F1 Part 2, Item 2.1 (Forecast Prices and Costs). The Forecast Prices of our benchmark products are also presented.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary, including values at the property level and the consolidated cash flows for each accumulating reserve category. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

The RESOURCES OTHER THAN RESERVES contains a summary of the resource property, compliant with NI 51-101, Sec. 5.9 of the Canadian Securities Administrators and a full description and results of the technical analysis of the resources in accordance with COGEH Volume 2, Section 2 (ROTR).

Resources have been classified as to their most specific category according to their level of certainty, project maturity and economic status for each entity, where applicable.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of any information contained in this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

Chapman Petroleum Engineering Ltd.

[Original Signed By:]

C. W. Chapman

C. W. Chapman, P. Eng.,
President

[Original Signed By:]

J.D. Brière

J.D. Brière, P.Eng.
Vice President – Engineering

jdb/lml/6426
attachments

PERMIT TO PRACTICE	
CHAPMAN PETROLEUM ENGINEERING LTD.	
Signature	[Original Signed By:] <u>C.W. Chapman</u>
Date	<u>April 16, 2018</u>
PERMIT NUMBER: P 4201	
The Association of Professional Engineers and Geoscientists of Alberta	

CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.
2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.
3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.
5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Avanti Energy Inc., dated April 16, 2018 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Avanti Energy Inc., its participants or any affiliate thereof.
7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

C.W. Chapman

C.W. Chapman, P.Eng.
President

PERMIT TO PRACTICE	
CHAPMAN PETROLEUM ENGINEERING LTD.	
[Original Signed By:]	
Signature	<u>C.W. Chapman</u>
Date	<u>April 16, 2018</u>
PERMIT NUMBER: P 4201	
The Association of Professional Engineers and Geoscientists of Alberta	

CERTIFICATE OF QUALIFICATION

I, D. J. BRIERE, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta.
2. THAT I graduated from the University of Calgary with a Bachelor of Science degree in Electrical Engineering in 1978.
3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
4. THAT I have over 30 years of experience in engineering studies relating to oil & gas fields in Canada and around the world.
5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Avanti Energy Inc., dated April 16, 2018 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Avanti Energy Inc., its participants or any affiliate thereof.
7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

J.D. Brière

J.D. Brière, P.Eng.
Vice President – Engineering

CERTIFICATE OF QUALIFICATION

I, Klorinda Kaci, of the city of Calgary, Alberta, Canada officing at Suite 700, 1122 – 4th Street S.W., Calgary, Alberta hereby certify:

1. THAT I am a member of Society of Petroleum Engineers.
2. THAT I hold a Bachelor of Applied Technology in Petroleum Engineering from Southern Alberta Institute of Technology (SAIT) in Calgary (June 2009). I hold a Bachelor of Science degree in Civil Engineering from Tirana University of Albania 1989.
3. THAT I have been employed in the petroleum industry from 1994 to 2000 in Albania, and from January 2008 to the present time in Calgary.
4. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Avanti Energy Inc., dated April 16, 2018 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
5. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Avanti Energy Inc., its participants or any affiliate thereof.
6. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
7. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

Klorinda Kaci

Klorinda Kaci, B.Sc., B.A.Tech.,
Economics Coordinator / Technical Assistant

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TABLE OF CONTENTS

Introduction

- Authorization
- Purpose of the Report
- Use of the Report
- Scope of the Report
- Basis of the Report
- Evaluation Standard Used
- Site Visit

- Orientation Map

Executive Summary

Discussions

- ABRUZZO, ITALY
 - Colle Santo Gas Concession

Summary of Company Reserves and Economics

Appendix A – Vallecupa Field Resources Other Than Reserves (ROTR)

Glossary

Company Representation Letter

INTRODUCTION INDEX

1. Authorization
2. Purpose of the Report
3. Use of the Report
4. Scope of the Report
 - 4.1 Methodology
 - 4.2 Land Survey System
 - 4.3 Economics
 - 4.4 Barrels of Oil Equivalent
 - 4.5 Environmental Liabilities
5. Basis of the Report
 - 5.1 Sources of Information
 - 5.2 Product Prices
 - 5.3 Product Sales Arrangement
 - 5.4 Royalties
 - 5.5 Capital Expenditures and Operating Costs
 - 5.6 Income Tax Parameters
 - 5.7 Abandonment and Restoration
6. Evaluation Standard Used
 - 6.1 General
 - 6.2 Definition of Resources
 - 6.3 Definition of Reserves
7. Site Visit

Attachments

Orientation Map

INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Doug Ford, on behalf of Avanti Energy Inc. The engineering analysis has been performed during the month of March 2018.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the gas reserves acquired by Avanti Energy Inc. for the Company's financial planning.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may own.

3. USE OF THE REPORT

The report is intended for annual corporate disclosure requirements.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow (DCF) analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions. In the case of the resources other than reserves, the DCF analysis was further subjected to an "Expected Value" risk analysis for determining the after risk value.

4.2 Land Survey System

The Italian Cadastral Land Survey System establishes real property boundaries based on modern geodetics and historical land claims.

The complete unification of the country was done in 1870 when large parts of the Appennien Peninsula was covered by cadastral surveys, mainly carried out by Piedmont, the Kingdom of Naples and the Papal State (Frazzica et al., 2009).

In the first decades of the twentieth century, the Italian Institute of Military Geography (Istituto Geografico Militare; I.G.M) developed four independent geodetic networks. Today the Genova 1902 datum is more or less used for all parts of the country.

Italian Cadastral system geodetic data can be obtained from the Italian geodetic data portal, and it provides access to all geodetic base data of the country, according to the Open Access strategy.

4.3 **Economics**

The results of the before tax economic analysis, which are presented for each entity and property summary, are in a condensed form presented on one page for simplicity in analyzing the cash flows, however, if for any reason more extensive breakdown of the cash flow is required, a separate schedule can be provided showing the full derivation and breakdown of any or all of the columns on the summary page.

The economic presentation shows the gross property and company gross and net (before and after royalty) production of oil, gas and each NGL product along with the product prices adjusted for oil quality and heating value of gas. Oil prices also include the deduction for trucking costs where applicable for royalty deductions.

The second level includes the revenues, royalties, operating costs, processing income, abandonment costs, capital and cash flow of the property. Royalty values shown here are after the reimbursement to the Company of the Gas Cost Allowance (GCA). Operating costs are presented for the gross property and the company share, split between variable and fixed costs, and the effective cost per BOE.

Net revenues are presented annually and as a net back in \$/BOE @ 6 Mscf/STB. Revenue from custom processing of oil or gas is presented separately.

The third level of data presents the cumulative cash flow values (present worth) for various discount rates. Also, the net cash flow breakdown is presented. The project profitability criteria

are summarized on the bottom right of the page. These data are not relevant in the case of corporate evaluations but are useful in assessing individual capital projects.

For corporate consolidations a second page is included, which repeats the before tax cash flow and presents the Taxable Income, Income Tax Payable, After Income Tax Cash Flows and net present values After Income Tax.

4.4 **Barrels of Oil Equivalent**

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs 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 value equivalency at the well head.

4.5 **Environmental Liabilities**

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. **BASIS OF REPORT**

5.1 **Sources of Information**

Source of the data used in the preparation of this report are as follows:

- i) Ownership and Burdens have been derived from the Company's land records and other information from the Company as required for clarification;
- ii) There is no production data to be acquired from public data sources, only test data on certain wells has been provided directly by the Company;
- iii) Well data is accessed from the Company's well files and from public data sources;
- iv) Operating Costs are based the Company's estimates;
- v) Price differentials are derived from the Company's records;

v) Timing of Development Plans and Capital estimates are determined by discussions with the Company.

5.2 Product Prices

The European gas price forecast comes from the World Bank forecast.

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data, current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with 2 percent escalation thereafter.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented in Table 5 in the Executive.

The Natural Gas Liquid (NGL) blended mix price has been established for each applicable property in this report based on the price and relative volumes of each NGL component of the gas stream recovered at the plant and wellhead for that property based on available plant and revenue data.

For properties where actual data is not available, an average blended mix price has been estimated based on a typical liquid composition assumed to be 40% propane, 30% butane and 30% pentanes plus.

Any prices quoted in the property discussions reflect fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements. In the case of delayed production the equivalent 2018 price for that production has been quoted.

5.3 Product Sales Arrangement

The Company does not have any "hedge" contracts in place at this time.

5.4 **Royalties**

A full provision for royalties under the latest regulations and incentive programs for the applicable areas have been included in this report where freehold royalties, mineral taxes, gross overriding royalties and any other burdens have been taken into account.

5.5 **Capital Expenditures and Operating Costs**

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars but for economic purposes are escalated at 2% per year after the current year.

5.6 **Income Tax Parameters**

The Company's tax pools are in excess of the projected revenue in this report, therefore there is no tax impact in this report.

Future capital expenditures anticipated for this report are predominantly development costs and have been included as tangible or intangible costs.

5.7 **Abandonment and Restoration**

Abandonment and restoration costs, net of salvage, have been included in the cash flows for the final event of any particular well. The abandonment cost does not impact the economic limit and is included in the final year of production. For marginal wells nearing the end of their economic life, these costs may result in a negative net present value.

We have used the company's estimate of abandonment and land reclamation.

In this report, we have accounted for these costs for only the wells which are being evaluated and have not included other shut-in or suspended wells in the Company's inventory or their facilities and pipelines.

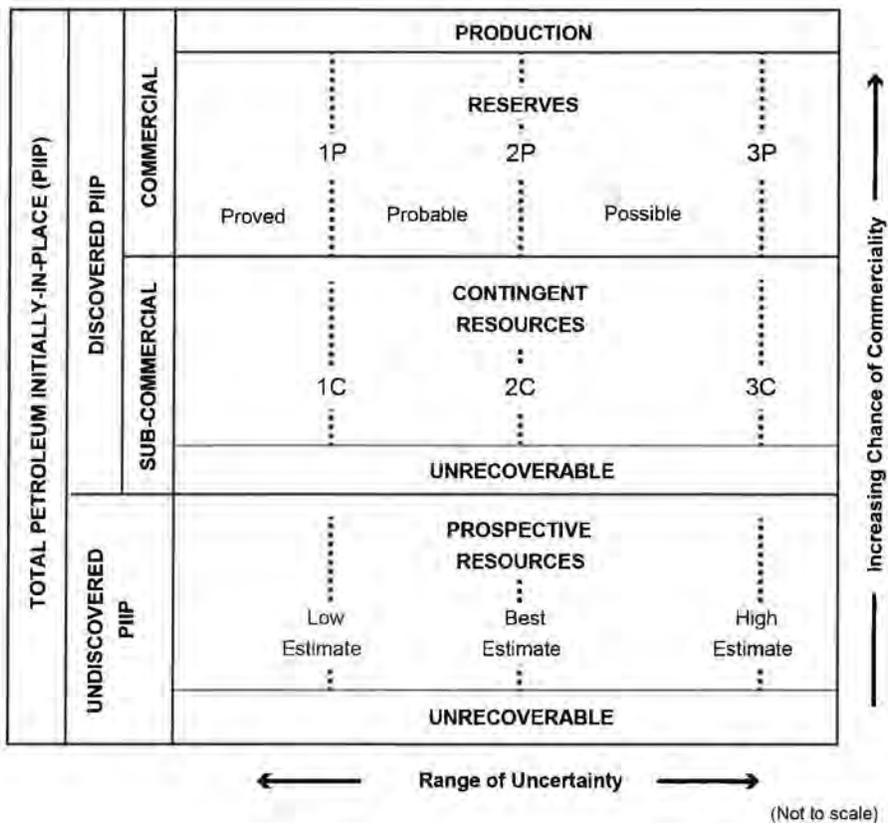
6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the "Canadian Oil and Gas Evaluation Handbook" ("COGEH"), the professional practice standard adopted by APEGA and specified by Canada Securities Administrators NI 51-101.

The following definitions have been extracted from Sections 5.2 and 5.4 of COGEH, Vol. 1 – Second Edition (COGEH-1). These definitions are essentially compliant and relate to the resource classification framework, Figure 1 which follows, and use the primary nomenclature and concepts in the 2007 SPR-PRMS.

Resources Other Than Reserves have been evaluated according to COGEH, Vol. 2 Section 1 – ROTR.



6.2 Definition of Resources

Total Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Discovered Petroleum Initially-In-Place (equivalent to "discovered resources") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and contingent resources; the remainder is unrecoverable.

a) Production

Production is the cumulative quantity of petroleum that has been recovered at a given date.

b) Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

c) Contingent Resources

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and

may be subclassified based on project maturity and/or characterized by their economic status.

d) Unrecoverable

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Undiscovered Petroleum Initially In Place (equivalent to "undiscovered resources") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "prospective resources", the remainder as "unrecoverable".

e) Prospective Resources

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

6.3 Definition Of Reserves

The following definitions and guidelines are designed to assist evaluators in making reserves estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- General criteria for classifying reserves,
- Procedures and methods for estimating reserves,
- Confidence levels of individual entity and aggregate reserves estimates,
- Verification and testing of reserves estimates.

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

The estimation and classification of reserves requires the application of professional judgement 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 concepts are presented and discussed in greater detail within the guidelines of Section 5.5 of the COGEH, Vol. 1 – Second Edition (COGEH-1).

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

RESERVES CATEGORIES

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

- Analysis of drilling, geological, geophysical, and engineering data;
- The use of established technology;
- Specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

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

- 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 + probable reserves.
- c. 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 + probable + possible reserves.

Other criteria that must also be met for the categorization of reserves are provided in Section 5.5.4 of the COGEH, Vol. 1 – Second Edition (COGEH-1).

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) 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 (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

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

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

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

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be 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 contained in the definitions in Section 5.4.1 are applicable to "individual reserves entities," which refers to the lowest level at which reserves calculations are performed, and to "reported reserves," which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

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

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the COGEH, Vol. 1 – Second Edition (COGEH-1).

7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.



AVANTI ENERGY INC.	
MONTE PALLANO BLOCK	
ITALY	
ORIENTATION MAP	
APR. 2018	JOB No. 6426

EXECUTIVE SUMMARY

INDEX

Forecast Prices and Costs

- Table 1: Summary of Oil & Gas Reserves
- Table 2: Summary of Net Present Values
- Table 3: Total Future Net Revenue (Undiscounted)
- Table 4: Future Net Revenue – By Production Group
- Table 4A: Reserves and Net Present Values – By Production Group
- Table 5: Product Price Forecasts and Constant Prices

Table 1
Avanti Energy Inc.
Summary of Oil and Gas Reserves
April 1, 2018
(as of March 31, 2018)
Forecast Prices and Costs

Reserves Category	Company Reserves							
	Light and Medium Oil		Heavy Oil		Conventional Natural Gas [1]		Natural Gas Liquids	
	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl
PROVED								
Developed Producing	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	24,401	19,722	0	0
TOTAL PROVED	0	0	0	0	24,401	19,722	0	0
PROBABLE	0	0	0	0	4,052	3,274	0	0
TOTAL PROVED PLUS PROBABLE	0	0	0	0	28,453	22,996	0	0

Reference: Item 2.1 (1) Form 51-101F1

Columns may not add precisely due to accumulative rounding of values throughout the report.

Notes: [1] Includes associated, non-associated and solution gas where applicable.

Table 2

Avanti Energy Inc.

Summary of Net Present Values

April 1, 2018

(as of March 31, 2018)

Forecast Prices and Costs

Before Income Tax

Reserves Category	Net Present Values of Future Net Revenue				
	Discounted at				
	0 %/yr.	5 %/yr.	10 %/yr.	15 %/yr.	20 %/yr.
	M\$	M\$	M\$	M\$	M\$
PROVED					
Developed Producing	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0
Undeveloped	139,707	76,201	44,248	26,258	15,208
TOTAL PROVED	139,707	76,201	44,248	26,258	15,208
PROBABLE	36,175	14,435	6,966	3,906	2,447
TOTAL PROVED PLUS PROBABLE	175,882	90,636	51,214	30,164	17,655

After Income Tax [1]

Reference: Item 2.1 (2) Form 51-101F1

M\$ means thousands of US dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

Notes: [1] The Company's tax pools are in excess of the projected revenue in this report, therefore there is no tax impact in this report.

Table 3
Avanti Energy Inc.
Total Future Net Revenue (Undiscounted)
April 1, 2018
(as of March 31, 2018)
Forecast Prices and Costs

Reserve Category	Revenue M\$	Royalties M\$	Operating Costs M\$	Development Costs M\$	Well Abandonment Costs M\$	Future Net Revenues BIT M\$
Total Proved	245,068	46,947	28,047	27,636	2,731	139,707
Proved Plus Probable	297,888	57,063	34,321	27,636	2,987	175,882

Reference: Item 2.1 (3)(b) NI 51-101F1

M\$ means thousands of US dollars

Notes: [1] After Income Tax is not available, because this report is based on an evaluation of certain properties owned by the company.

Table 4

Avanti Energy Inc.

**Future Net Revenue
By Product Type**

**April 1, 2018
(as of March 31, 2018)**

Forecast Prices and Costs

<u>Reserve Category</u>	<u>Product Type</u>	<u>Future Net Revenue Before Income Taxes Discounted at 10%/yr. M\$</u>
Total Proved	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Conventional Natural Gas (including by-products but not solution gas)	44,248
Proved Plus Probable	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Conventional Natural Gas (including by-products but not solution gas)	51,214

Reference: Item 2.1 (3)(c) NI 51-101F1

M\$ means thousands of US dollars

Table 4A

Avanti Energy Inc.

Oil and Gas Reserves and Net Present Values
By Product Type
April 1, 2018
(as of March 31, 2018)

Forecast Prices and Costs

Reserve Type by Reserve Category	Reserves						Net Present Value (BIT) 10% M\$	Unit Values @ 10%/yr. \$/Mscf
	Oil		Gas		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl		
Conventional Natural Gas (Assoc & Non-Assoc Gas)								
Proved								
Developed Producing	0	0	0	0	0	0	0	N/A
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	24,401	19,722	0	0	44,248	2.24
Total Proved	0	0	24,401	19,722	0	0	44,248	2.24
Probable	0	0	4,052	3,274	0	0	6,966	2.13
Proved Plus Probable	0	0	28,453	22,996	0	0	51,214	2.23

Reference: Item 2.1 (3)(c) NI 51-101F1

M\$ means thousands of US dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

Notes: [1] Includes solution gas.

Table 5
CHAPMAN PETROLEUM ENGINEERING LTD.
Natural Gas
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES
April 1, 2018

Date	Henry Hub Gas[1] \$US/MMBTU	Europe Gas[2] \$US/Mcf	Italy Gas[3] \$US/Mcf
HISTORICAL PRICES			
2004	5.91	4.28	N/A
2005	8.92	6.33	N/A
2006	6.75	8.47	N/A
2007	6.97	8.56	N/A
2008	8.98	13.41	N/A
2009	3.94	8.71	N/A
2010	4.39	8.80	N/A
2011	3.99	10.42	N/A
2012	2.70	11.48	N/A
2013	3.84	11.80	N/A
2014	4.36	10.10	N/A
2015	2.69	7.30	N/A
2016	3.31	4.56	N/A
2017	3.85	5.65	N/A
FORECAST PRICE			
2018	4.19	5.70	7.41
2019	4.44	5.80	7.54
2020	4.69	6.00	7.80
2021	4.84	6.20	8.06
2022	5.00	6.40	8.32
2023	5.16	6.50	8.45
2024	5.34	6.70	8.71
2025	5.52	6.90	8.97
2026	5.60	6.70	8.71
2027	5.67	7.00	9.10
2028	5.75	7.32	9.52
2029	5.83	7.65	9.95
2030	5.92	8.00	10.40
2031	6.00	8.36	10.87
2032	6.09	8.74	11.36
2033	6.21	9.14	11.88

Escalated 2% thereafter

- Notes:
- [1] Henry Hub Spot is natural gas traded on the New York Mercantile Exchange
 - [2] Europe gas price forecast comes from World Bank Forecast.
 - [3] Report price, calculated based on World Bank Forecast with 1.3 adjustment factor based on the CMI Energia forecast price.

**COLLE SANTO GAS CONCESSION
ONSHORE, ITALY
INDEX**

Discussion

Property Description
Geology
Reserves
Production
Product Prices
Capital Expenditures
Operating Costs
Economics

Attachments

Figure 1: Land and Well Map

Table 1: Schedule of Lands, Interests and Royalty Burdens

Figure 2: Geographical Maps and Figures

- a) Regional Geology
- b) Stratigraphic Chart
- c) Structural Map
- d) Geological Cross Section
- e) Well Monte Pallano 1 – Log Analysis
- f) Well Monte Pallano 2 – Log Analysis

Table 2: Summary of Gross Reserves

Summary of Gross Reserves and Reservoir Parameters

- a) Proved and Probable Undeveloped

Figure 3: Proposed Pipeline

Table 3: Summary of Anticipated Capital Expenditures

- a) Development
- b) Abandonment and Restoration

Table 4: Summary of Company Reserves and Economics

Consolidated Cash Flows

- a) Total Proved Undeveloped
- b) Total Proved Plus Probable Undeveloped

Individual Cash Flows

Proved Undeveloped

- c) Monte Pallano 1 & 2 (Apullian)
- d) Monte Pallano 3 & 4 (Apullian)

Proved Plus Probable Undeveloped

- e) Monte Pallano 1 & 2 (Apullian)
- f) Monte Pallano 3 & 4 (Apullian)

**COLLE SANTO GAS CONCESSION
ONSHORE, ITALY
DISCUSSION**

Property Description

The Company currently owns a 33.34% working interest in the Monte Pallano oil and gas permit covering 8827 acres located onshore Italy on the western side along the Adriatic coast, and which contains the Colle Santo gas concession area covering 3043 acres.

The burdens on the property are a 10% government royalty that is not due on the first 25 million m³ of gas production (883 million ft³), a 9% overriding royalty and 1.35% overriding royalty that are net of transportation costs.

A map showing the Colle Santo concession location is presented on Figure 1a, and a description of the ownership is presented in Table 1.

Geology

The regional geology of Italy as shown in Figure 2a places the Company's properties in the on-land shallow depths of the Apenninic Foredeep basin.

The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics, but pertaining to the same Adriatic plate.¹

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin)
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

¹ 'An Introduction To The Italian Geology' – Carlo Doglioni and Giovanni Flores, 1997

The Colle Santo concession is an exploration play in the Monte Pallano permit area where there are gas reserves in the Upper Cretaceous Apulian carbonates as represented in the Stratigraphic Column of Figure 2b. The carbonate reservoir trap is shown as in Figure 2c and a cross section is shown in Figure 2d.

Reserves

Total Proved Undeveloped marketable gas reserves of 73.2 BCF have been estimated for the Colle Santo area. This estimate is based on volumetric analysis calculated from reservoir parameters that are shown in Table 2a.

Total Probable Undeveloped Incremental marketable gas reserves of 12.1 BCF have been estimated for the Colle Santo area based on an increased recovery factor from 60% to 70%.

Production

There are legacy boreholes drilled by AGIP into the Apulian Carbonates (Bomba1, Bomba2, Bomba3, Bomba6, and Bomba7) that were tested but never placed on production because of local concerns. These Bomba legacy boreholes were plugged and abandoned in 1992 and are not being considered for production. The Colle Santo gas concession in the Monte Pallano permit area will first be produced from re-entries into wells MP-1 and MP-2 which have each tested 7 MMCF/D from the Calcari di Monte Acuto zone. Then MP-3 and MP-4 are scheduled to be drilled in 2021.

Product Prices

A 2018 Italian gas price of \$7.41 USD/MCF has been used for this area based on a World Bank forecast of \$5.70 USD/MCF adjusted by a factor of 1.3 based on the client's forecast.

Capital Expenditures

The gross capital expenditures of \$82,296,000 USD (\$27,437,000 USD net to the Company) are presented in Table 3a.

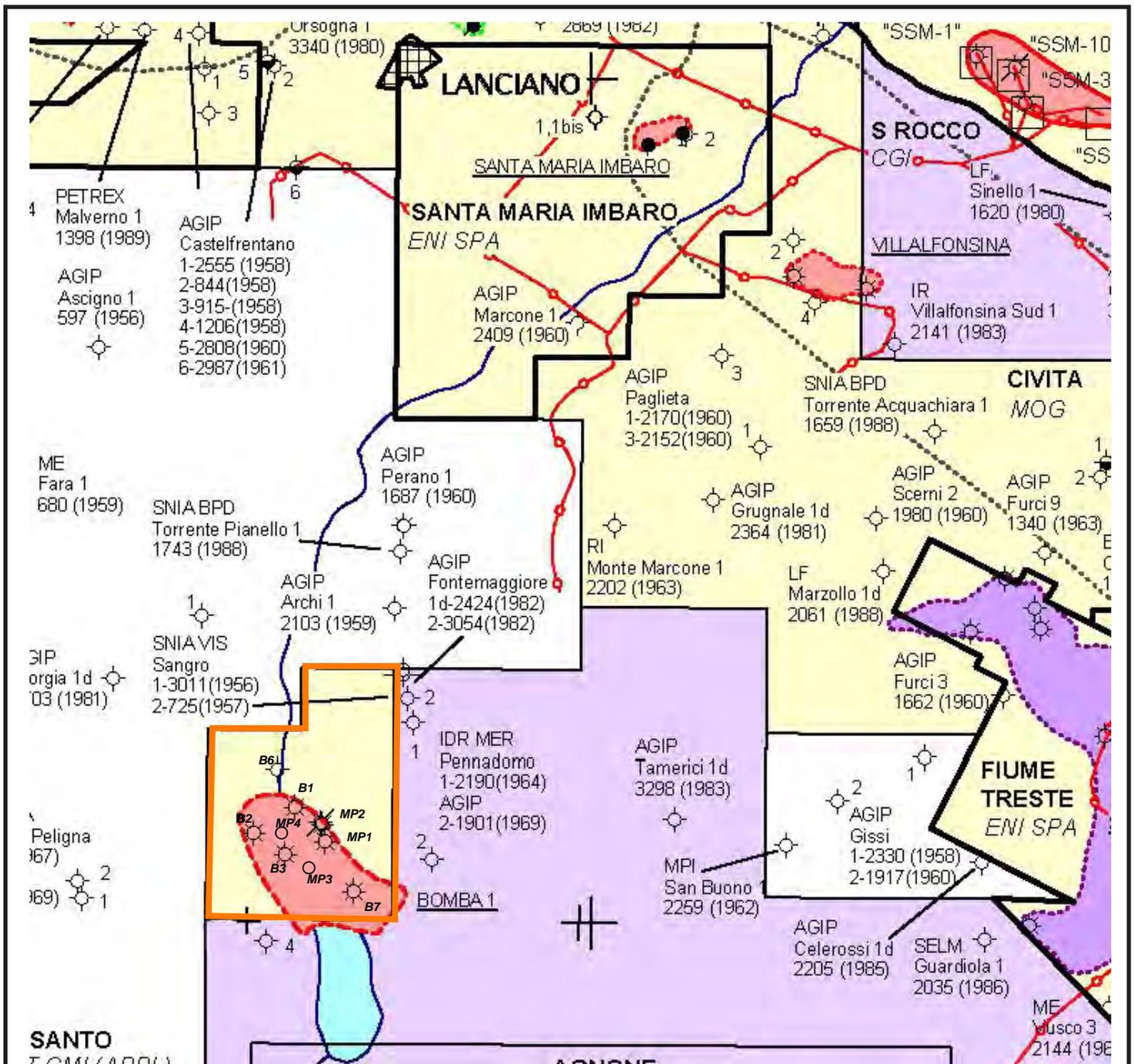
Total abandonment liabilities of \$4,514,000 (\$1,505,000 net to the Company) have been estimated based on company expectations as presented in Table 3b.

Operating Costs

Operating costs for this area have been estimated to be \$40,631 per well per month (\$13,546 net to the Company), based on information provided by the Company. Variable cost includes the operations in a gas plant amounting to approximately \$0.10/Mscf of gas production.

Economics

An economic summary is presented on Table 4 and the results of our economic analysis are presented on Tables 4a through 4f.



EXPLORATORY WELLS

TECHNICAL STATUS

- Drilling
- ◊ Suspended
- ◊ Abandoned
- ◊ Unknown, tight
- ◊ Junked
- ◊ Completed

CONTENT STATUS

- Oil
- Gas
- Oil Shows
- Gas Shows
- Oil and Gas
- Gas and Condensate

AGIP Well operator
 Saba 1 Well name
 2409 (1961) Total depth in metres and year spudded

INFRASTRUCTURE

- Gas pipeline
- Oil pipeline
- Condensate pipeline
- Products pipeline
- Water pipeline
- Pipeline planned or under construction
- Refinery
- Tanker terminal
- Gas plant
- U.G.S.
- Platform

COMPANY LAND

GEOGRAPHY

- Coastline
- International boundary
- Province boundary
- Claim
- Offshore zone boundary
- In dispute
- Bathymetry (in metres)
- City
- 'E & P Restricted area'
- Lakes
- Rivers
- Basin limit
- Basement limit

LEGEND

FIELDS

TYPE	STATUS	FIELD NAME
● Oil field	○ Producing	BOMBA 1
● Gas field	○ Non-producing	
● Gas / condensate field	○ Depleted/Abandoned	

LICENCES

FILETTO	Block name:	Operator
■ Licensed area	■ Block offered	■ Application
■ Production lease	■ Awarded	■ Reinstated
	■ Open areas	

AVANTI ENERGY INC.

MONTE PALLANO BLOCK

ITALY

LAND AND WELL MAP

APR. 2018 JOB No. 6426 FIGURE No. 1

Table 1

Schedule of Lands, Interests and Royalty Burdens
April 1 2018

Avanti Energy Inc.

Colle Santo, Province of Chieti, Abruzzo, Italy

Description	Rights Owned	Gross Acres	Appraised Interest		Royalty Burdens	
			Working %	Royalty %	Basic %	Overriding %
Monte Pallano	[A]	8,827	33.3400 [1]		10.0000 [2]	8.1000 [3]
						1.3500 [4]
	Total	8,827				

General Notes : [1] Current ownership is:

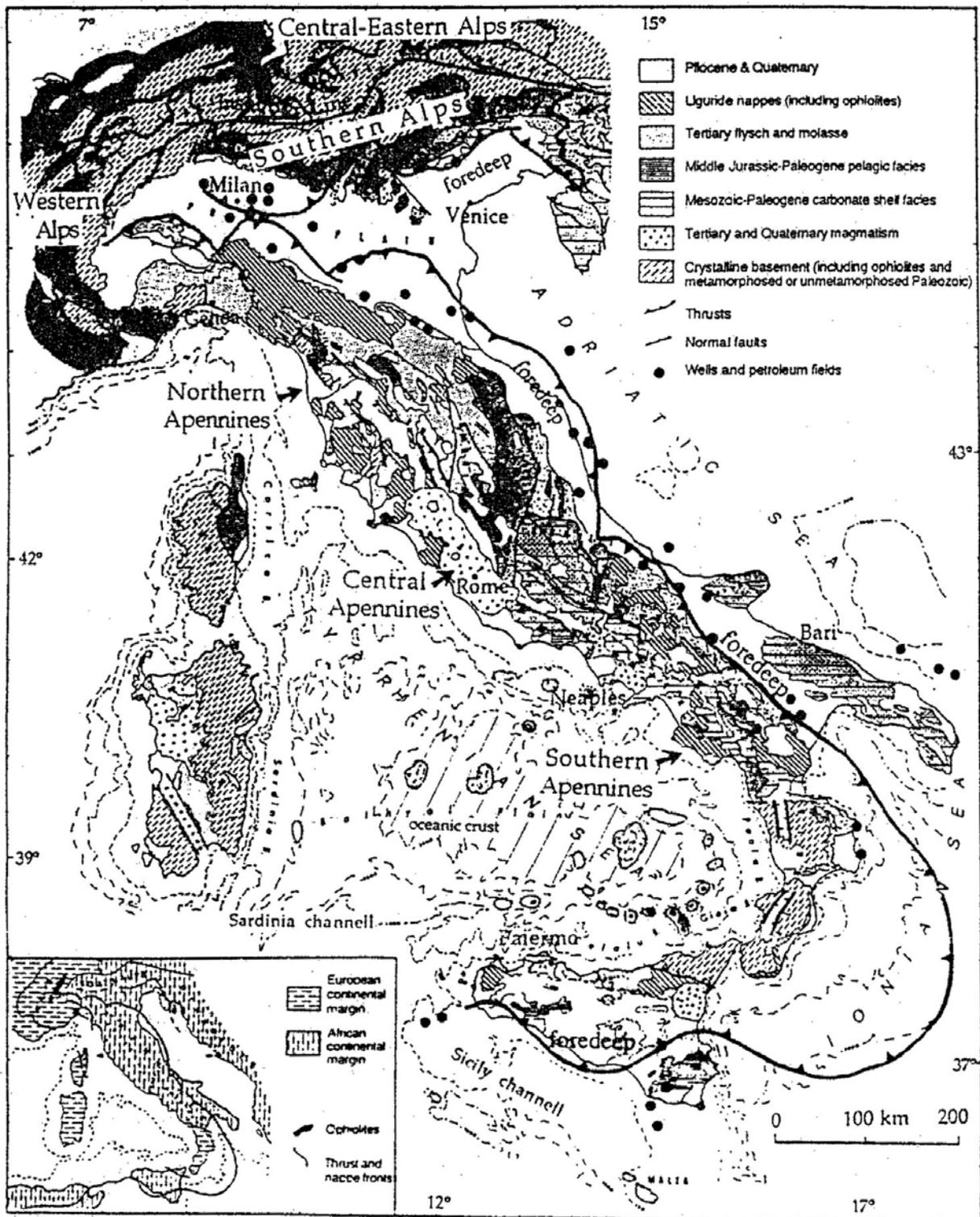
Avanti Energy Inc.	33.3400%
AVX Group	41.6600%
Dove Energy B.V.	15.0000%
Intergie S.r.l	10.0000%
	<u>100.0000%</u>

[2] Italian government royalties not due on first 25 million m3 of gas (883 million ft3)

[3] Dove royalty is capped at sixty million euro, net of royalty tax and transportation

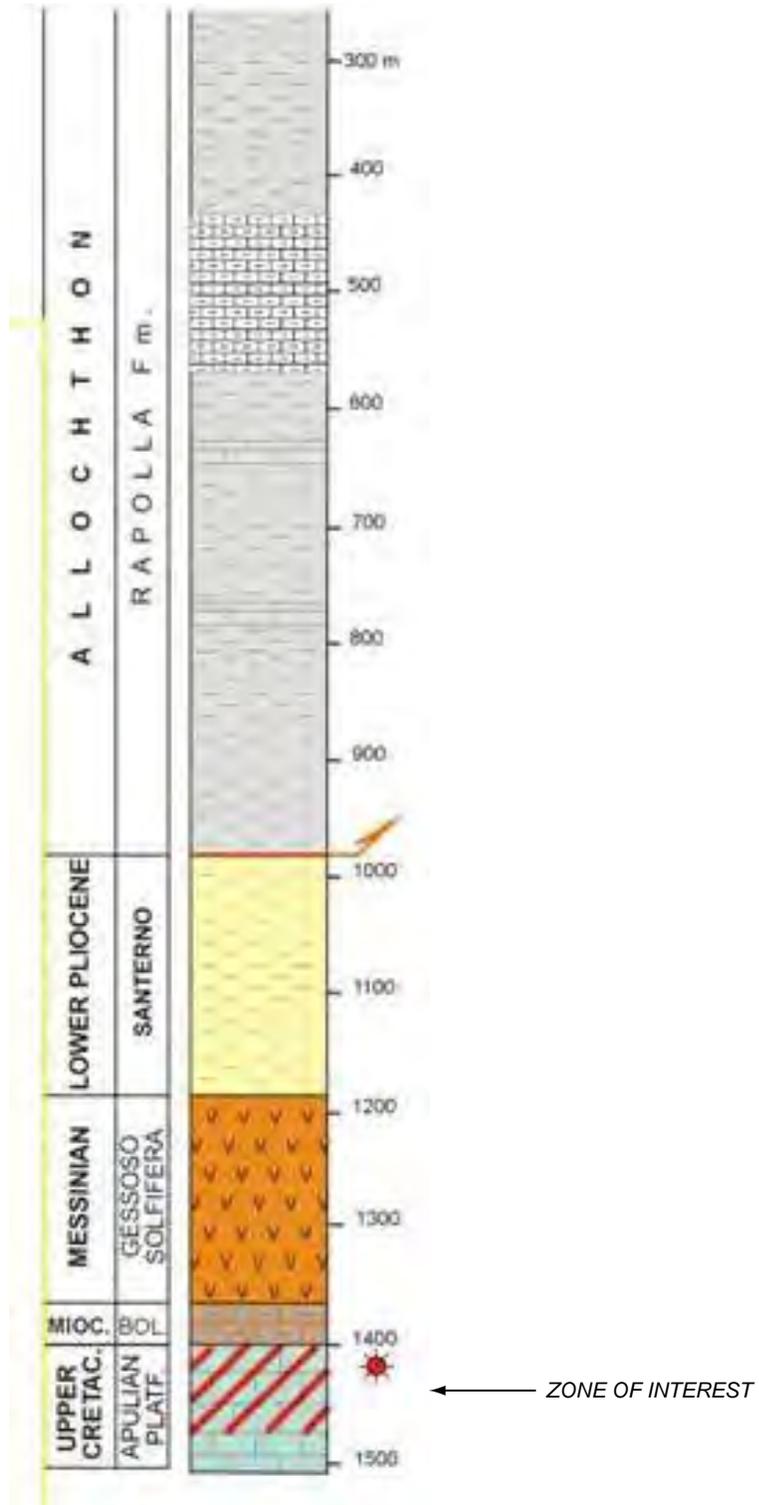
[4] Luigi Albanesi royalty is 1.5% of (Avanti + AVX + Dove = 90%), net petroleum profits, net of transportation

Rights Owned : [A] All P&NG.



Source: Doglioni and Flores, *An Introduction to the Italian Geology*, 1997

AVANTI ENERGY INC.
ITALY
REGIONAL GEOLOGY
APR. 2018 JOB No. 6426 FIGURE No. 2a

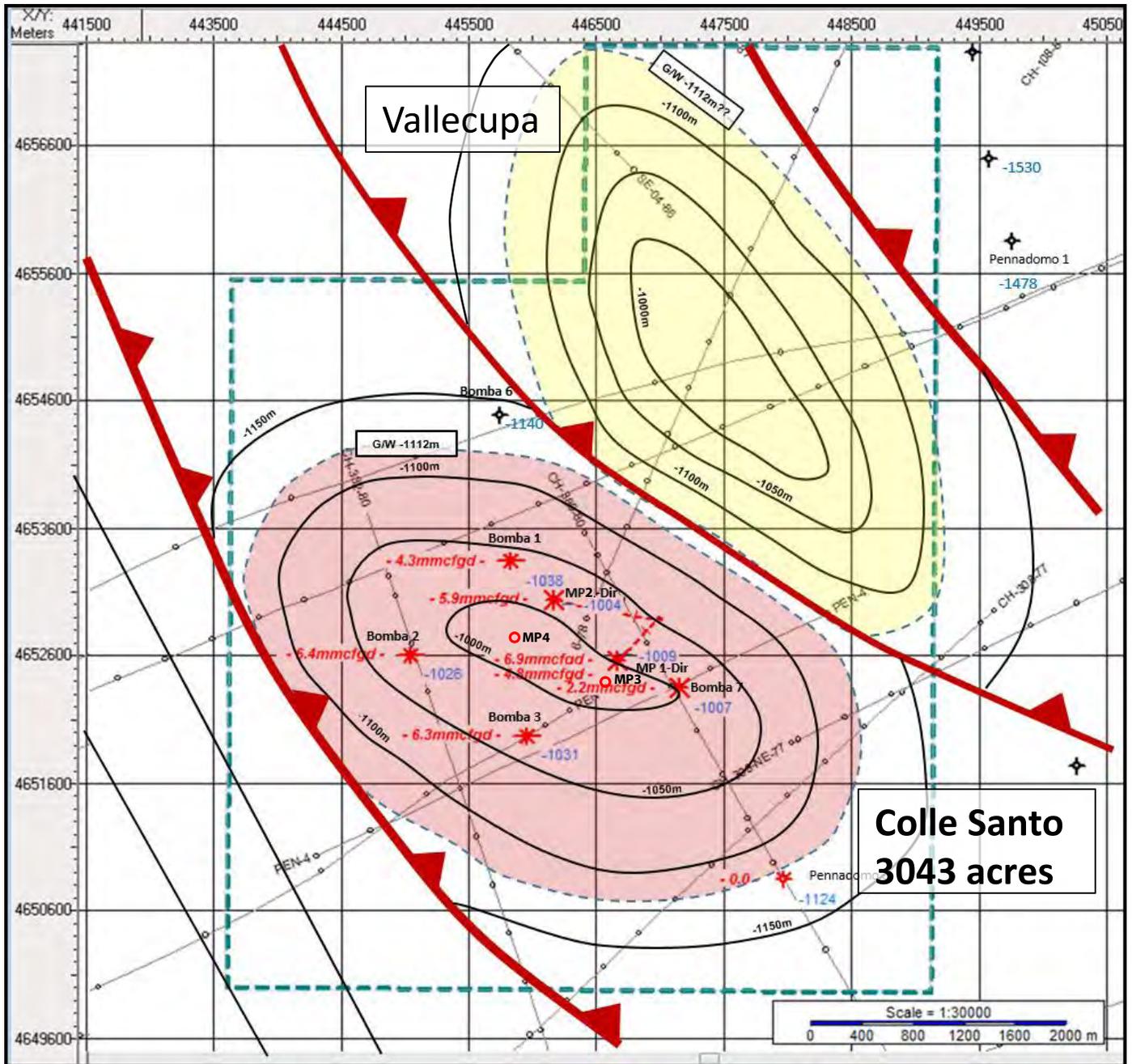


AVANTI ENERGY INC.

MONTE PALLANO BLOCK
ITALY

STRATIGRAPHIC CHART

APR. 2018 JOB No. 6426 FIGURE No. 2b



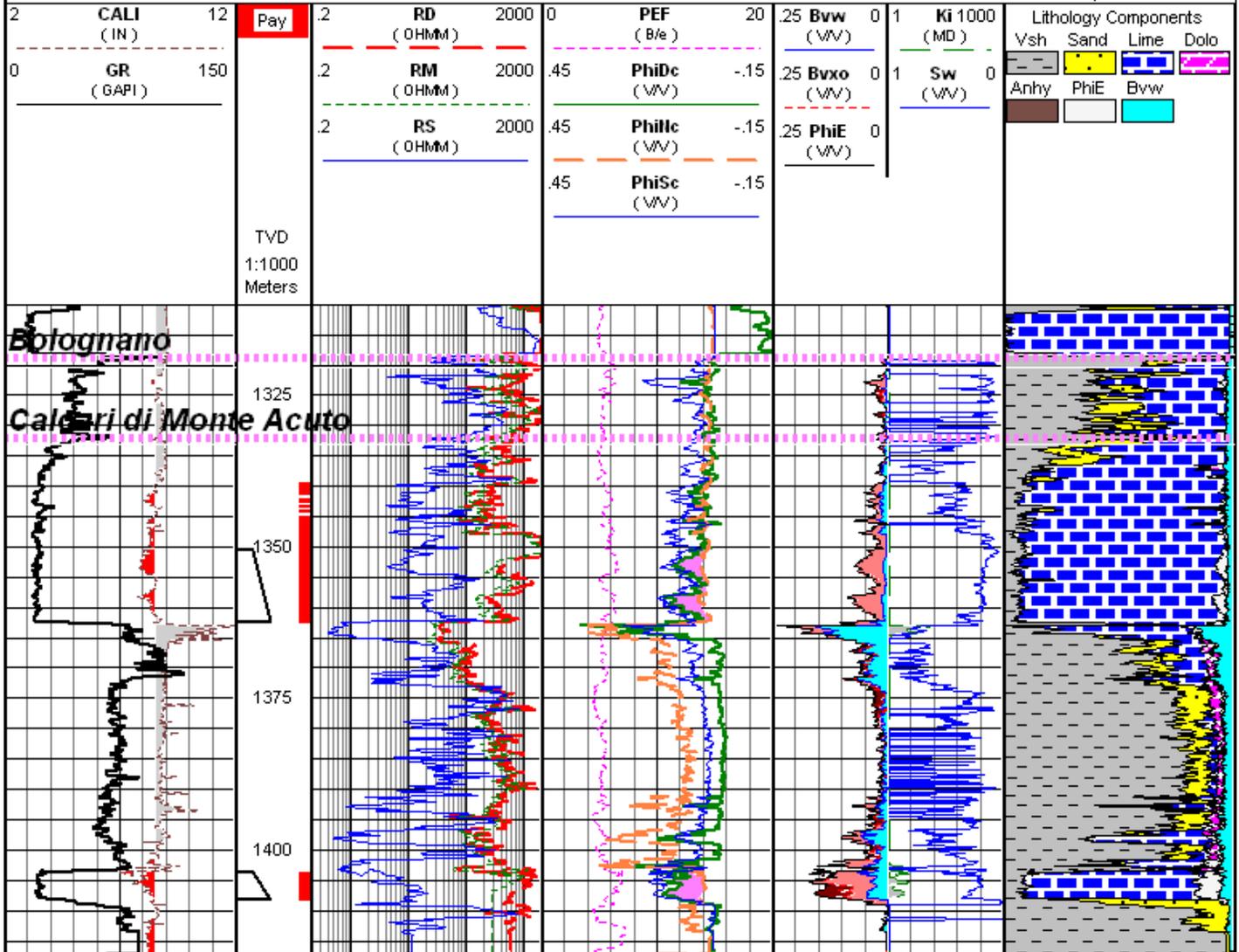
○ PROPOSED LOCATION

AVANTI ENERGY INC.		
MONTE PALLANO BLOCK ITALY		
STRUCTURAL MAP Top of Apulian Reservoir in Colle Santo C.I. = 50 m		
APR. 2018	JOB No. 6426	FIGURE No. 2c

Chapman Petroleum Engineering Ltd. Monte Pallano 1

Operator: FOREST CMI S.P.A.
 Well Name: MONTE PALLANO NO.1 DIR COMPOSITE
 Field Loc.: Monte Pallano
 Field Name: BOMBA

KB: 323.5 meters
 GL: 316.5 meters



AVANTI ENERGY INC.

MONTE PALLANO BLOCK
 ITALY

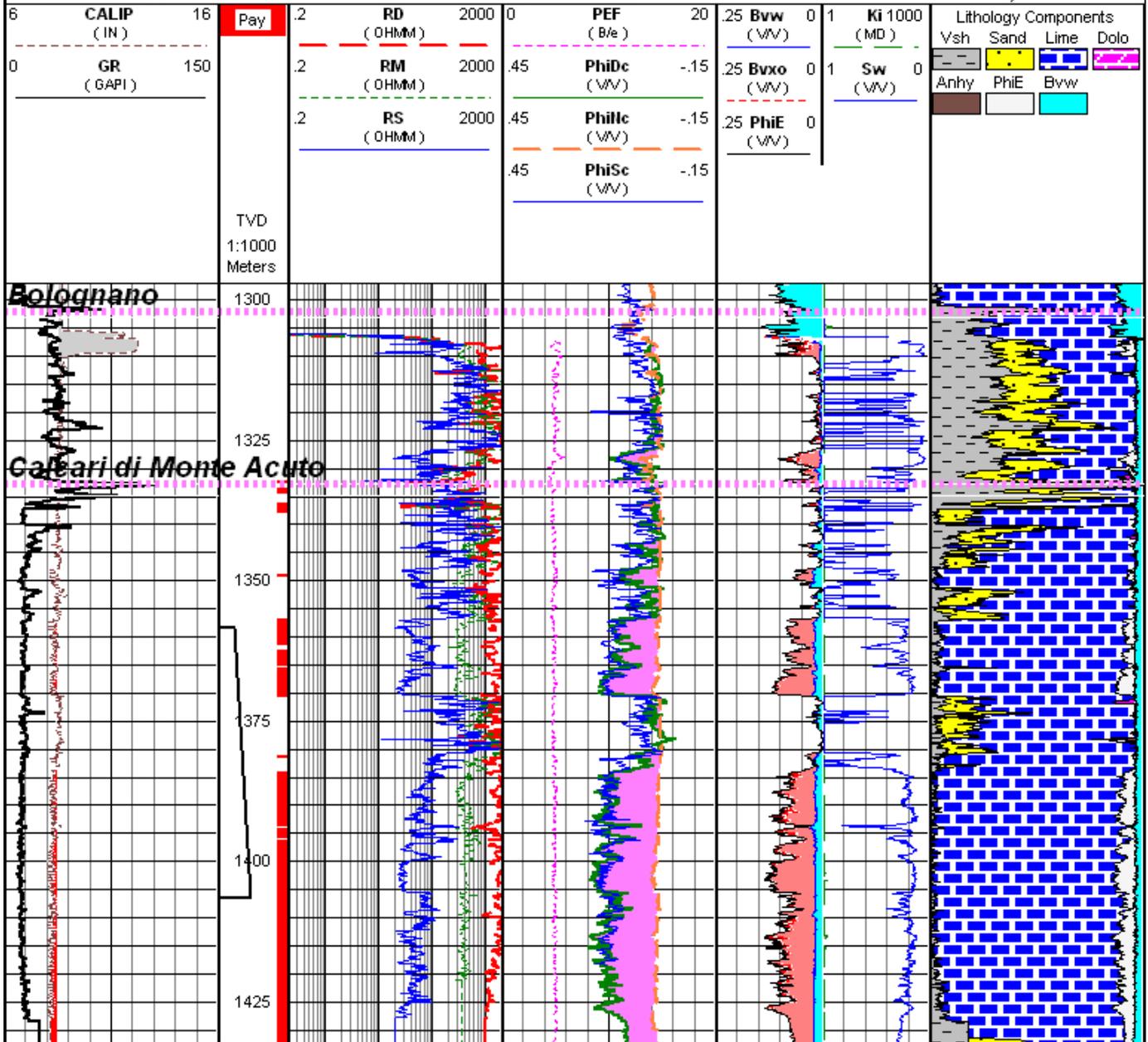
WELL MONTE PALLANO 1
LOG ANALYSIS

APR. 2018 JOB No. 6426 FIGURE No. 2e

Chapman Petroleum Engineering Ltd. Monte Pallano 2

Operator: FOREST CMI S.P.A
 Well Name: MONTE PALLANO 2 DIR - COMPOSITE
 Field Loc.: 14.21.35.361E, 42.01.34.626N
 Field Name: BOMBA

KB: 323.5 meters
 GL: 316.5 meters



AVANTI ENERGY INC.

MONTE PALLANO BLOCK
 ITALY

WELL MONTE PALLANO 2
LOG ANALYSIS

APR. 2018 JOB No. 6426 FIGURE No. 2f

Table 2

**Summary of Gross Reserves
April 1 2018**

Colle Santo, Province of Chieti, Abruzzo, Italy

Description		Current or Initial Rate Mscf/d		Ultimate RGIP (MMscf)	Cumulative Production (MMscf)	Remaining RGIP (raw) (MMscf)	Remaining RGIP (sales) (MMscf)	Remaining NGLs (MBbls)	Reference
CONVENTIONAL NATURAL GAS (ASSOCIATED AND NON-ASSOCIATED GAS)									
Proved Undeveloped									
Monte Pallano 1 & 2	Apulian	14,000	Dec-18	47,525	0	47,525	36,594	95	Table 2a
Monte Pallano 3 & 4	Apulian	14,000	Dec-21	47,525	0	47,525	36,594	95	Table 2a
Total Proved Undeveloped				95,050	0	95,050	73,189	190	
Total Proved		28,000		95,050	0	95,050	73,189	190	
Probable									
Probable Undeveloped (Incremental)									
Monte Pallano 1 & 2	Apulian	0	Dec-18	7,892	0	7,892	6,076	16	Table 2a
Monte Pallano 3 & 4	Apulian	0	Dec-21	7,892	0	7,892	6,076	16	Table 2a
Total Probable				15,783	0	15,783	12,153	32	
Total Proved Plus Probable				110,833	0	110,833	85,341	222	

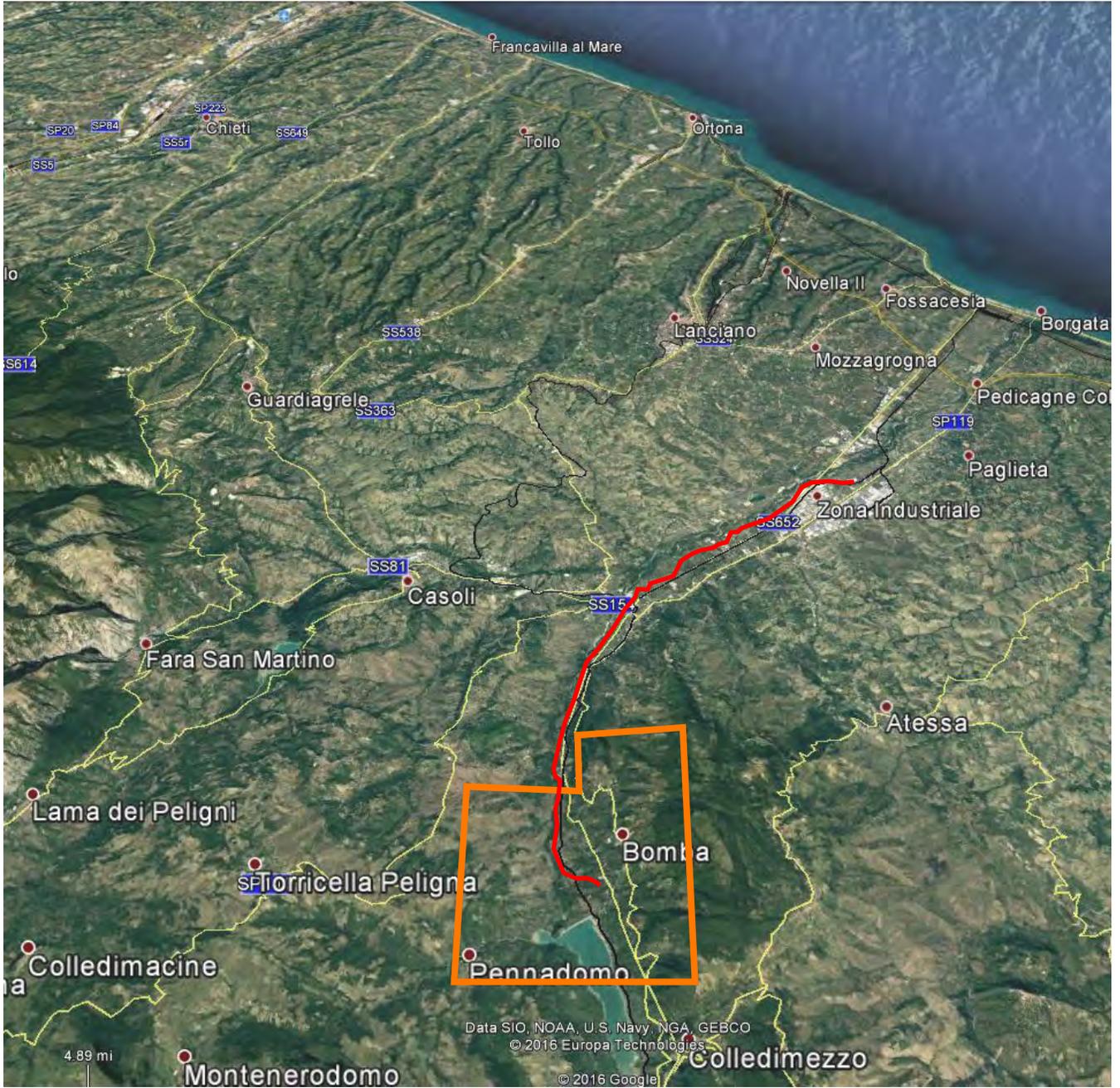
Table 2a

SUMMARY OF GROSS RESERVES AND RESERVOIR PARAMETERS
April 1, 2018

Colle Santo, Province of Chieti, Italy

PRODUCT TYPE	MP1	MP2	MP3	MP4
	Apulian (1)			
	Proved		Proved	
	Undeveloped		Plus Probable	
Non-Associated Gas				
RESERVOIR PARAMETERS				
Reservoir Pressure, psia	2,016		2,016	
Reservoir Temperature, deg F	123		123	
Average Porosity, %	7.9		7.9	
Average Water Saturation, %	21.5		21.5	
Compressibility Factor, Z	0.863		0.863	
Petroleum Initially-in-Place, Mscf/ac.ft	384.2		384.0	
Reservoir Loss, %	40.0		30.0	
Surface Loss, %	23.0		23.0	
RESERVES				
Net Pay, feet	135.5		135.5	
Area, acres	3,043		3,043	
Petroleum Initially-in-Place, MMscf	158,416		158,333	
Reserves Initially-in-Place, MMscf	95,050		110,833	
Cumulative Production, MMscf	0		0	
Remaining Raw Reserves, MMscf	95,050		110,833	
Remaining Marketable Reserves, MMscf	73,189		85,341	
NGL's Recovery, bbl/MMscf	2		2	
Remaining NGL's, bbls	190,100		221,666	

Note: (1) Interval 1316.0 - 1430.0 m KB.



- COMPANY LAND
- PROPOSED PIPELINE

AVANTI ENERGY INC.		
MONTE PALLANO BLOCK		
ITALY		
PROPOSED PIPELINE		
APR. 2018	JOB No. 6426	FIGURE No. 3

Table 3a

Summary of Anticipated Capital Expenditures

Development

April 1 2018

Avanti Energy Inc.

Colle Santo, Province of Chieti, Abruzzo, Italy

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
Proved Undeveloped					
	Dec-18	Gas Plant	33.3400	64,800	21,604
	Dec-18	Build Pipeline and monitoring system	33.3400	7,776	2,593
Location MP3 & MP4	Dec 21	Drill 2 vertical locations, test, complete, and tie-in	33.3400	9,720	3,241
		Total Proved Undeveloped		82,296	27,437
		Total Proved		82,296	27,437

Note: **M\$ means thousands of US dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

April 1 2018

Avanti Energy Inc.

Colle Santo, Province of Chieti, Abruzzo, Italy

Description	Well Parameters	Capital Interest %	Gross Capital M\$	Net Capital M\$
Monte Pallano 1,2,3,4	Abandon and reclaim the land	33.3400	2,678	893
Gas Plant	Abandon and reclaim the land	33.3400	1,836	612
	Total Abandonment and Restoration		4,514	1,505

Note: M\$ means thousands of US dollars.

The above capital values are expressed in terms of current dollar values without escalation.

Table 4
Summary of Company Reserves and Economics
Before Income Tax
April 1, 2018

Forecast Prices & Costs

Avanti Energy Inc.

Colle Santo, Province of Chieti, Abruzzo, Italy

Description	Net To Appraised Interest												
	Reserves						Cumulative Cash Flow (BIT) - M\$						
	Light and Medium Oil MSTB		Sales Gas [1] MMscf		NGL Mbbbls		Discounted at:						
	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year		
PROVED													
Proved Undeveloped													
Well Monte Pallano 1 & 2	Apullian	0	0	12,201	9,860	0	0	56,369	29,630	15,470	7,163	1,876	
Locations - MP3 & MP4	Apullian	0	0	12,201	9,862	0	0	83,338	46,571	28,778	19,095	13,332	
Total Proved Undeveloped		0	0	24,401	19,722	0	0	139,707	76,201	44,248	26,258	15,208	
PROBABLE													
Probable Undeveloped													
Well Monte Pallano 1 & 2	Apullian	Incr.	0	0	2,026	1,637	0	0	17,508	7,522	3,856	2,281	1,499
Locations - MP3 & MP4	Apullian	Incr.	0	0	2,026	1,637	0	0	18,667	6,913	3,109	1,625	947
Total Probable Undeveloped			0	0	4,052	3,274	0	0	36,175	14,435	6,966	3,906	2,447
Total Proved Plus Probable Undeveloped			0	0	28,453	22,996	0	0	175,882	90,636	51,214	30,164	17,655

M\$ means thousands of US dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Note:[1] Conventional Natural Gas.

Table 4a

EVALUATION OF: Colle Santo, Province of Chieti, Abruzzo, Italy
 ----- Total Proved Undeveloped Cons.

ERGO v7.43 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 16-MAR-2018 6426
 RFF:01-APR-2018 DISC:01-APR-2018
 RUN DATE: 16-MAR-2018 TIME: 8:34
 FILE:

EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TOTAL CAPITAL COSTS - 82891 -M\$-
 TOTAL ABANDONMENT - 8191 -M\$-

Year	Sales Gas MMP					
	# of Wells	Price \$/MCF	Pool		Company Share	
			MMP/D	Vol	Gross	Net
2018	2	7.41	1.1	311	104	84
2019	2	7.54	9.7	3543	1181	954
2020	2	7.60	8.8	3227	1076	869
2021	4	8.06	8.9	3251	1084	875
2022	4	8.32	17.0	6214	2072	1673
2023	4	8.45	15.5	5651	1884	1521
2024	4	8.71	14.1	5138	1713	1384
2025	4	8.97	12.8	4672	1558	1258
2026	4	8.71	11.6	4248	1416	1144
2027	4	9.10	10.6	3862	1288	1040
2028	4	9.52	9.6	3512	1171	946
2029	4	9.94	8.7	3193	1065	860
2030	4	10.40	8.0	2904	968	782
2031	4	10.87	7.2	2640	880	711
2032	4	11.36	6.6	2401	800	647
SUB				54768	18260	14750
REM				18421	6141	4972
TOT				73188	24401	19722

Year	Capital & Aband Costs -M\$-	COMPANY SHARE FUTURE NET REVENUE																	
		Future Revenue (FR)				Royalties			Operating Costs			FR After Roy&Oper -M\$-	Net back \$/BOE	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev -M\$-	10.0% -M\$-	
		Dil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/BOE								
2018	72576	0	769	0	769	77	71	0	19.3	26	13	2.27	582	33.63	0	24197	0	-23615	-22782
2019	0	0	8908	0	8908	891	824	0	19.2	315	156	2.40	6721	34.14	0	0	0	6721	5964
2020	0	0	8393	0	8393	839	776	0	19.2	322	145	2.60	6310	35.19	0	0	0	6310	5091
2021	10315	0	8735	0	8735	874	807	0	19.2	355	149	2.79	6550	36.26	0	3439	0	3111	2281
2022	0	0	17238	0	17238	1724	1594	0	19.2	669	291	2.78	12960	37.53	0	0	0	12960	8641
2023	0	0	15919	0	15919	1592	1471	0	19.2	682	270	3.03	11904	37.91	0	0	0	11904	7215
2024	0	0	14920	0	14920	1492	1378	0	19.2	696	251	3.32	11104	38.89	0	0	0	11104	6118
2025	0	0	13971	0	13971	1397	1289	0	19.2	710	232	3.63	10343	39.84	0	0	0	10343	5181
2026	0	0	12335	0	12335	1234	1137	0	19.2	724	216	3.98	9026	38.24	0	0	0	9026	4110
2027	0	0	11718	0	11718	1172	1079	0	19.2	739	200	4.37	8529	39.74	0	0	0	8529	3531
2028	0	0	11142	0	11142	1114	1025	0	19.2	754	185	4.81	8064	41.32	0	0	0	8064	3035
2029	0	0	10588	0	10588	1059	974	0	19.2	769	172	5.30	7615	42.92	0	0	0	7615	2605
2030	0	0	10068	0	10068	1007	925	0	19.2	784	159	5.85	7193	44.58	0	0	0	7193	2237
2031	0	0	9567	0	9567	957	878	0	19.2	800	148	6.46	6784	46.24	0	0	0	6784	1918
2032	0	0	9094	0	9094	909	834	0	19.2	816	137	7.14	6398	47.96	0	0	0	6398	1645
SUB	82891	0	163367	0	163367	16337	15061	0	19.2	9160	2726		120082		0	27636	0	92447	36790
REM	8191	0	81701	0	81701	8170	7379	0	19.0	14958	1202		49992		0	0	2731	47261	7458
TOT	91082	0	245068	0	245068	24507	22440	0	19.2	24119	3928		170074		0	27636	2731	139707	44248

NET PRESENT VALUE (-M\$-)

PROFITABILITY

Discount Rate	COMPANY SHARE						
	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
0%	170074	103516	81179	70270	61557	51439	39712
5.0%	0	0	0	0	0	0	0
8.0%	27636	26690	26183	25866	25564	25138	24491
10.0%	2731	625	270	156	92	42	32
12.0%	139707	76201	54726	44248	35901	26258	15208
15.0%							
20.0%							

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		33.8
Profit Index (undisc.)		4.6
(disc. @ 10.0%)		1.7
(disc. @ 5.0%)		2.8
First Payout (years)		4.3
Total Payout (years)		4.5
Cost of Finding (\$/BOE)		7.47
NPV @ 10.0% (\$/BOE)		10.88
NPV @ 5.0% (\$/BOE)		18.74

Table 4b

EVALUATION OF: Colle Santo, Province of Chieti, Abruzzo, Italy
 ----- Total Proved Plus Probable Undeveloped Cons.

BRGO v7.43 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 16-MAR-2018 6426
 RFF:01-APR-2018 DISC:01-APR-2018
 RUN DATE: 16-MAR-2018 TIME: 8:34
 FILE:

EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TOTAL CAPITAL COSTS - 82891 -M\$-
 TOTAL ABANDONMENT - 8960 -M\$-

Year	Sales Gas MMCF					
	# of Wells	Price \$/MCF	Pool		Company Share	
			MMCF/D	Vol	Gross	Net
2018	2	7.41	1.1	312	104	84
2019	2	7.54	9.8	3571	1190	961
2020	2	7.80	9.0	3296	1099	887
2021	4	8.06	9.2	3353	1118	903
2022	4	8.32	17.5	6373	2125	1716
2023	4	8.45	16.1	5874	1958	1582
2024	4	8.71	14.8	5414	1805	1458
2025	4	8.97	13.7	4990	1664	1344
2026	4	8.71	12.6	4599	1533	1239
2027	4	9.10	11.6	4239	1413	1142
2028	4	9.52	10.7	3907	1303	1052
2029	4	9.94	9.9	3601	1201	970
2030	4	10.40	9.1	3319	1107	894
2031	4	10.87	8.4	3059	1020	824
2032	4	11.36	7.7	2820	940	760
SUB				58727	19580	15815
REM				26615	8873	7181
TOT				85342	28453	22996

- P/T - ----- COMPANY SHARE FUTURE NET REVENUE -----

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy&Oper -M\$-	Net back \$/BOE	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	%	Fixed -M\$-	Variable -M\$-	\$/BOE						Undisc -M\$-	10.0% -M\$-
2018	72576	0	770	0	770	77	71	0	19.3	26	13	2.27	582	33.63	0	24197	0	-23615	-22782
2019	0	0	8976	0	8976	898	830	0	19.2	315	158	2.38	6775	34.15	0	0	0	6775	6012
2020	0	0	8570	0	8570	857	792	0	19.2	322	148	2.57	6451	35.23	0	0	0	6451	5204
2021	10315	0	9011	0	9011	901	833	0	19.2	355	154	2.73	6768	36.32	0	3439	0	3329	2441
2022	0	0	17678	0	17678	1768	1635	0	19.2	669	299	2.73	13308	37.58	0	0	0	13308	8873
2023	0	0	16548	0	16548	1655	1529	0	19.2	682	281	2.95	12401	37.99	0	0	0	12401	7516
2024	0	0	15722	0	15722	1572	1452	0	19.2	696	264	3.19	11737	39.02	0	0	0	11737	6467
2025	0	0	14923	0	14923	1492	1378	0	19.2	710	248	3.46	11095	40.01	0	0	0	11095	5558
2026	0	0	13356	0	13356	1336	1232	0	19.2	724	233	3.75	9831	38.47	0	0	0	9831	4477
2027	0	0	12861	0	12861	1286	1185	0	19.2	739	219	4.07	9432	40.04	0	0	0	9432	3904
2028	0	0	12396	0	12396	1240	1142	0	19.2	754	206	4.42	9055	41.71	0	0	0	9055	3408
2029	0	0	11940	0	11940	1194	1099	0	19.2	769	194	4.81	8684	43.40	0	0	0	8684	2971
2030	0	0	11509	0	11509	1151	1059	0	19.2	784	182	5.24	8333	45.18	0	0	0	8333	2592
2031	0	0	11085	0	11085	1109	1020	0	19.2	800	171	5.71	7986	46.98	0	0	0	7986	2258
2032	0	0	10682	0	10682	1068	982	0	19.2	816	161	6.23	7655	48.86	0	0	0	7655	1968
SUB	82891	0	176028	0	176028	17603	16239	0	19.2	9160	2933		130093		0	27636	0	102457	40867
REM	8960	0	121860	0	121860	12186	11034	0	19.1	20435	1793		76412		0	0	2987	73425	10347
TOT	91851	0	297888	0	297888	29789	27274	0	19.2	29595	4726		206505		0	27636	2987	175882	51214

----- NET PRESENT VALUE (-M\$-) -----

----- PROFITABILITY -----

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	206505	117876	90254	77192	66968	55327	42152
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	27636	26690	26183	25866	25564	25138	24491
Abandonment Costs	2987	550	210	112	61	25	6
Future Net Revenue	175882	90636	63862	51214	41343	30164	17655

COMPANY SHARE							
	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	33.3	33.3					
% of Future Revenue			19.2	11.5	69.3	9.3	59.0

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	35.2
Profit Index (undisc.)	5.7
(disc. @ 10.0%)	2.0
(disc. @ 5.0%)	3.3
First Payout (years)	4.3
Total Payout (years)	4.5
Cost of Pinding (\$/BOE)	6.46
NPV @ 10.0% (\$/BOE)	10.80
NPV @ 5.0% (\$/BOE)	19.11

Table 4c

EVALUATION OF: Monte Pallano, Chieti, Italy - Proved Undeveloped

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 16-MAR-2018 6426
 RFP:01-APR-2018 DISC:01-APR-2018 PROD:01-DEC-2018
 RUN DATE: 16-MAR-2018 TIME: 8:29
 FILE: GmpPUL.DAX

WELL/LOCATION - Well Monte Pallano 1 & 2 (Apullian)
 EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 47525 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 72576 -M\$-
 TOTAL ABANDONMENT - 3852 -M\$- (2045)

INTEREST

AVG WI 33.3400%

ROYALTIES/TAXES

STATE + AVG GR 8.10% + AVG NP 1.50%

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Company Share	
			MCF/D	Vol	Gross	Net
2018	2	7.4110738.0	311	104	84	
2019	2	7.5410211.5	3543	1181	954	
2020	2	7.80 9300.4	3227	1076	869	
2021	2	8.06 8470.6	2939	980	791	
2022	2	8.32 7714.8	2677	893	721	
2023	2	8.45 7026.5	2438	813	657	
2024	2	8.71 6399.5	2221	740	598	
2025	2	8.97 5828.5	2023	674	545	
2026	2	8.71 5308.5	1842	614	496	
2027	2	9.10 4834.9	1678	559	452	
2028	2	9.52 4403.5	1528	509	412	
2029	2	9.94 4010.6	1392	464	375	
2030	2	10.40 3652.7	1267	423	342	
2031	2	10.87 3326.8	1154	385	311	
2032	2	11.36 3030.0	1051	351	283	
SUB			29292	9766	7889	
REM			7302	2434	1971	
TOT			36594	12201	9860	

- P/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy&Oper -M\$-	Net back \$/MCF	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev Undisc -M\$-	10.0% -M\$-
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/MCF								
2018	72576	0	769	0	769	77	71	0	19.3	26	13	.38	582	5.60	0	24197	0	-23615	-22782
2019	0	0	8908	0	8908	891	824	0	19.2	315	156	.40	6721	5.69	0	0	0	6721	5964
2020	0	0	8393	0	8393	839	776	0	19.2	322	145	.43	6310	5.86	0	0	0	6310	5091
2021	0	0	7898	0	7898	790	730	0	19.2	328	135	.47	5916	6.04	0	0	0	5916	4338
2022	0	0	7426	0	7426	743	686	0	19.2	335	125	.52	5537	6.20	0	0	0	5537	3692
2023	0	0	6869	0	6869	687	634	0	19.2	341	117	.56	5090	6.26	0	0	0	5090	3085
2024	0	0	6449	0	6449	645	595	0	19.2	348	108	.62	4753	6.42	0	0	0	4753	2619
2025	0	0	6049	0	6049	605	557	0	19.2	355	101	.68	4431	6.57	0	0	0	4431	2219
2026	0	0	5349	0	5349	535	492	0	19.2	362	93	.74	3866	6.30	0	0	0	3866	1761
2027	0	0	5090	0	5090	509	468	0	19.2	369	87	.82	3657	6.54	0	0	0	3657	1514
2028	0	0	4848	0	4848	485	445	0	19.2	377	81	.90	3460	6.79	0	0	0	3460	1302
2029	0	0	4614	0	4614	461	424	0	19.2	384	75	.99	3270	7.05	0	0	0	3270	1119
2030	0	0	4395	0	4395	439	403	0	19.2	392	70	1.09	3091	7.31	0	0	0	3091	961
2031	0	0	4183	0	4183	418	383	0	19.2	400	65	1.21	2917	7.58	0	0	0	2917	825
2032	0	0	3983	0	3983	398	365	0	19.2	408	60	1.33	2752	7.85	0	0	0	2752	707
SUB	72576	0	85221	0	85221	8522	7852	0	19.2	5062	1431		62354		0	24197	0	38157	12416
REM	3952	0	31680	0	31680	3168	2863	0	19.0	5686	466		19497		0	0	1284	18212	3054
TOT	76428	0	116902	0	116902	11690	10716	0	19.2	10748	1898		81850		0	24197	1284	56369	15470

NET PRESENT VALUE (-M\$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	81850	53726	43847	38909	34898	30147	24476
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	24197	23756	23505	23343	23186	22956	22591
Abandonment Costs	1284	340	158	96	59	28	9
Future Net Revenue	56369	29630	20184	15470	11654	7163	1876

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	22.2
Profit Index (undisc.)	2.2
(disc. @ 10.0%)	.7
(disc. @ 5.0%)	1.2
First Payout (years)	4.6
Total Payout (years)	4.8
Cost of Finding (\$/BOE)	12.53
NPV @ 10.0% (\$/MCF)	1.27
NPV @ 5.0% (\$/MCF)	2.43

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	33.3	33.3					
% of Future Revenue.			19.2	10.8	70.0	20.7	48.2

Table 4d

EVALUATION OF: Monte Pallano, Chieti, Italy - Proved Undeveloped

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 16-MAR-2018 6426
 EPP:01-APR-2018 DISC:01-APR-2018 PROD:01-DEC-2021
 RUN DATE: 16-MAR-2018 TIME: 8:29
 FILE: GmpF03.DAX

WELL/LOCATION - Locations- MP3 & MP4 (Apullian)
 EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 47525 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 10315 -M\$-
 TOTAL ABANDONMENT - 4338 -M\$- (2051)

INTEREST

AVG WI 33.3400%

ROYALTIES/TAXES

STATE + AVG GR 8.10% + AVG NP 1.50%

Year	Sales Gas MMCF					
	# of Wells	Price \$/MCF	Pool		Company Share	
			MCF/D	Vol	Gross	Net
2018	0	7.41	.0	0	0	0
2019	0	7.54	.0	0	0	0
2020	0	7.80	.0	0	0	0
2021	2	8.0610736.7		311	104	84
2022	2	8.3210194.4		3537	1179	952
2023	2	8.45 9257.7		3212	1071	865
2024	2	8.71 8407.1		2917	973	785
2025	2	8.97 7634.7		2649	883	713
2026	2	8.71 6933.2		2406	802	648
2027	2	9.10 6296.2		2185	728	588
2028	2	9.52 5717.7		1984	661	534
2029	2	9.94 5192.3		1802	601	485
2030	2	10.40 4715.3		1636	546	441
2031	2	10.87 4282.0		1486	495	400
2032	2	11.36 3888.6		1349	450	364
SUB				25476	8494	6860
REM				11119	3707	3001
TOT				36594	12201	9862

= P/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy&Oper -M\$-	Net back \$/MCF	Proc& Other Income -M\$-	Cap'1 Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-		Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	10315	0	837	0	837	84	77	0	19.3	27	14	.40	634	6.11	0	3439	0	-2805	-2057
2022	0	0	9812	0	9812	981	908	0	19.3	335	166	.42	7423	6.29	0	0	0	7423	4949
2023	0	0	9050	0	9050	905	837	0	19.2	341	154	.46	6813	6.36	0	0	0	6813	4130
2024	0	0	8471	0	8471	847	783	0	19.2	348	142	.50	6351	6.53	0	0	0	6351	3499
2025	0	0	7923	0	7923	792	732	0	19.2	355	132	.55	5912	6.69	0	0	0	5912	2961
2026	0	0	6986	0	6986	699	644	0	19.2	362	122	.60	5159	6.43	0	0	0	5159	2349
2027	0	0	6628	0	6628	663	611	0	19.2	369	113	.66	4872	6.69	0	0	0	4872	2017
2028	0	0	6295	0	6295	629	580	0	19.2	377	105	.73	4604	6.96	0	0	0	4604	1733
2029	0	0	5974	0	5974	597	550	0	19.2	384	97	.80	4345	7.23	0	0	0	4345	1487
2030	0	0	5673	0	5673	567	522	0	19.2	392	90	.88	4102	7.52	0	0	0	4102	1276
2031	0	0	5384	0	5384	538	495	0	19.2	400	83	.98	3867	7.81	0	0	0	3867	1094
2032	0	0	5111	0	5111	511	470	0	19.2	408	77	1.08	3646	8.10	0	0	0	3646	937
SUB	10315	0	78146	0	78146	7815	7209	0	19.2	4099	1295		57729		0	3439	0	54290	24374
REM	4338	0	50021	0	50021	5002	4516	0	19.0	9272	736		30495		0	0	1446	29048	4404
TOT	14653	0	128166	0	128166	12817	11725	0	19.1	13370	2030		88224		0	3439	1446	83338	28778

NET PRESENT VALUE (-M\$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	88224	49791	37332	31361	26659	21291	15216
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	3439	2934	2677	2522	2379	2183	1900
Abandonment Costs	1446	286	112	61	33	14	3
Future Net Revenue	83338	46571	34543	28778	24247	19095	13332

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	793.0
Profit Index (undisc.)	17.1
(disc. @ 10.0%)	11.1
(disc. @ 5.0%)	14.5
First Payout (years)	4.1
Total Payout (years)	4.3
Cost of Pinding (\$/BOE)	2.40
NPV @ 10.0% (\$/MCF)	2.36
NPV @ 5.0% (\$/MCF)	3.82

COMPANY SHARE

1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
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% Interest 33.3 33.3
 % of Future Revenue. 19.1 12.0 68.8 2.7 65.0

Table 4a

EVALUATION OF: Monte Pallano, Chieti, Italy - Proved Plus Probable Undeveloped

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 16-MAR-2018 6426
 EPP:01-APR-2018 DISC:01-APR-2018 PROD:01-DEC-2018
 RUN DATE: 16-MAR-2018 TIME: 8:30
 FILE: GmpRD1.DAX

WELL/LOCATION - Well Monte Pallano 1 & 2 (Apulian)
 EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 55417 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 72576 -M\$-
 TOTAL ABANDONMENT - 4170 -M\$- (2049)

INTEREST

AVG WI 33.3400%

ROYALTIES/TAXES

STATE + AVG GR 8.10% + AVG NP 1.50%

Year	# of Wells	Price \$/MCP	Sales Gas MMCF		Company Share	
			Pool		Gross	Net
			MCF/D	Vol		
2018	2	7.4110744.0	312	104	84	
2019	2	7.5410290.2	3571	1190	961	
2020	2	7.80 9497.6	3296	1099	887	
2021	2	8.06 8766.1	3042	1014	819	
2022	2	8.32 8090.9	2808	936	756	
2023	2	8.45 7467.7	2591	864	698	
2024	2	8.71 6892.6	2392	797	644	
2025	2	8.97 6361.7	2208	736	595	
2026	2	8.71 5871.7	2037	679	549	
2027	2	9.10 5419.5	1881	627	507	
2028	2	9.52 5002.1	1736	579	468	
2029	2	9.94 4616.8	1602	534	432	
2030	2	10.40 4261.2	1479	493	398	
2031	2	10.87 3933.0	1365	455	368	
2032	2	11.36 3630.1	1260	420	339	
SUB			31577	10528	8504	
REM			11094	3699	2993	
TOT			42671	14227	11497	

P/T = COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			PR After Roy&Oper -M\$-	Net back \$/MCP	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-		Fixed -M\$-	Variable -M\$-	\$/MCP						Undisc -M\$-	10.0% -M\$-
2018	72576	0	770	0	770	77	71	0	19.3	26	13	.38	582	5.60	0	24197	0	-23615	-22782
2019	0	0	8976	0	8976	898	830	0	19.2	315	158	.40	6775	5.69	0	0	0	6775	6012
2020	0	0	8570	0	8570	857	792	0	19.2	322	148	.43	6451	5.87	0	0	0	6451	5204
2021	0	0	8174	0	8174	817	755	0	19.2	328	140	.46	6133	6.05	0	0	0	6133	4498
2022	0	0	7788	0	7788	779	719	0	19.2	335	132	.50	5823	6.22	0	0	0	5823	3883
2023	0	0	7300	0	7300	730	674	0	19.2	341	124	.54	5431	6.29	0	0	0	5431	3292
2024	0	0	6945	0	6945	695	641	0	19.2	348	117	.58	5145	6.45	0	0	0	5145	2835
2025	0	0	6602	0	6602	660	609	0	19.2	355	110	.63	4868	6.61	0	0	0	4868	2438
2026	0	0	5917	0	5917	592	545	0	19.2	362	103	.69	4315	6.35	0	0	0	4315	1965
2027	0	0	5705	0	5705	571	525	0	19.2	369	97	.74	4143	6.61	0	0	0	4143	1715
2028	0	0	5507	0	5507	551	507	0	19.2	377	92	.81	3981	6.88	0	0	0	3981	1498
2029	0	0	5312	0	5312	531	488	0	19.2	384	86	.88	3822	7.16	0	0	0	3822	1307
2030	0	0	5127	0	5127	513	471	0	19.2	392	81	.96	3670	7.44	0	0	0	3670	1141
2031	0	0	4945	0	4945	495	454	0	19.2	400	76	1.05	3520	7.74	0	0	0	3520	995
2032	0	0	4772	0	4772	477	438	0	19.2	408	72	1.14	3377	8.04	0	0	0	3377	868
SUB	72576	0	92410	0	92410	9241	8521	0	19.2	5062	1549		68036		0	24197	0	43840	14871
REM	4170	0	49714	0	49714	4971	4505	0	19.1	8078	731		31428		0	0	1390	30038	4456
TOT	76746	0	142124	0	142124	14212	13027	0	19.2	13140	2281		99464		0	24197	1390	73877	19326

NET PRESENT VALUE (-M\$-)

Discount Rate	COMPANY SHARE							
	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%	
FR After Roy & Oper.	99464	61210	48757	42741	37959	32417	25970	
Proc & Other Income	0	0	0	0	0	0	0	
Capital Costs	24197	23756	23505	23343	23186	22956	22591	
Abandonment Costs	1390	303	125	71	40	18	5	
Future Net Revenue	73877	37152	25126	19326	14733	9444	3375	
	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev	
% Interest	33.3	33.3						
% of Future Revenue			19.2	10.9	70.0	17.0	52.0	

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		23.9
Profit Index (undisc.)		2.9
(disc. @ 10.0%)		.8
(disc. @ 5.0%)		1.5
First Payout (years)		4.5
Total Payout (years)		4.7
Cost of Finding (\$/BOE)		10.79
NPV @ 10.0% (\$/MCF)		1.36
NPV @ 5.0% (\$/MCF)		2.61

Table 4f

EVALUATION OF: Monte Pallano, Chieti, Italy - Proved Plus Probable Undeveloped

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 16-MAR-2018 6426
 EFF:01-APR-2018 DISC:01-APR-2018 PROD:01-DEC-2021
 RUN DATE: 16-MAR-2018 TIME: 8:30
 FILE: GmpRD3.DAX

WELL/LOCATION - Locations- MP3 & MP4 (Apulian)
 EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 55417 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 10315 -M\$-
 TOTAL ABANDONMENT - 4790 -M\$- (2056)

INTEREST

AVG WI 33.3400%

ROYALTIES/TAXES

STATE + AVG GR 8.10% + AVG NP 1.50%

Year	# of Wells	Price \$/MCF	Sales Gas		Company Share	
			MCF		Gross	Net
			MCF/D	Vol		
2018	0	7.41	.0	0	0	0
2019	0	7.54	.0	0	0	0
2020	0	7.80	.0	0	0	0
2021	2	8.0610742.9	312	104	84	
2022	2	8.3210275.3	3566	1189	960	
2023	2	8.45 9460.2	3283	1094	884	
2024	2	8.71 8709.7	3022	1008	814	
2025	2	8.97 8018.8	2783	928	749	
2026	2	8.71 7382.6	2562	854	690	
2027	2	9.10 6797.0	2359	786	635	
2028	2	9.52 6257.8	2171	724	585	
2029	2	9.94 5761.3	1999	667	538	
2030	2	10.40 5304.3	1841	614	496	
2031	2	10.87 4883.5	1695	565	456	
2032	2	11.36 4496.1	1560	520	420	
SUB			27151	9052	7311	
REM			15520	5174	4188	
TOT			42671	14227	11499	

= P/T = COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy&Oper -M\$-	Net back \$/MCF	Proc & Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	Sale Gas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-		Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2018	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2021	10315	0	837	0	837	84	77	0	19.3	27	14	.40	634	6.11	0	3439	0	-2805	-2057
2022	0	0	9890	0	9890	989	915	0	19.3	335	167	.42	7485	6.30	0	0	0	7485	4990
2023	0	0	9248	0	9248	925	855	0	19.2	341	157	.46	6970	6.37	0	0	0	6970	4224
2024	0	0	8776	0	8776	878	811	0	19.2	348	147	.49	6592	6.54	0	0	0	6592	3632
2025	0	0	8321	0	8321	832	769	0	19.2	355	138	.53	6227	6.71	0	0	0	6227	3119
2026	0	0	7439	0	7439	744	687	0	19.2	362	130	.58	5517	6.46	0	0	0	5517	2512
2027	0	0	7156	0	7156	716	660	0	19.2	369	122	.62	5289	6.73	0	0	0	5289	2189
2028	0	0	6889	0	6889	689	635	0	19.2	377	115	.68	5074	7.01	0	0	0	5074	1909
2029	0	0	6629	0	6629	663	611	0	19.2	384	108	.74	4863	7.30	0	0	0	4863	1664
2030	0	0	6382	0	6382	638	588	0	19.2	392	101	.80	4663	7.60	0	0	0	4663	1450
2031	0	0	6140	0	6140	614	565	0	19.2	400	95	.88	4466	7.90	0	0	0	4466	1263
2032	0	0	5910	0	5910	591	544	0	19.2	408	89	.96	4278	8.22	0	0	0	4278	1100
SUB	10315	0	83618	0	83618	8362	7718	0	19.2	4099	1383		62056		0	3439	0	58617	25996
REM	4790	0	72146	0	72146	7215	6529	0	19.0	12357	1061		44984		0	0	1597	43387	5891
TOT	15105	0	155764	0	155764	15576	14247	0	19.1	16455	2445		107041		0	3439	1597	102005	31887

NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	107041	56665	41497	34451	29009	22910	16181
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	3439	2934	2677	2522	2379	2183	1900
Abandonment Costs	1597	247	84	42	21	8	1
Future Net Revenue	102005	53484	38736	31887	26609	20720	14279

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	802.3
Profit Index (undisc.)	20.3
(disc. @ 10.0%)	12.4
(disc. @ 5.0%)	16.8
First Payout (years)	4.1
Total Payout (years)	4.3
Cost of Finding (\$/BOE)	2.12
NPV @ 10.0% (\$/MCF)	2.24
NPV @ 5.0% (\$/MCF)	3.76

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	33.3	33.3					
% of Future Revenue			19.1	12.1	68.7	2.2	65.5

APPENDIX A
VALLECUPA FIELD, ITALY
INDEX

Executive Summary

Discussion

- Property Description
- Exploration History
- Geology
- Prospective Resources
- Productivity Estimates
- Product Prices
- Operating Environment
- Capital Expenditures
- Operating Costs
- Economics and Risk

Attachments

Figure A1: Structural Map, top of the Apulian Reservoir in Vallecupa

Figure A2: Seismic Cross Section

Table 1: Schedule of Lands, Interests and Royalty Burdens

Table 2: Summary of Gross Prospective Resources

Summary of Resource Estimate and Reservoir Parameters

- a) Best Estimate
- b) Low Estimate
- c) High Estimate

Table 3: Summary of Anticipated Capital Expenditures

- a) Exploration and Development
- b) Abandonment and Reclamation

Table 4: Summary of Company Prospective Resources and Economics

Economic Model

- a) Best Estimate
- b) Low Estimate
- c) High Estimate

Figure 3: Risk Analysis

Attachment 1 – Summary of Analog Analysis

EXECUTIVE SUMMARY
VALLECUPA AREA
CHIETI ITALY

This Summary contains the information required to be disclosed under NI 51-101, Sec. 5.9. More details regarding the prospects are presented in the Report Discussion, which follows.

1. (a) The Company owns a 33.34 percent working interest covering 8827 acres of land on which a gas prospect has been identified based on geological analog and 2D seismic.
- (b) The subject lands are located in the province of Chieti, Abruzzo, Italy.
- (c) The expected product from a successful prospect is natural gas.
- (d) The predominant risk on this prospect is encountering a dry reservoir due to lack of an effective seal.
- (e) The economic and risk analysis, justifying undertaking this project is presented in the Discussion of the report and a summary of the "before and after risk" values for the Forecast Prices and Costs Case are presented below:

Company Net Value, Thousands of Dollars

	Before Risk	After Risk
Undiscounted	168,077	39,107
Discounted @ 5%/year	64,116	14,157
Discounted @ 10%/year	30,440	6,074
Discounted @ 15%/year	16,578	2,748
Discounted @ 20%/year	9,851	1,133

2. (a) This report was prepared by a "Qualified Reserves Evaluator and Auditor" who is independent of the Company.
- (b) This evaluation has been prepared in accordance with COGEH standards.
- (c) The Prospective Resources evaluated in this report are sub-classified as a "Prospect" on the grounds that definite drilling locations can be identified, and plans to drill are underway.

- (d) (i) The applicable resource definitions are contained in the Introduction to this report.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

- (ii) The effective date of the evaluation is April 1 2018.

- (iii) The significant positive and negative factors relevant to this estimate are as follows:

Positive Attributes

- the prospect is located immediately next to a proven twin gas field
- the zone of interest has been identified by 2D seismic
- log analyses of older wells in the analog field indicate the presence of hydrocarbons
- the prospect is located in an oil field environment with ample services and infrastructure
- the economic and risk analysis suggests a viable project

Negative Attributes

- the reservoir is best exploited with horizontal wells, requiring stimulation, which brings numerous drilling and completion risks in a fractured carbonate.
- there is a risk of geological instability from tectonic activity in the region.
- there is a risk that the reservoir does not have an effective seal.

- (iii.1) (A) The costs to drill, complete and tie-in to a local battery have been estimated to be \$8,110,000 gross per well (\$5,408,000 net to the Company) plus an allocation of \$10,800 gross per well for the central facility (\$3,600,000 net to the Company).

(B) The initial drilling is expected to commence in early 2023. First commercial production is anticipated by late 2023.

(C) The recovery technology will be primary depletion incorporating stimulated horizontal wells.

(D) This is a conceptual discovery and development.

APPENDIX A
VALLECUPA FIELD, ITALY
DISCUSSION

Property Description

The Vallecupa field is located onshore Italy on the western side along the Adriatic coast. The Company owns a 33.34% working interest in the Monte Pallano oil & gas permit covering 8827 acres that contains this Vallecupa feature on 2217 acres. The burdens on the property are a 10% government royalty, plus 9.45% overriding royalties that are net of transportation costs.

A map showing the Vallecupa Prospective Resource area is presented on Figure A1a, and a description of the ownership is presented in Table 1.

Exploration History

"AGIP drilled a discovery well in 1966 followed by three successful wells and three dry holes. At the time, a tragedy occurred in Northern Italy when a slide block fell into the Vajont reservoir. A pulse wave overflowed the dam and destroyed Longarone, a village of 2000 people. The gas field is partly located beneath a Lake held by a 57.50 meter earthen dam. AGIP elected not to produce the field in 1966 due to the Bomba dam proximity. The four wells were plugged and abandoned in 1992. Forest CMI S.p.A. was granted an exploration license containing the field in 2004. The permit required Forest to install monitoring sensors to measure subsidence resulting from gas withdrawal. Forest installed solar powered GPS stations capable of measuring movements to a one-millimeter scale. Upon fulfillment of this requirement, Forest obtained permission to drill two directional wells from a common pad in 2007. The wells re-established production with rates greater than 7 MMcf/d." ¹

Dove Energy B.V. purchased Forest Oil's Monte Pallano license in 2014, after which the Company acquired the project from Dove in the spring of 2015, and has revisited the data to assess additional prospectivity within the block.

¹ Monte Pallano Gas Field, Abruzzo Region, Italy Terrain Subsidence Monitoring Requirements - Ronald G. Brown International, Forest Oil Corp., Denver, CO

The existing seismic was of very poor quality having been shot in the 60's, 70's and early 80's. No new seismic has been shot since then. The Vallecupa feature appears to be another structural high of similar size, relief, and trend as the neighbouring Colle Santo reservoir. The Vallecupa feature has been recognized by workers since the original AGIP days and is the reason that the block has a panhandle to north in the licensed area.

Geology

The Company's properties are on land in the shallow depths of the Apenninic Foredeep basin. The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics, but pertaining to the same Adriatic plate.²

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin)
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

The Vallecupa prospect is an exploration play in the Monte Pallano permit where there are gas reserves in the neighbouring Colle Santo Upper Cretaceous Apulian carbonates. The Vallecupa structure is shown as in Figure A1 and a seismic cross section is shown in Figure A2.

Prospective Resources

Prospective resource estimates for the Vallecupa reservoir within the Monte Pallano Concession are based on the analog Colle Santo field directly across a fault to the south. Most Likely (Best), High and Low gross prospective resource estimates are based on the same analog rock parameters.

In the Most Likely estimate case, marketable prospective non-associated gas resources amount to a total of 57.7 BCF. In the Low estimate case, marketable prospective non-associated gas resources amount to a total of 53.3 BCF. In the High estimate case, marketable prospective non-associated gas resources amount to a total of 62.2 BCF.

² 'An Introduction To The Italian Geology' – Carlo Doglioni and Giovanni Flores, 1997

A summary of the gross prospective resources is presented in Table 2 and a summary of the resources and reservoir parameters for the Most Likely, Low and High estimates is presented in Tables 2a, 2b, and 2c.

Productivity Estimates

Productivity estimates were based on reasonable rates to produce the prospective resources over a fifteen year field life. For the Most Likely estimate case, two horizontal locations were modeled to produce at initial rates of 12,000 Mscf/day/location. For the Low estimate case, two horizontal locations were modeled to produce at an initial rate of 10,000 Mscf/day/location. For the High estimate case, two horizontal locations were modeled to produce at initial rates of 14,000 Mscf/day/location.

All these initial rates would commence an immediate gradual decline to an eventual economic limit.

Product Prices

A 2018 Italian gas price of \$7.41 USD/MCF has been used for this area based on a World Bank forecast of \$5.70 USD/MCF adjusted by a factor of 1.3 based on the client's forecast.

Operating Environment

The province of Chieti is recognized for its natural idyllic landscapes, vineyards, medieval hill-towns, and mountainous national parks that are experiencing a time of growing tourism.

Capital Expenditures

The gross capital expenditures of \$16,220,000 USD (\$5,408,000 net to the Company) are modeled to be similar to the analog Colle Santo field that will share the same gas plant for Most Likely, Low, and High estimates cases as presented in Table 3a.

Total abandonment liabilities of have been estimated based on a reasonable expectation for these types of locations as presented in Table 3b.

Operating Costs

Operating costs for this area have been estimated to be \$40,631 per well per month (\$13,546 net to the Company), based on information provided by the Company. Variable cost includes the operations in a gas plant amounting to approximately \$0.10/Mscf of gas production.

Economics and Risk

The results of the economic analysis are summarized in Table 4, and the before risk cash flows are presented in Tables 4a, 4b and 4c, for the Best, Low and High estimates respectively. The before risk analysis represents the results of an assumed successful exploration and development model having parameters which are considered to be reasonable based on the information available. This is the 100% probability of success (POS) case.

A risk analysis has been performed to determine the feasibility of the Company participating in this project and to determine the after risk value before income tax, using the "Expected Value" technique applied to the arithmetic average of the Best, Low and High estimate results, a presentation of which is shown in Figure 3.

The net capital exposure (POS-0%) of this project net to the Company is \$1,620,000 USD representing the cost of drilling and testing one exploratory vertical location.

The results of the risk analysis indicate that in order to achieve a 10 percent rate of return, a minimum POS of 5.6 percent would be required for the average estimate. Since we have estimated a POS of 24 percent, the Company's development of this prospect is considered feasible.

In establishing our probability of success, consideration has been given to both geological and commerciality factors. The geological factors include the four main geological components of a petroleum system needed for commercial production, source rocks available to generate hydrocarbons, reservoir rocks to accumulate hydrocarbons, a stratigraphic or structural trapping mechanism with a seal to hold hydrocarbons and a mechanism and proper geological timing allowing for hydrocarbons to migrate into the trap.

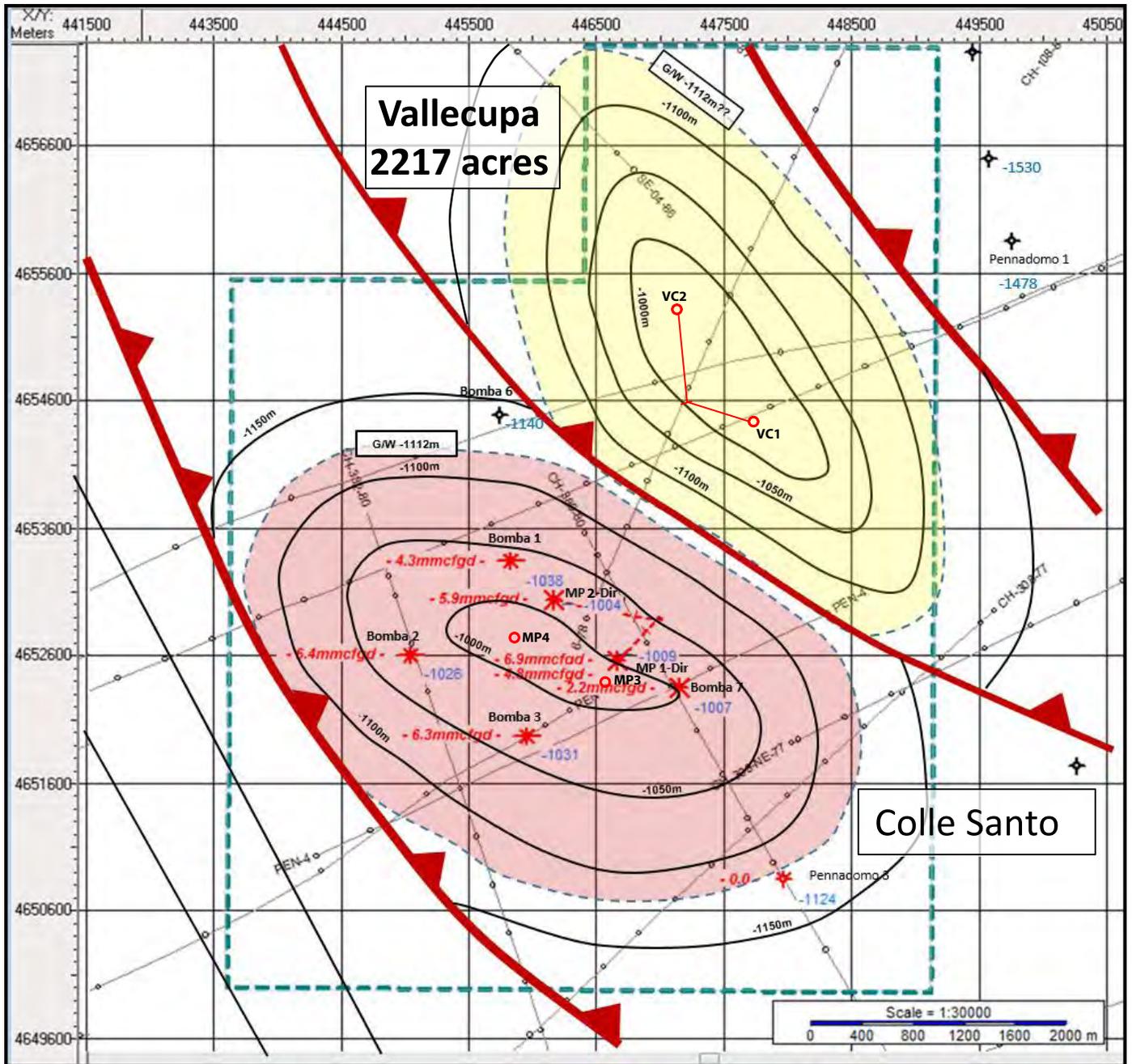
The ranges of probability of success assigned to each of these geological factors can be qualitatively described so that POS 5% to 30% is unfavourable, POS 30% to 50% is questionable, POS 50% is neutral, POS 50% to 70% is encouraging and POS 70% to 95% is considered favourable. A neutral

assessment would apply in cases of lack of data or information. The product of all four of these factors results in the overall geological POS.

There has been a suggested risk of geological instability due to tectonic activity in the region. Minor earthquakes as recent as last year, could contribute to possible reservoir compartmentalization due to faulting in this relatively low porosity highly fractured reservoir. But the Company believes that impermeable seals related to minor faulting are not a critical problem because the tests in the Bomba-1 and Pennadomo-3 wells on opposite ends of the neighbouring Colle Santo structure confirm the same level for the Gas-Water-Contact. The fact that these two wells support a common GWC over a large area does not suggest compartmentalization. The critical seal is the top seal of anhydrite. Evaporites are the only rock types plastic enough to provide an effective seal for gas accumulations in such a deformed and fractured structural trap.

The commerciality factor, which has been applied, accounts for the possibility that the well may not find sufficient hydrocarbons to justify completion, or if completed, may not establish commercial rates or, if placed on production may not generate enough net revenue over the project life to recover all of the costs associated with developing the property. Additionally, the commerciality factor assigned includes the "chance of development" considering environmental and regulatory issues.

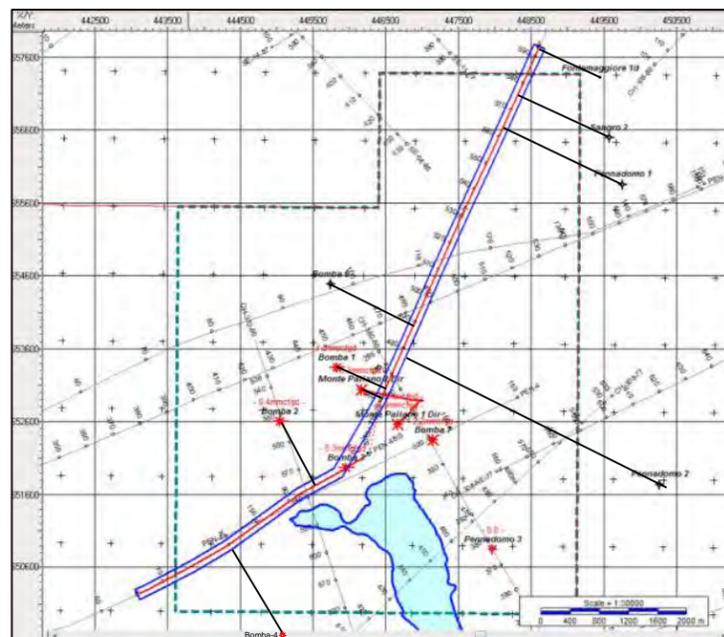
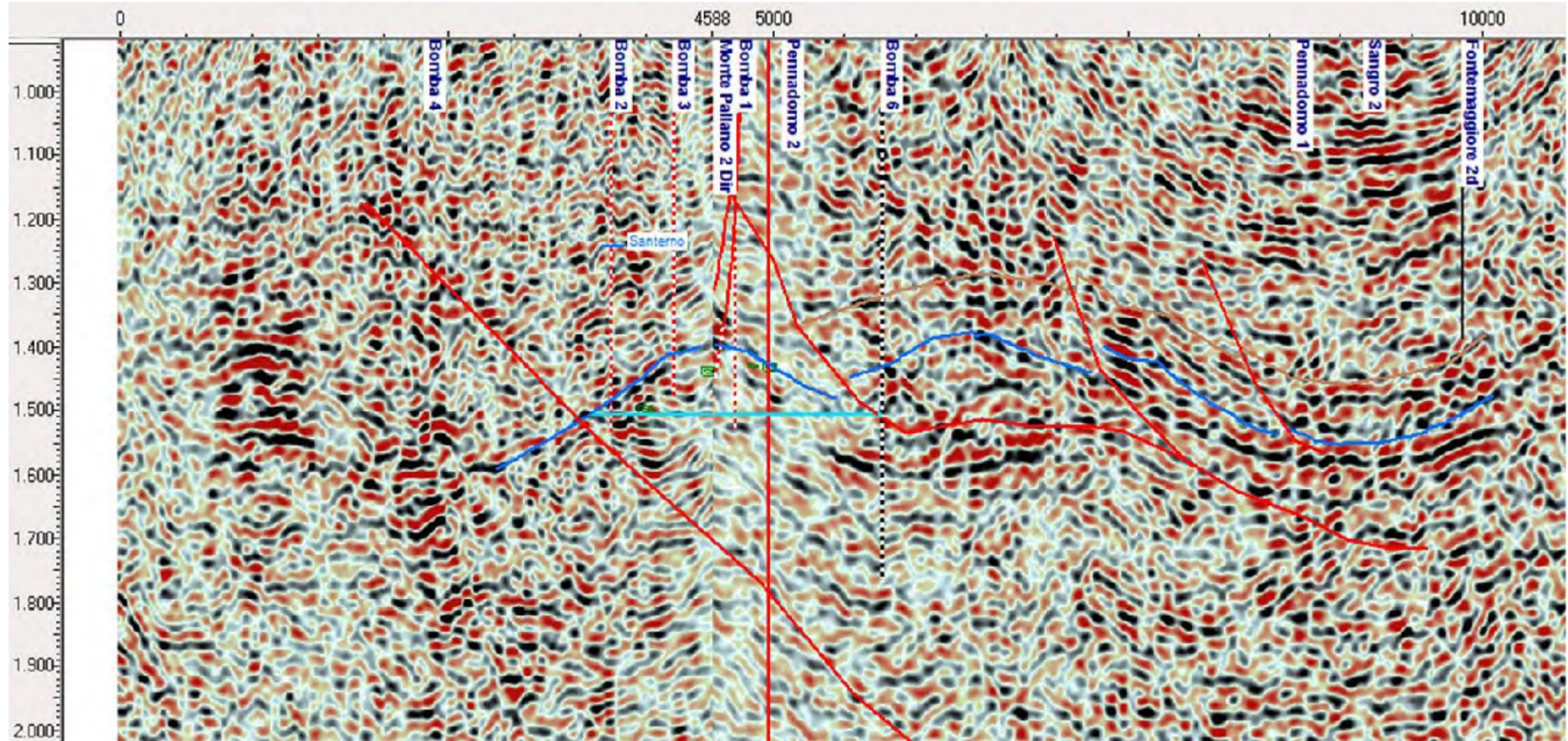
The predominant risk is the possibility that this geological feature may not have trapped sufficient gas in commercial quantity because of the highly fractured nature of the prospect.



— BLOCK BOUNDARY

○ PROPOSED LOCATION

AVANTI ENERGY INC.	
MONTE PALLANO BLOCK ITALY	
STRUCTURAL MAP Top of Apulian Reservoir in Vallecupa C.I. = 50 m	
APR. 2018	JOB No. 6426 FIGURE No. A1



Colle Santo

Vallecupa

AVANTI ENERGY INC.

MONTE PALLANO BLOCK
ITALY

SEISMIC CROSS SECTION
across Colle Santa and
Vallecupa Structures

APR. 2018 JOB No. 6426 FIGURE No. A2

Table 1

**Schedule of Lands, Interests and Royalty Burdens
April 1 2018**

Avanti Energy Inc.

Vallecupa, Province of Chieti, Abruzzo, Italy

Description	Rights Owned	Gross Acres	Appraised Interest		Royalty Burdens	
			Working %	Royalty %	Basic %	Overriding %
Vallecupa	[A]	8,827	33.3400 [1]		10.0000 [2]	8.1000 [3] 1.3500 [4]
	Total	8,827				

General Notes : [1] Current ownership is:

Avanti Energy Inc.	33.3400%
AVX Group	41.6600%
Dove Energy B.V.	15.0000%
Intergie S.r.l	10.0000%
	<u>100.0000%</u>

[2] Italian government royalties not due on first 25 million m3 of gas (883 million ft3)

[3] Dove royalty is capped at sixty million euro, net of royalty tax and transportation

[4] Luigi Albanesi royalty is 1.5% of (Avanti + AVX + Dove = 90%), net petroleum profits

Rights Owned : [A] All P&NG.

Table 2

Summary of Gross Resources
April 1 2018

Vallecupa, Province of Chieti, Abruzzo, Italy

<u>Description</u>		<u>Predicted Initial Rate Mscf/d</u>		<u>Prospective Resources</u>			<u>Reference</u>
				<u>Raw Gas (MMscf)</u>	<u>Sales Gas (MMscf)</u>	<u>NGLs (MBbls)</u>	
<u>Conventional Natural Gas</u>							
<u>Best Estimate</u>							
VC1 & VC2	Apulian	12,000	Dec-22	75,020	57,765	150	Table 2a
Total Best Estimate				75,020	57,765	150	
<u>Low Estimate</u>							
VC1 & VC2	Apulian	10,000	Dec-22	69,249	53,322	138	Table 2b
Total Low Estimate				69,249	53,322	138	
<u>High Estimate</u>							
VC1 & VC2	Apulian	14,000	Dec-22	80,791	62,209	162	Table 2c
Total High Estimate				80,791	62,209	162	

Table 2a

SUMMARY OF GROSS RESOURCE ESTIMATE AND RESERVOIR PARAMETERS
April 1, 2018

Vallecupa, Province of Chieti, Italy

Best Estimate
V1
Apulian (1)

RESERVOIR PARAMETERS

Reservoir Pressure, psia	2016
Reservoir Temperature, deg F	123
Average Porosity, %	8
Average Water Saturation, %	22
Compressibility Factor, Z	0.863
Petroleum Initially in Place, Mscf/ac.ft	384
Reservoir Loss, %	35
Surface Loss, %	23

RESOURCE VOLUMES

Net Pay, feet	135.5
Area, acres	2,217
Petroleum Initially in Place, MMscf	115,415
Resources Initially in Place, MMscf	75,020
Marketable Resources, MMscf	57,765
NGL's Recovery, bbl/MMscf	2

Note: (1) Interval 1316.0 - 1355.0 m KB.

Table 2b

SUMMARY OF GROSS RESOURCE ESTIMATE AND RESERVOIR PARAMETERS
April 1, 2018

Vallecupa, Province of Chieti, Italy

Low Estimate
V1
Apulian (1)

RESERVOIR PARAMETERS

Reservoir Pressure, psia	2016
Reservoir Temperature, deg F	123
Average Porosity, %	8
Average Water Saturation, %	22
Compressibility Factor, Z	0.863
Petroleum Initially in Place, Mscf/ac.ft	384
Reservoir Loss, %	40
Surface Loss, %	23

RESOURCE VOLUMES

Net Pay, feet	135.5
Area, acres	2,217
Petroleum Initially in Place, MMscf	115,415
Resources Initially in Place, MMscf	69,249
Marketable Resources, MMscf	53,322
NGL's Recovery, bbl/MMscf	2

Note: (1) Interval 1316.0 - 1355.0 m KB.

Table 2c

SUMMARY OF GROSS RESOURCE ESTIMATE AND RESERVOIR PARAMETERS
April 1, 2018

Vallecupa, Province of Chieti, Italy

High Estimate
V1
Apulian (1)

RESERVOIR PARAMETERS

Reservoir Pressure, psia	2016
Reservoir Temperature, deg F	123
Average Porosity, %	8
Average Water Saturation, %	22
Compressibility Factor, Z	0.863
Petroleum Initially in Place, Mscf/ac.ft	384
Reservoir Loss, %	30
Surface Loss, %	23

RESOURCE VOLUMES

Net Pay, feet	135.5
Area, acres	2,217
Petroleum Initially in Place, MMscf	115,415
Resources Initially in Place, MMscf	80,791
Marketable Resources, MMscf	62,209
NGL's Recovery, bbl/MMscf	2

Note: (1) Interval 1316.0 - 1355.0 m KB.

Table 3a

Summary of Anticipated Capital Expenditures
Exploration & Development

April 1 2018

Avanti Energy Inc.

Vallecupa, Province of Chieti, Abruzzo, Italy

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
Prospective Resources					
<u>Dry and Abandoned</u>					
Vallecupa 1	Dec-22	Drill and test one location	33.3400	4,860	1,620
				<u>4,860</u>	<u>1,620</u>
<u>Best Estimate</u>					
VC1&VC2	Dec-23	Drill, test, complete, and tie in two locations	33.3400	9,720	3,241
	Dec-24	Build Pipeline	33.3400	6,500	2,167
		Total Best Estimate		<u>16,220</u>	<u>5,408</u>
<u>Low Estimate</u>					
VC1&VC2	Dec-23	Drill, test, complete, and tie in two locations	33.3400	9,720	3,241
	Dec-24	Build Pipeline	33.3400	6,500	2,167
		Total Low Estimate		<u>16,220</u>	<u>5,408</u>
<u>High Estimate</u>					
VC1&VC2	Dec-23	Drill, test, complete, and tie in two locations	33.3400	9,720	3,241
	Dec-24	Build Pipeline	33.3400	6,500	2,167
		Total High Estimate		<u>16,220</u>	<u>5,408</u>

Note: M\$ means thousands of dollars.

The above capital values are expressed in terms of current dollar values without escalation.

Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

Table 3b
Summary of Anticipated Capital Expenditures
Abandonment and Restoration

April 1 2018

Avanti Energy Inc.

Vallecupa, Province of Chieti, Abruzzo, Italy

Description	Well Parameters	Capital Interest %	Gross Capital M\$	Net Capital M\$
Well or Location				
<u>Dry and Abandoned</u>				
Vallecupa 1	Abandon and reclaim the land	33.3400	670	223
<u>Best Estimate</u>				
Vallecupa VC1	Abandon and reclaim the land	33.3400	670	223
Vallecupa VC2	Abandon and reclaim the land	33.3400	670	223
Total Abandonment and Restoration Best Estimate			1,339	446
<u>Low Estimate</u>				
Vallecupa VC1	Abandon and reclaim the land	33.3400	670	223
Vallecupa VC2	Abandon and reclaim the land	33.3400	670	223
Total Abandonment and Restoration Low Estimate			1,339	446
<u>High Estimate</u>				
Vallecupa VC1	Abandon and reclaim the land	33.3400	670	223
Vallecupa VC2	Abandon and reclaim the land	33.3400	670	223
Total Abandonment and Restoration High Estimate			1,339	446

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

Table 4
Summary of Company Prospective Resources and Economics
Before Income Tax
April 1, 2018
(as of March 31, 2018)

Forecast Prices & Costs

Avanti Energy Inc.

Vallecupa, Province of Chieti, Abruzzo, Italy

Description	Net To Appraised Interest										
	Resources						Cumulative Cash Flow (BIT) - M\$				
	Oil		Sales Gas [1]		NGL		Discounted at:				
	MSTB		MMscf		Mbbbls		Undisc.	5%/year	10%/year	15%/year	20%/year
	Gross	Net	Gross	Net	Gross	Net					
BEFORE RISK											
Best Estimate											
VC 1 & 2	0	0	19,259	15,562	0	0	167,960	64,192	30,489	16,605	9,866
Low Estimate											
VC 1 & 2	0	0	17,777	14,367	0	0	156,666	56,807	26,079	13,865	8,080
High Estimate											
VC 1 & 2	0	0	20,741	16,757	0	0	179,606	71,348	34,751	19,264	11,608
Arithmetic Average											
VC 1 & 2	0	0	19,259	15,562	0	0	168,077	64,116	30,440	16,578	9,851
AFTER RISK											
Arithmetic Average After Risk											
VC 1 & 2	0	0	4,622	3,735	0	0	39,107	14,157	6,074	2,748	1,133

M\$ means thousands of US dollars

Gross resources are the total of the Company's working interest share before deduction of royalties owned by others.

Net resources are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Note: [1] Conventional Natural Gas

Table 4a

EVALUATION OF: Vallecupa, Province of Chieti, Abruzzo, Italy - Prospect Best Estimate

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 16-MAR-2018 6426
 EFF:01-APR-2018 DISC:01-APR-2018 PROD:01-DEC-2023
 RUN DATE: 16-MAR-2018 TIME: 8:33
 FILE: HZVCPB1.DAX

WELL/LOCATION - VC 1 & 2 (Apulian)
 EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR = 100.0000 %
 ULT POOL RESERVES = 75020 MMCF
 PRODUCTION TO DATE = N/A
 DECLINE INDICATOR = EXPONENTIAL
 TOTAL CAPITAL COSTS = 18052 -M\$-
 TOTAL ABANDONMENT = 3200 -M\$- (2062)

INTEREST
 AVG WI 33.3400%

ROYALTIES/TAXES
 STATE + AVG GR 8.10% + AVG NP 1.50%

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Company Share	
			Pool		Company Share	
			MCF/D	Vol	Gross	Net
2018	0	7.41	.0	0	0	0
2019	0	7.54	.0	0	0	0
2020	0	7.80	.0	0	0	0
2021	0	8.06	.0	0	0	0
2022	0	8.32	.0	0	0	0
2023	2	8.45	9222.2	267	89	72
2024	2	8.71	8994.7	3121	1041	840
2025	2	8.97	8588.2	2980	994	802
2026	2	8.71	8200.0	2845	949	766
2027	2	9.10	7829.3	2717	906	732
2028	2	9.52	7475.4	2594	865	698
2029	2	9.94	7137.5	2477	826	667
2030	2	10.40	6814.9	2365	788	637
2031	2	10.87	6506.9	2258	753	608
2032	2	11.36	6212.7	2156	719	591
SUB				23780	7928	6403
REM				33985	11331	9159
TOT				57765	19259	15562

= P/T = ----- COMPANY SHARE FUTURE NET REVENUE -----

Year	Capital & Aband Costs -M\$-	Future Revenue (PR)				Royalties				Operating Costs			PR After Roy&Oper -M\$-	Net back \$/MCF	Proc & Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	Sale Gas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	%	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2018	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2023	10732	0	753	0	753	75	70	0	19.2	29	13	.46	567	6.36	0	3578	0	-3011	-1825
2024	7320	0	9064	0	9064	906	838	0	19.2	348	152	.48	6819	6.55	0	2441	0	4378	2413
2025	0	0	8912	0	8912	891	824	0	19.2	355	148	.51	6694	6.74	0	0	0	6694	3353
2026	0	0	8263	0	8263	826	763	0	19.2	362	144	.53	6167	6.50	0	0	0	6167	2808
2027	0	0	8243	0	8243	824	761	0	19.2	369	141	.56	6147	6.79	0	0	0	6147	2545
2028	0	0	8230	0	8230	823	760	0	19.2	377	137	.59	6133	7.09	0	0	0	6133	2308
2029	0	0	8212	0	8212	821	758	0	19.2	384	133	.63	6115	7.41	0	0	0	6115	2092
2030	0	0	8200	0	8200	820	757	0	19.2	392	130	.66	6101	7.74	0	0	0	6101	1897
2031	0	0	8181	0	8181	818	755	0	19.2	400	126	.70	6081	8.08	0	0	0	6081	1720
2032	0	0	8166	0	8166	817	754	0	19.2	408	123	.74	6065	8.44	0	0	0	6065	1559
SUB	18052	0	76223	0	76223	7622	7040	0	19.2	3424	1248		56889		0	6018	0	50871	18870
REM	3200	0	169808	0	169808	16981	15554	0	19.2	16620	2498		118156		0	0	1067	117089	11619
TOT	21252	0	246032	0	246032	24603	22594	0	19.2	20043	3746		175045		0	6018	1067	167960	30489

NET PRESENT VALUE (-M\$-) -----

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
PR After Roy & Oper.	175045	68883	44177	34018	26782	19343	12020
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	6018	4568	3896	3513	3174	2735	2153
Abandonment Costs	1067	123	35	16	7	2	0
Future Net Revenue	167960	64192	40245	30489	23601	16605	9866

PROFITABILITY -----

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	987.3
Profit Index (undisc.)	23.7
(disc. @ 10.0%)	8.6
(disc. @ 5.0%)	13.7
First Payout (years)	6.4
Total Payout (years)	6.7
Cost of Finding (\$/BOE)	2.21
NPV @ 10.0% (\$/MCF)	1.58
NPV @ 5.0% (\$/MCF)	3.33

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	PR After Roy&Oper	Capital Costs	Future NetRev
% Interest	33.3	33.3					
% of Future Revenue			19.2	9.7	71.1	2.4	68.3

Table 4b

EVALUATION OF: Vallecupa, Province of Chieti, Abruzzo, Italy - Prospect Low Estimate

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 16-MAR-2018 6426
 EFF:01-APR-2018 DISC:01-APR-2018 PROD:01-DEC-2023
 RUN DATE: 16-MAR-2018 TIME: 8:33
 FILE: HZVCPL2.DAX

WELL/LOCATION - VC 1 & 2 (Apulian)
 EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 69249 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 18052 -M\$-
 TOTAL ABANDONMENT - 3330 -M\$- (2064)

INTEREST

AVG WI 33.3400%

ROYALTIES/TAXES

STATE + AVG GR 8.10% + AVG NP 1.50%

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Company Share	
			Pool		Gross	Net
			MCF/D	Vol		
2018	0	7.41	0	0	0	0
2019	0	7.54	0	0	0	0
2020	0	7.80	0	0	0	0
2021	0	8.06	0	0	0	0
2022	0	8.32	0	0	0	0
2023	2	8.45	7687.1	223	74	60
2024	2	8.71	7522.5	2610	870	703
2025	2	8.97	7226.9	2508	836	675
2026	2	8.71	6942.9	2409	803	649
2027	2	9.10	6670.1	2315	772	623
2028	2	9.52	6408.0	2224	741	599
2029	2	9.94	6156.2	2136	712	575
2030	2	10.40	5914.3	2052	684	553
2031	2	10.87	5681.9	1972	657	531
2032	2	11.36	5458.6	1894	632	510
SUB				20342	6782	5478
REM				32979	10995	8889
TOT				53322	17777	14367

= P/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			PR After Roy&Oper -M\$-	Net back \$/MCF	Proc's Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/MCF	Undisc -M\$-						10.0% -M\$-	
2018	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0
2023	10732	0	628	0	628	63	58	0	19.2	29	11	.53	468	6.30	0	3578	0	-3110	-1885
2024	7320	0	7580	0	7580	758	700	0	19.2	348	127	.55	5647	6.49	0	2441	0	3206	1767
2025	0	0	7500	0	7500	750	692	0	19.2	355	125	.57	5577	6.67	0	0	0	5577	2794
2026	0	0	6996	0	6996	700	645	0	19.2	362	122	.60	5167	6.43	0	0	0	5167	2353
2027	0	0	7022	0	7022	702	648	0	19.2	369	120	.63	5183	6.72	0	0	0	5183	2146
2028	0	0	7055	0	7055	705	651	0	19.2	377	117	.67	5204	7.02	0	0	0	5204	1959
2029	0	0	7083	0	7083	708	653	0	19.2	384	115	.70	5222	7.33	0	0	0	5222	1787
2030	0	0	7116	0	7116	712	656	0	19.2	392	113	.74	5243	7.66	0	0	0	5243	1631
2031	0	0	7144	0	7144	714	659	0	19.2	400	110	.78	5261	8.00	0	0	0	5261	1487
2032	0	0	7175	0	7175	718	662	0	19.2	408	108	.82	5280	8.36	0	0	0	5280	1357
SUB	18052	0	65298	0	65298	6530	6024	0	19.2	3424	1068		48252		0	6018	0	42234	15395
REM	3330	0	167826	0	167826	16783	15353	0	19.1	17679	2469		115542		0	0	1110	114432	10684
TOT	21381	0	233124	0	233124	23312	21377	0	19.2	21103	3537		163795		0	6018	1110	156666	26079

NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper, Proc & Other Income	163795	61491	38766	29605	23157	16602	10233
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	6018	4568	3896	3513	3174	2735	2153
Future Net Revenue	156666	56807	34838	26079	19977	13865	8080

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	971.5
Profit Index (undisc.)	22.0
(disc. @ 10.0%)	7.4
(disc. @ 5.0%)	12.1
First Payout (years)	6.7
Total Payout (years)	6.9
Cost of Finding (\$/BOE)	2.41
NPV @ 10.0% (\$/MCF)	1.47
NPV @ 5.0% (\$/MCF)	3.20

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	PR After Roy&Oper	Capital Costs	Future NetRev
% Interest	33.3	33.3					
% of Future Revenue			19.2	10.6	70.3	2.6	67.2

Table 4c

EVALUATION OF: Vallecupa, Province of Chieti, Abruzzo, Italy - Prospect High Estimate

ERGO v7.43 F2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 16-MAR-2018 6426
 EFF:01-APR-2016 DISC:01-APR-2018 PROD:01-DEC-2023
 RUN DATE: 16-MAR-2018 TIME: 8:33
 FILE: HZVCPH3.DAX

WELL/LOCATION - VC 1 & 2 (Apulian)
 EVALUATED BY -
 COMPANY EVALUATED - Avanti Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 80791 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 18052 -M\$-
 TOTAL ABANDONMENT - 3138 -M\$- (2061)

INTEREST
 AVG WI 33.3400%

ROYALTIES/TAXES
 STATE + AVG GR 8.10% + AVG NP 1.50%

Year	# of Wells	Price \$/MCF	Sales Gas		Company Share	
			MMCF	Pool	Gross	Net
			MCF/D	Vol		
2018	0	7.41	.0	0	0	0
2019	0	7.54	.0	0	0	0
2020	0	7.80	.0	0	0	0
2021	0	8.06	.0	0	0	0
2022	0	8.32	.0	0	0	0
2023	2	8.4510756	.8	312	104	84
2024	2	8.7110461	.7	3630	1210	977
2025	2	8.97	9936.2	3448	1150	928
2026	2	8.71	9437.1	3275	1092	882
2027	2	9.10	8963.0	3110	1037	837
2028	2	9.52	8512.7	2954	985	798
2029	2	9.94	8085.1	2806	935	755
2030	2	10.40	7679.0	2665	888	717
2031	2	10.87	7293.2	2531	844	681
2032	2	11.36	6926.6	2404	801	647
SUB				27133	9046	7305
REM				35076	11694	9452
TOT				62209	20741	16757

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties			Operating Costs			PR After Roy&Oper -M\$-	Net back \$/MCF	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev		
		Oil -M\$-	Sale Gas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-	
2018	0	0	0	0	0	0	0	0	0	0	0	0	.00	0	.00	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	.00	0	.00	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	.00	0	.00	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0	.00	0	.00	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0	.00	0	.00	0	0	0	0
2023	10732	0	879	0	879	88	81	0	19.3	29	15	.42	666	6.41	0	3578	0	-2912	-1765
2024	7320	0	10542	0	10542	1054	976	0	19.3	348	177	.43	7987	6.60	0	2441	0	5547	3056
2025	0	0	10311	0	10311	1031	954	0	19.3	355	171	.46	7800	6.79	0	0	0	7800	3907
2026	0	0	9509	0	9509	951	879	0	19.2	362	166	.48	7151	6.55	0	0	0	7151	3256
2027	0	0	9436	0	9436	944	872	0	19.2	369	161	.51	7090	6.84	0	0	0	7090	2935
2028	0	0	9372	0	9372	937	866	0	19.2	377	156	.54	7036	7.14	0	0	0	7036	2648
2029	0	0	9302	0	9302	930	860	0	19.2	384	151	.57	6977	7.46	0	0	0	6977	2387
2030	0	0	9239	0	9239	924	854	0	19.2	392	146	.61	6923	7.79	0	0	0	6923	2153
2031	0	0	9170	0	9170	917	847	0	19.2	400	142	.64	6864	8.14	0	0	0	6864	1941
2032	0	0	9105	0	9105	911	841	0	19.2	408	137	.68	6808	8.50	0	0	0	6808	1750
SUB	18052	0	86865	0	86865	8687	8031	0	19.2	3424	1423		65302		0	6018	0	59283	22269
REM	3138	0	172967	0	172967	17297	15859	0	19.2	15899	2544		121169		0	1046	120323	12482	
TOT	21189	0	259832	0	259832	25983	23889	0	19.2	19323	3967		186670		0	6018	1046	179606	34751

NET PRESENT VALUE (-M\$-)							
Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	186670	76042	49399	38281	30290	22001	13762
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	6018	4568	3896	3513	3174	2735	2153
Abandonment Costs	1046	127	37	17	8	2	0
Future Net Revenue	179606	71348	45465	34751	27108	19264	11608

COMPANY SHARE					
1st Year	Average	Royalties	Oper Costs	PR After Roy&Oper	Capital Future
% Interest	33.3	33.3			
% of Future Revenue			19.2	9.0	71.8
				2.3	69.1

PROFITABILITY	
	Before Tax
Rate of Return (%)	992.3
Profit Index (undisc.)	25.4
(disc. @ 10.0%)	9.8
(disc. @ 5.0%)	15.2
First Payout (years)	6.3
Total Payout (years)	6.6
Cost of Finding (\$/BOE)	2.04
NPV @ 10.0% (\$/MCF)	1.68
NPV @ 5.0% (\$/MCF)	3.44

Figure 3

Avanti Energy Inc.
Vallecupa, Province of Chieti, Abruzzo, Italy
Prospect Analysis (Arithmetic Average)

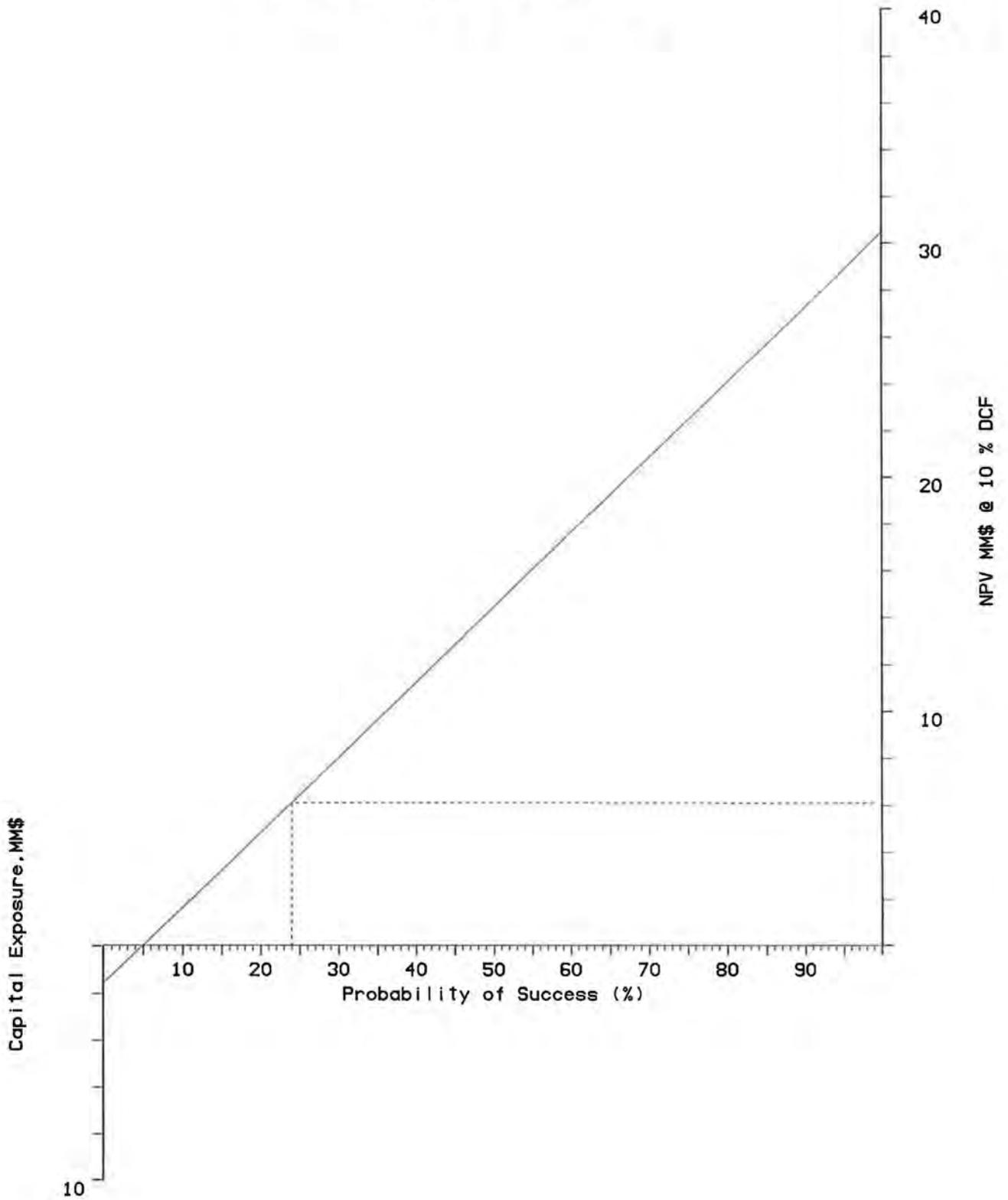


Figure 3
(cont'd)

Avanti Energy Inc.
Vallecupa, Province of Chieti, Abruzzo, Italy
Prospect Analysis (Arithmetic Average)

ECONOMIC PARAMETERS

Net Capital Exposure, M\$	1,620
Risk Components, POS	%
Source	100
Reservoir	70
Trap/Seal	70
Timing/Migration	70
Geological Success	34
Commerciality Factor	70
Commercial Success	24

TOTAL VALUES

Discount Rate, %	undisc.	5	10	15	20
Unrisked Value, M\$	168,077	64,116	30,440	16,578	9,851
Risked Value, M\$	39,107	14,157	6,074	2,748	1,133
Minimum Prob. of Success Req'd, %	1.0	2.5	5.1	8.9	14.1

Attachment 1
Summary of Analog Analysis

April 1 2018

Vallecupa, Province of Chieti, Abruzzo, Italy

Analog for

Well VC1
Zone Apulian

Analog Property

Reference

Field Colle Santo
Pool Apulian

Ultimate reserves	85,341	MMscf	Colle Santo
Number of Wells	4		Colle Santo
Ave Reserves/well	21335	MMscf	Colle Santo
Average Initial Rate	7000	Mscf/d	Colle Santo

**GLOSSARY OF TERMS
(Abbreviations & Definitions)**

General

BIT	- Before Income Tax
AIT	- After Income Tax
M\$	- Thousands of Dollars
Effective Date	- The date for which the Present Value of the future cash flows and reserve categories are established
\$US	- United States Dollars
WTI	- West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	- Alberta Royalty Tax Credit
GRP	- Gas Reference Price

Interests and Royalties

BPO	- Before Payout
APO	- After Payout
APPO	- After Project Payout
Payout	- The point at which a participant's original capital investment is recovered from its net revenue
GORR	- Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	- New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	- Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150 th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	- Freehold Royalty
P&NG	- Petroleum and Natural Gas
Twp	- Township
Rge	- Range
Sec	- Section

Technical Data

psia	- Pounds per square inch absolute
MSTB	- Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	- Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	- Barrels
Mbbls	- Thousands of barrels
MMBTU	- Millions of British Thermal Units – heating value of natural gas
STB/d	- Stock Tank Barrels of oil per day – oil production rate
Mscf/d	- Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	- Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	- Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	- Enhanced Oil Recovery
GJ	- Gigajoules
Marketable or Sales Natural Gas	- Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	- Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	- Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	- Estimated Ultimate Recovery



April 6, 2018

Chapman Petroleum Engineering Ltd.
700, 1122 – 4th Street SW
Calgary, AB T2R 1M1

Dear Sirs:

Re: Company Representation Letter

Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves for the year ended December 31, 2017, with an effective date of March 31, 2018 (the effective date), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, Avanti Energy Inc., (the Client) have made available to you, Chapman Petroleum Engineering Ltd. (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
 - Accounting, financial, tax and contractual data
 - Asset ownership and related encumbrance information;
 - Details concerning product marketing, transportation and processing arrangements;
 - All technical information including geological, engineering and production and test data;
 - Estimates of future abandonment and reclamation costs.

 2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.

 3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.

 4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.
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5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
- For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
 - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
 - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.
 - Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
 - If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.
6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,
AVANTI ENERGY INC.

Karl Kottmeier
President and Chief Executive Officer

Douglas Ford
Chief Financial Officer