

**RESERVE AND ECONOMIC EVALUATION
GAS PROPERTIES**

Owned by

SILK ROAD ENERGY INC.

September 30, 2017
(October 1, 2017)

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

December 27, 2017

Silk Road Energy Inc.
P.O. Box 1525, Strn. M
Calgary, AB
T2P 2L6

Attention: Mr. Richard D. Colling

Dear Sir:

Re: Reserve and Economic Evaluation – Silk Road Energy Inc.
Alberta Properties – September 30, 2017

In accordance with your authorization we have performed a reserve and economic evaluation of gas properties located in Alberta, Canada, owned by Silk Road Energy Inc. (the "Company") for an effective date of September 30, 2017 (as of October 1, 2017).

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 Canadian 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

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 25 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 Silk Road Energy Inc., dated December 27, 2017 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 Silk Road 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>December 29, 2017</u>
PERMIT NUMBER: P 4201	
The Association of Professional Engineers and Geoscientists of Alberta	

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 Silk Road Energy Inc., dated December 27, 2017 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 Silk Road 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

**RESERVE AND ECONOMIC EVALUATION
GAS PROPERTIES**

Owned by

SILK ROAD ENERGY INC.

**September 30, 2017
(October 1, 2017)**

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INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Richard Colling, on behalf of Silk Road Energy Inc. The engineering analysis has been performed during the month of December 2017.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the gas reserves owned by Silk Road Energy Inc. for the Company's financial planning and regulatory reporting.

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 analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions.

4.2 Land Survey System

The Dominion Land Survey (DLS) is the method used to divide most of Western Canada into one-square-mile sections for agricultural and other purposes. It is based on the layout of the Public Land Survey System used in the United States, but has several differences. The DLS is the dominant survey method in the Prairie provinces, and it is also used in the Peace River Block in British Columbia.

The most important north–south lines of the survey are the meridians:

- The First (also Principal or Prime) Meridian at 97°27'28.41" west, just west of Winnipeg, Manitoba.
- The Second Meridian at 102° west, which forms the northern part of the Manitoba–Saskatchewan boundary.
- The Third Meridian at 106° west, near Moose Jaw and Prince Albert, Saskatchewan.
- The Fourth Meridian at 110° west, which forms the Saskatchewan–Alberta boundary and bisects Lloydminster.
- The Fifth Meridian at 114° west, which runs through Calgary (Barlow Trail is built mostly on the meridian) and Stony Plain, Alberta (48th Street).
- The Sixth Meridian at 118° west, near Grande Prairie, Alberta and Revelstoke, British Columbia.

The main east–west lines are the baselines. The First Baseline is at 49° north, which forms much of the Canada–United States border in the West. Each subsequent baseline is about 24 miles (39 km) to the north of the previous one,[9] terminating at 60° north, which forms the boundary with Yukon, the Northwest Territories, and Nunavut.

Starting at each intersection of a meridian and a baseline and working west (also working east of the First Meridian), nearly square townships are surveyed, which are about 6 miles (9.7 km) in both north–south and east–west extent. There are two tiers of townships to the north and two tiers to the south of each baseline.

Townships are designated by their "township number" and "range number". Township 1 is the first north of the First Baseline, and the numbers increase to the north. Range numbers recommence with Range 1 at each meridian and increase to the west (also east of First Meridian). Individual townships are designated such as "Township 52, Range 25 west of the Fourth Meridian," abbreviated "52-25-W4".

Every township is divided into 36 sections, each about 1 mile (1.6 km) square. Sections are numbered within townships, beginning with the southeast section, as follows (north at top):

31	32	33	34	35	36
30	29	28	27	26	25
19	20	21	22	23	24
18	17	16	15	14	13
7	8	9	10	11	12
6	5	4	3	2	1

In turn, each section is divided into four quarter sections (square land parcels roughly 1/2 mile on a side): southeast, southwest, northwest and northeast. The full legal description of a particular quarter section is "the Northeast Quarter of Section 20, Township 52, Range 25 west of the Fourth Meridian", abbreviated "NE-20-52-25-W4."

A section may also be split into as many as 16 legal subdivisions (LSDs). LSDs are commonly used by the oil and gas industry as a precise way of locating wells, pipelines, and facilities. LSDs can be "quarter-quarter sections" (square land parcels roughly 1/4 mile (400 m) on a side, comprising roughly 40 acres (160,000 m²) in area). LSDs are numbered as follows (north at top):

13	14	15	16
12	11	10	9
5	6	7	8
4	3	2	1

Occasionally, resource companies assign further divisions within LSDs such as "A, B, C, D etc." for example, to distinguish between multiple sites within an LSD. These in no way constitute an official change to the Dominion Land Survey system, but nonetheless often appear as part of the legal description.

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**

Sources 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) Production data is acquired from public data sources, except for very recent data or certain wells which are provided directly by the Company;
- iii) Well data is accessed from public data sources;
- iv) Operating Costs are based on limited data provided by the Company and our judgment and experience with similar properties;
- v) Price differentials are derived from revenue statements, compared to actual posted prices for the appropriate benchmark price over a period of several months;
- vi) Timing of Development Plans and Capital estimates are normally determined by discussions with the Company together with our experience and judgment.

5.2 **Product Prices**

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 Summary.

The Benchmark Oil Par Price shown is the equivalent price of light sweet crude landed in Edmonton to that of the West Texas Intermediate crude (WTI) in Cushing, Oklahoma after adjustments for transportation and the prevailing dollar exchange rate (\$US/\$Can).

The gas price forecast for Alberta has been generated for this report to reflect the average published AECO Spot or in some cases Henry Hub, if more applicable

The gas prices under various types of contracts currently available, i.e. conventional, local discount and export contracts, have been predicted to follow the same trends. The initial oil and gas prices for each property have been adjusted in this report to reflect the relative actual prices being received or forecast to be received.

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 2017 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 Crown royalties under the latest regulations and incentive programs for the applicable provinces have been included in this report. Likewise, Freehold royalties, mineral taxes, gross overriding royalties and any other burdens have been accounted for.

Alberta

Effective January 1, 2011, a revised Alberta Royalty Framework (ARF-2011) for oil and natural gas was implemented. Royalty rates under the ARF-2011 are a function of two separate components, product prices and producing rates, which are additive. The royalties are determined by means of complex formulae containing a series of thresholds for both prices and rates. Increasing royalty rates are applied incrementally to each threshold. The formulae provide for royalty reductions for gas wells deeper than 2000 m.

For natural gas, royalty rates range from five percent for relatively low rate wells when prices are low, up to 36 percent for high rate wells when prices are high. The maximum rate would not apply at any producing rate until gas prices exceed \$6.85/Mscf (1,000 BTU gas). Also, the highest royalty rates will not apply to any well producing less than 320 Mscf/day, regardless of price.

Conventional oil royalty rates under the ARF-2011 can be zero for low rate wells when prices are low, increasing to 40 percent for high rate wells when prices are high. The maximum royalty rate will not apply to any well producing less than 35 STB/day regardless of price. Also maximum royalty rates will not apply to any well regardless of rate at oil prices less than \$50.00/STB.

The ARF-2011 is designed to deliver up to 40 percent (36 percent for gas) of the oil revenue to the Alberta Government from high rate wells when the prices are high. When prices and/or production rates are low the royalties are minimized (0 percent for oil and 5 percent for gas) so that stripper wells will not be shut in earlier than necessary, due to the Crown royalty burden.

Effective January 1, 2017 the Alberta government has introduced revisions to the royalty regime referred to as the "Modernized Royalty Framework" (MRF). Under this regime, existing wells are subject to the former ARF-2011 for the next ten years then revert to the MRF application.

New wells drilled after January 1, 2017 are subject to the MRF, which involves three stages.

During the Capital Investment Stage, a royalty of 5% applies on total revenues until "payout". Payout is based on gross revenues against a predetermined factor, "C*", which depends on well depth, i.e. shallower or deeper than 2000 meters, the horizontal leg length and tonnage of frac sand used. The C* is based on average industry costs grossed up to account for reasonable operating costs and royalties.

Once Payout is Achieved, the second phase of the program applies where royalties are variable depending on product price. This royalty phase applies unless the production is equal or less than 194 m³e/month for oil and 344 e³m³e/month for gas, which is referred to as the "mature" stage.

During the Mature Stage the royalties are gradually reduced with declining production to an eventual minimum royalty of 5%.

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 and escalated as follows:

2017	- No Escalation
Thereafter	- 2.0% per year

5.6 **Income Tax Parameters**

Net cash flows after consideration of corporate income tax have been included in this report.

The Company has been assumed to be fully taxable as there are no known income tax pools. No future capital expenditures are anticipated for this report.

The Federal tax rates utilized in this report were 15.00% in 2017 and thereafter. The Alberta tax rates utilized were 12% in all years.

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.

For Alberta wells we have utilized Directive 011 from the AER which has been made available to the public to estimate liability for well abandonment and site restoration, unless the Company has provided the information from their experience.

This directive accounts for the general areas, number of zones to be abandoned, well depth and presence of tubing and rods, etc. Separate amounts are determined for abandonment and lease restoration.

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 APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook" ("COGEH"), in conjunction with COGEH definitions are presented below and are generally compliant with PRMS standards.

6.2 Reserve Definitions

The following definitions, extracted from Section 5.4 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1) published by the Petroleum Society of CIM and the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE) as specified by NI 51-101 have been used in preparing this report. These definitions are compliant with the PRMS.

DEFINITIONS 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 Canadian Oil and Gas Evaluation Handbook, Volume 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 Canadian Oil and Gas Evaluation Handbook, Volume 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 Canadian Oil and Gas Evaluation Handbook, Volume 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.



LEGEND

AREA OF INTEREST

- OIL
- GAS
- OIL & GAS

SILK ROAD ENERGY INC.	
JURISDICTIONAL MAP	
OCT. 2017	JOB No. 6395

EXECUTIVE SUMMARY

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Table 1

Silk Road Energy Inc.

Summary of Oil and Gas Reserves

October 1, 2017

(as of September 30, 2017)

Forecast Prices and Costs

Reserves Category	Light and Medium Oil		Heavy Oil		Conventional Natural Gas [1]		Natural Gas Liquids	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	MSTB	MSTB	MSTB	MSTB	MMscf	MMscf	Mbbl	Mbbl
PROVED								
Developed Producing	0	0	0	0	59	49	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0
TOTAL PROVED	0	0	0	0	59	49	0	0
PROBABLE	0	0	0	0	26	20	0	0
TOTAL PROVED PLUS PROBABLE	0	0	0	0	85	69	0	0

Reference: Item 2.2 (1) Form 51-101F1

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

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

Table 2

Silk Road Energy Inc.

**Summary of Net Present Values
October 1, 2017
(as of September 30, 2017)**

Forecast Prices and Costs

Before Income Tax

Reserves Category	Net Present Values of Future Net Revenue				
	Discounted at				
	0 %/yr. M\$	5 %/yr. M\$	10 %/yr. M\$	15 %/yr. M\$	20 %/yr. M\$
PROVED					
Developed Producing	54	53	50	45	41
Developed Non-Producing	0	0	0	0	0
Undeveloped	0	0	0	0	0
TOTAL PROVED	54	53	50	45	41
PROBABLE	42	31	21	15	11
TOTAL PROVED PLUS PROBABLE	96	84	71	60	51

After Income Tax

Reserves Category	Net Present Values of Future Net Revenue				
	Discounted at				
	0 %/yr. M\$	5 %/yr. M\$	10 %/yr. M\$	15 %/yr. M\$	20 %/yr. M\$
PROVED					
Developed Producing	32	35	34	32	29
Developed Non-Producing	0	0	0	0	0
Undeveloped	0	0	0	0	0
TOTAL PROVED	32	35	34	32	29
PROBABLE	31	24	16	11	8
TOTAL PROVED PLUS PROBABLE	63	59	51	43	37

Reference: Item 2.2 (2) Form 51-101F1

M\$ means thousands of dollars

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

Table 3
Silk Road Energy Inc.
Total Future Net Revenue (Undiscounted)
October 1, 2017
(as of September 30, 2017)
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\$	Income Taxes M\$	Future Net Revenues AIT M\$
Total Proved	190	34	68	0	34	54	(22)	32
Proved Plus Probable	290	52	103	0	38	96	(33)	63

Reference: Item 2.2 (3)(b) NI 51-101F1

M\$ means thousands of dollars

Table 4
Silk Road Energy Inc.
Future Net Revenue
By Product Type
October 1, 2017
(as of September 30, 2017)
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)	50
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)	71

Reference: Item 2.2 (3)(c) NI 51-101F1

M\$ means thousands of dollars

Table 4A

Silk Road Energy Inc.

Oil and Gas Reserves and Net Present Values
By Product Type
October 1, 2017
(as of September 30, 2017)

Forecast Prices and Costs

Product 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 Mbbbl	Net Mbbbl		
Conventional Natural Gas (Assoc & Non-Assoc Gas)								
Proved								
Developed Producing	0	0	59	49	0	0	50	1.01
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	0	0	0	0	0	N/A
Total Proved	0	0	59	49	0	0	50	1.01
Probable	0	0	26	20	0	0	21	1.06
Proved Plus Probable	0	0	85	69	0	0	71	1.03

Reference: Item 2.2 (3)(c) NI 51-101F1

M\$ means thousands of dollars

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

Note: [1] includes solution gas.

Table 5

**CHAPMAN PETROLEUM ENGINEERING LTD.
NATURAL GAS & BY-PRODUCTS
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES**

October 1, 2017

Date	Alberta GRP [1]		AECO Spot Gas[2]	Henry Hub Gas[3]	Propane C3 [4]	Butane C4 [4]	Condensate (Pentanes Plus) C5+[5]
	\$CDN/MMBTU	\$CDN/GJ	\$CDN/MMBTU	\$US/MMBTU	\$CDN/BBL	\$CDN/BBL	\$CDN/BBL
HISTORICAL PRICES							
2009	3.85	3.65	3.99	3.94	38.34	49.34	67.52
2010	3.93	3.73	4.02	4.39	44.40	57.99	77.51
2011	3.46	3.28	3.63	3.99	50.17	70.93	97.21
2012	2.25	2.13	2.39	2.70	47.40	64.48	96.26
2013	2.98	2.82	3.17	3.84	50.09	91.43	100.72
2014	4.22	4.00	4.51	4.36	46.85	62.26	108.28
2015	2.62	2.48	2.71	2.69	6.17	36.81	59.14
2016	2.03	1.93	2.18	3.31	6.71	29.81	55.62
2017 9 mos.	2.09	1.98	2.30	2.99	21.77	39.36	65.18
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)							
	2.39	2.27	2.66	3.01	18.68	37.63	65.90
FORECAST PRICES							
2017	2.55	2.42	2.80	3.53	24.30	41.66	65.97
2018	2.68	2.55	2.95	3.68	25.34	43.44	68.78
2019	2.82	2.68	3.10	3.83	26.58	45.56	72.14
2020	2.96	2.81	3.26	3.99	28.69	49.18	77.87
2021	3.11	2.95	3.42	4.15	29.07	49.84	78.91
2022	3.27	3.10	3.59	4.32	30.10	51.60	81.70
2023	3.43	3.25	3.77	4.50	31.13	53.37	84.50
2024	3.60	3.41	3.96	4.69	32.16	55.13	87.29
2025	3.67	3.48	4.04	4.77	33.19	56.90	90.09
2026	3.75	3.55	4.12	4.85	34.22	58.66	92.88
2027	3.82	3.62	4.20	4.93	35.25	60.43	95.67
2028	3.90	3.70	4.28	5.01	35.93	61.59	97.52
2029	3.98	3.77	4.37	5.10	36.62	62.78	99.40
2030	4.05	3.85	4.46	5.19	37.33	63.99	101.32
2031	4.14	3.92	4.54	5.27	38.05	65.23	103.27

Escalated 2% thereafter

- Notes:
- [1] Alberta Gas Reference Price (GRP) represents the average of all system and direct (spot and firm) sales
 - [2] The AECO C Spot price, which is the Alberta gas trading price
 - [3] Henry Hub Spot is natural gas traded on the New York Mercantile Exchange (NYMEX).
 - [4] Alberta average field price for Propane and Butane purchased at field locations.
 - [5] Edmonton condensate from GMPFirstEnergy.

**BASHAW AREA
ALBERTA
INDEX**

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Operating Costs
Economics

Attachments

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- a) 00/02-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Time Plot
- b) 00/02-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Cum. Production Plot
- c) 00/14-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Time Plot
- d) 00/14-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Cum. Production Plot
- e) 00/15-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Time Plot
- f) 00/15-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Cum. Production Plot

Figure 3: Production History Graphs – Proved Plus Probable

- a) 00/02-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Time Plot
- b) 00/02-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Cum. Production Plot
- c) 00/14-21-041-23 W4M/00, Temp Commingled Code – Rate vs. Time Plot
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Table 3: Summary of Anticipated Capital Expenditures

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Table 4: Summary of Company Reserves and Economics

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- a) Total Proved Developed Producing
- b) Total Proved Plus Probable Developed Producing

Individual Cash Flows

Proved Developed Producing

- c) Well 02-21-041-23 W4M, Horseshoe Canyon

- d) Well 14-21-041-23 W4M, Horseshoe Canyon
- e) Well 15-21-041-23 W4M, Horseshoe Canyon

Proved Plus Probable Developed Producing

- f) Well 02-21-041-23 W4M, Horseshoe Canyon
- g) Well 14-21-041-23 W4M, Horseshoe Canyon
- h) Well 15-21-041-23 W4M, Horseshoe Canyon

Figure 4: Production History and Forecast – Company Share
- Proved Developed Producing and Proved Plus Probable Producing

**BASHAW AREA
ALBERTA
DISCUSSION**

Property Description

The Company owns a 12.33 percent working interest in three producing wells and one marginal producing well with no reserves in this area, as shown on the map, Figure 1. Production is subject to freehold royalties.

A detailed description of the wells, interests and royalty burdens is presented in Table 1.

Geology

The Horseshoe Canyon Formation is a clastic unit of Upper Cretaceous age and part of the Edmonton Group. It formed within a fluvial environment. In this area, the Horseshoe Canyon Formation is found between 100 and 120 m. and the productive intervals range from 1 to 3 m. thick.

Reserves

Total proved developed producing marketable non-associated gas reserves of 481 MMscf have been estimated for the Horseshoe Canyon zone in three wells based on decline analysis of the production history of each well.

Total probable additional developed producing marketable non-associated gas reserves of 204 MMscf have been estimated for the same wells assuming lesser rates of decline over those in the proved case.

A summary of the gross reserves is presented in Table 2.

Production

Recent production from this area is 206 Mscf/d.

Production history graphs for this area are presented in Figures 2a through 2f in the proved case and Figures 3a through 3f in the proved plus probable case. The current production rate for each well is presented in Table 2.

Product Prices

An average 2017 gas sales price of \$2.46/Mscf has been estimated for this area based on revenue statements supplied by the Company.

Capital Expenditures

No gross capital expenditures have been estimated for this area as presented in Table 3a.

Total abandonment and reclamation costs (net of salvage) of \$204,000 (\$25,000 net to the Company) have been estimated for this property, as presented in Table 3b.

Operating Costs

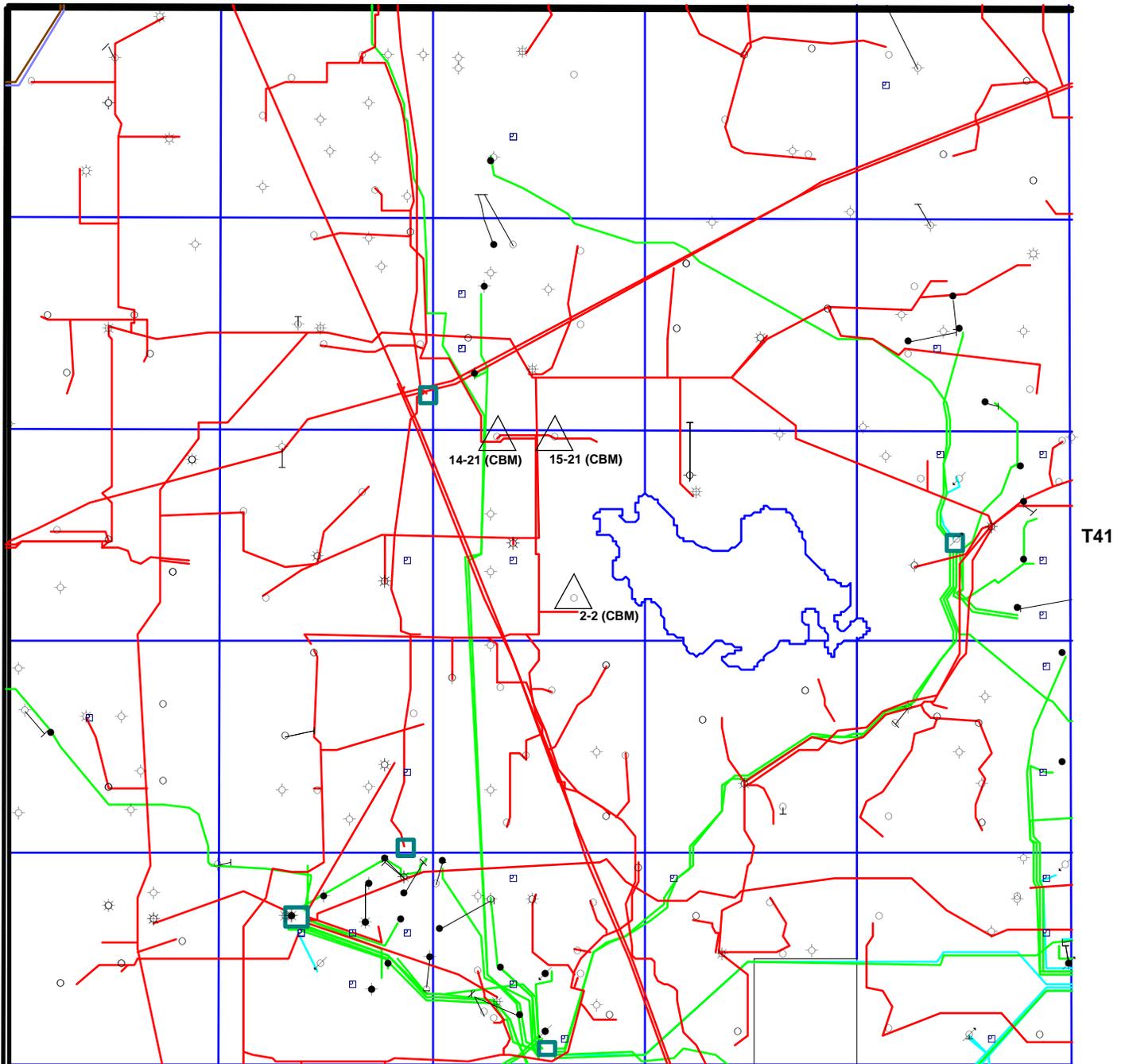
Operating costs of \$750 per well per month plus variable costs of \$0.15/Mscf have been estimated for this area based on operating cost statements provided by the Company and our judgment and experience with similar properties.

Economics

A summary of the Company reserves and economics for the forecast prices and costs is presented in Table 4 and the results of the economic analysis performed on this property are presented in Tables 4a through 4h.

The Company's total historical production together with our proved developed producing and proved plus probable forecasts for this property are presented on Figure 4.

R23 W4M



LEGEND

WELL SYMBOLS

- LOCATION OR DRILLING
- ◇ SUSPENDED
- ◇ DRY & ABANDONED
- OIL
- ⊗ GAS
- ⊗ WATER SOURCE
- ⊗ WATER DISP
- ⊗ OBSERVATION
- ⊗ INJECTION
- SUSPENDED OIL
- ⊗ SUSPENDED GAS
- ⊗ SUSP WATER DISP
- ⊗ SUSP INJECTION
- ⊗ SUSP WATER SOURCE
- ABANDONED OIL
- ⊗ ABANDONED GAS
- ⊗ ABD WATER SOURCE
- ⊗ ABD WATER DISP
- ⊗ ABD INJECTION
- ⊗ INJ PREV GAS

PIPELINES

- Crude Oil
- Natural Gas
- Oil Well Effluent
- Sour Natural Gas
- Water
- HVP/LVP
- Other Types

FACILITIES

- ⊗ Compressor Stn
- ⊗ Meter Stn
- Regular Stn
- ⊗ Meter Reg. Stn
- Pump Stn

COMPANY OWNERSHIP

- △ Well of Interest

SILK ROAD ENERGY INC.

BASHAW AREA

ALBERTA

WELL LOCATION MAP

OCT. 2017 JOB No. 6395 FIGURE No. 1

Table 1

Schedule of Wells, Interests and Royalty Burdens
October 1, 2017

Silk Road Energy Inc.

Bashaw Area, Alberta

<u>Description</u>	<u>Rights Owned</u>	<u>Appraised Interest</u>		<u>Royalty Burdens</u>	
		<u>Working %</u>	<u>Royalty %</u>	<u>Basic %</u>	<u>Overriding %</u>
<u>Twp 041 Rge 23 W4M</u>					
Sec 21					
Well 02-21	[A]	12.3300	-	FH-18.00	-
Well 14-21	[A]	12.3300	-	FH-18.00	-
Well 15-21	[A]	12.3300	-	FH-18.00	-

Rights Owned : [A] NG to Base Belly River

Table 2
Summary of Gross Reserves
October 1, 2017

Baehaw Area, Alberta

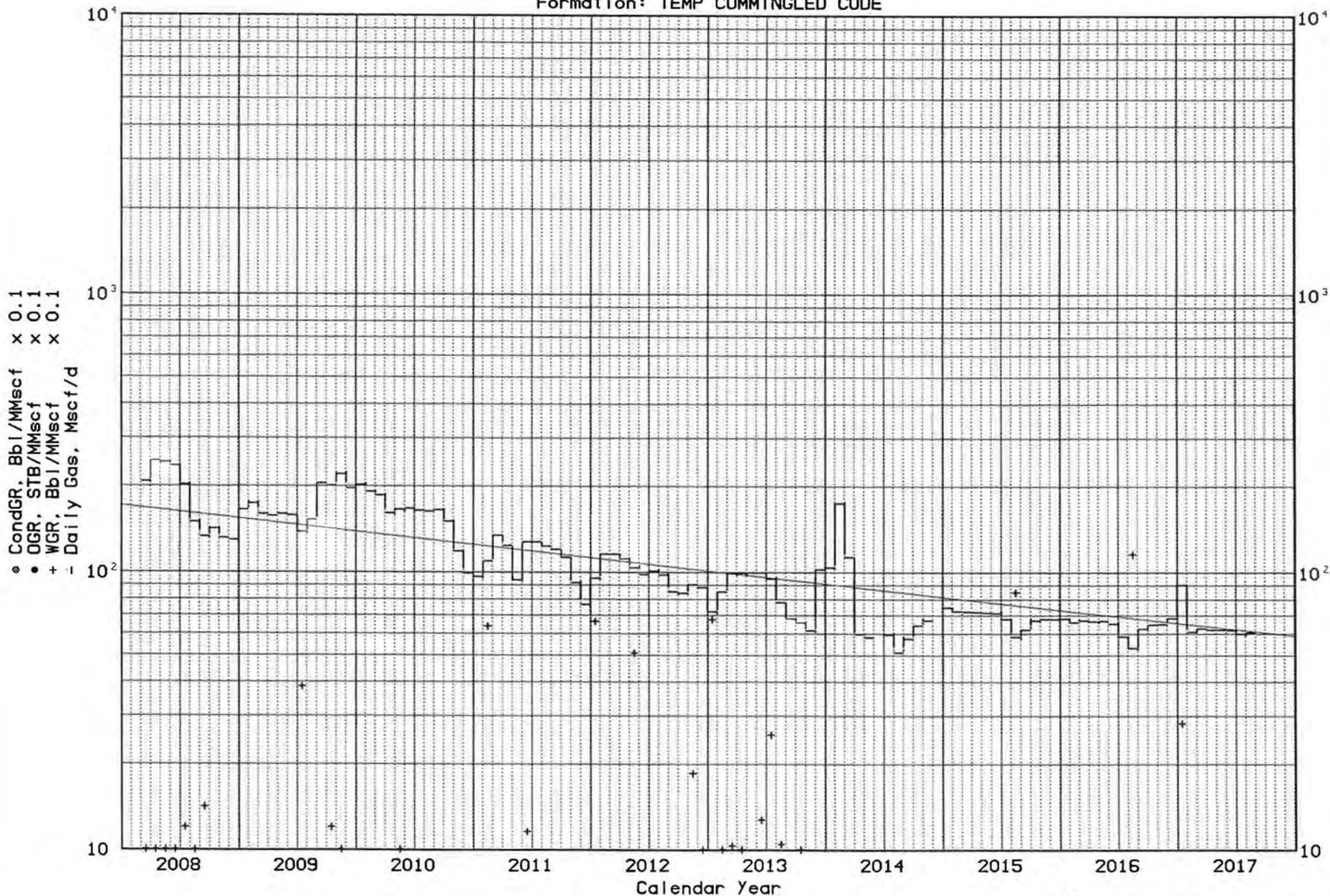
Description	Current or Initial Rate Mscf/d	Ultimate Recovery (MMscf)	Cumulative Production (MMscf)	Reserves (raw gas) (MMscf)	Reserves (sales gas) (MMscf)	Reserves NGLs (MBbls)	Reference
<u>ASSOCIATED AND NON-ASSOCIATED GAS</u>							
<u>Proved Developed Producing</u>							
Well 02-21-041-23 W4 Horseshoe Canyon	61	539	370	169	161	0	Figure 2a & 2b
Well 14-21-041-23 W4 Horseshoe Canyon	68	551	417	134	127	0	Figure 2c & 2d
Well 15-21-041-23 W4 Horseshoe Canyon	77	564	360	204	194	0	Figure 2e & 2f
Total Proved Producing	206	1,654	1,147	507	481	0	
<u>Probable</u>							
Probable Developed Producing							
Well 02-21-041-23 W4 Horseshoe Canyon (Incr.)		79	0	79	75	0	Figure 3a & 3b
Well 14-21-041-23 W4 Horseshoe Canyon (Incr.)		48	0	48	46	0	Figure 3c & 3d
Well 15-21-041-23 W4 Horseshoe Canyon (Incr.)		88	0	88	84	0	Figure 3e & 3f
Total Probable		215	0	215	204	0	
Total Proved Plus Probable		1,868	1,147	722	685	0	

PRODUCTION HISTORY

Proved Developed Producing

00/02-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE



37

Figure 2a

PRODUCTION HISTORY

Proved Developed Producing

00/02-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE

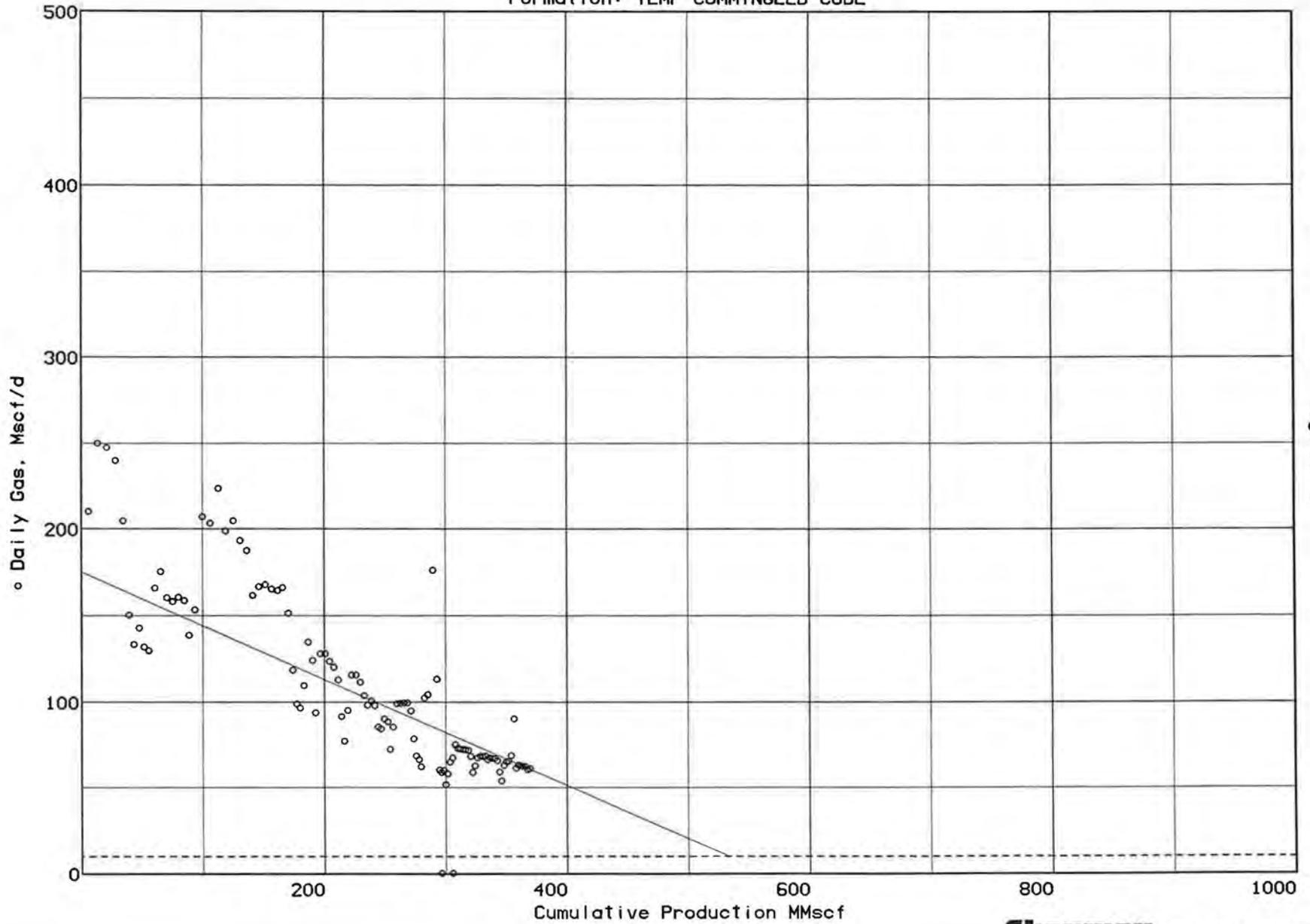


Figure 2b

PRODUCTION HISTORY

Proved Developed Producing

00/14-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE



Figure 2c

PRODUCTION HISTORY

Proved Developed Producing

00/14-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE

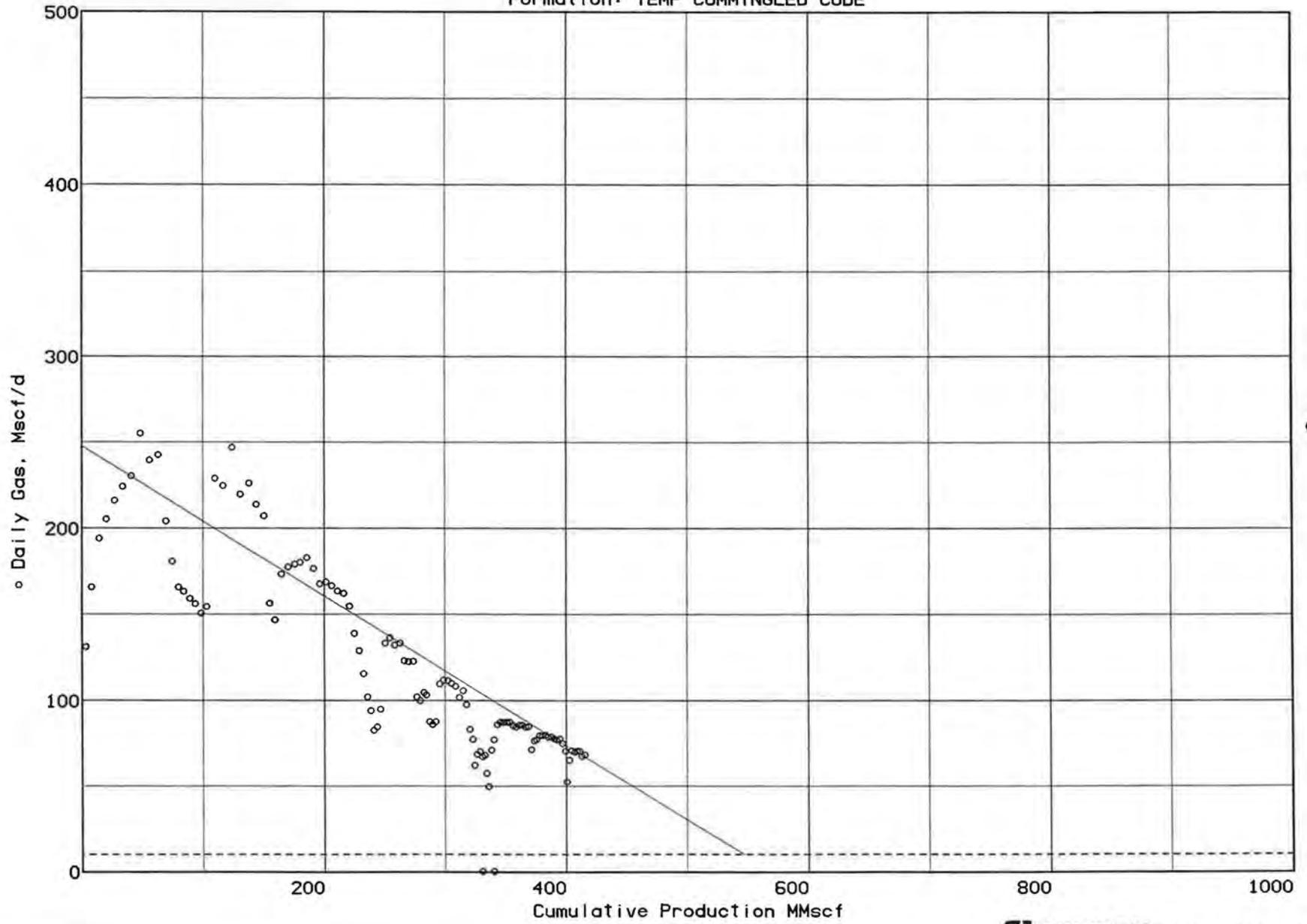


Figure 2d

40

PRODUCTION HISTORY

Proved Developed Producing

00/15-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE



Figure 2e

41

PRODUCTION HISTORY

Proved Developed Producing

00/15-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE

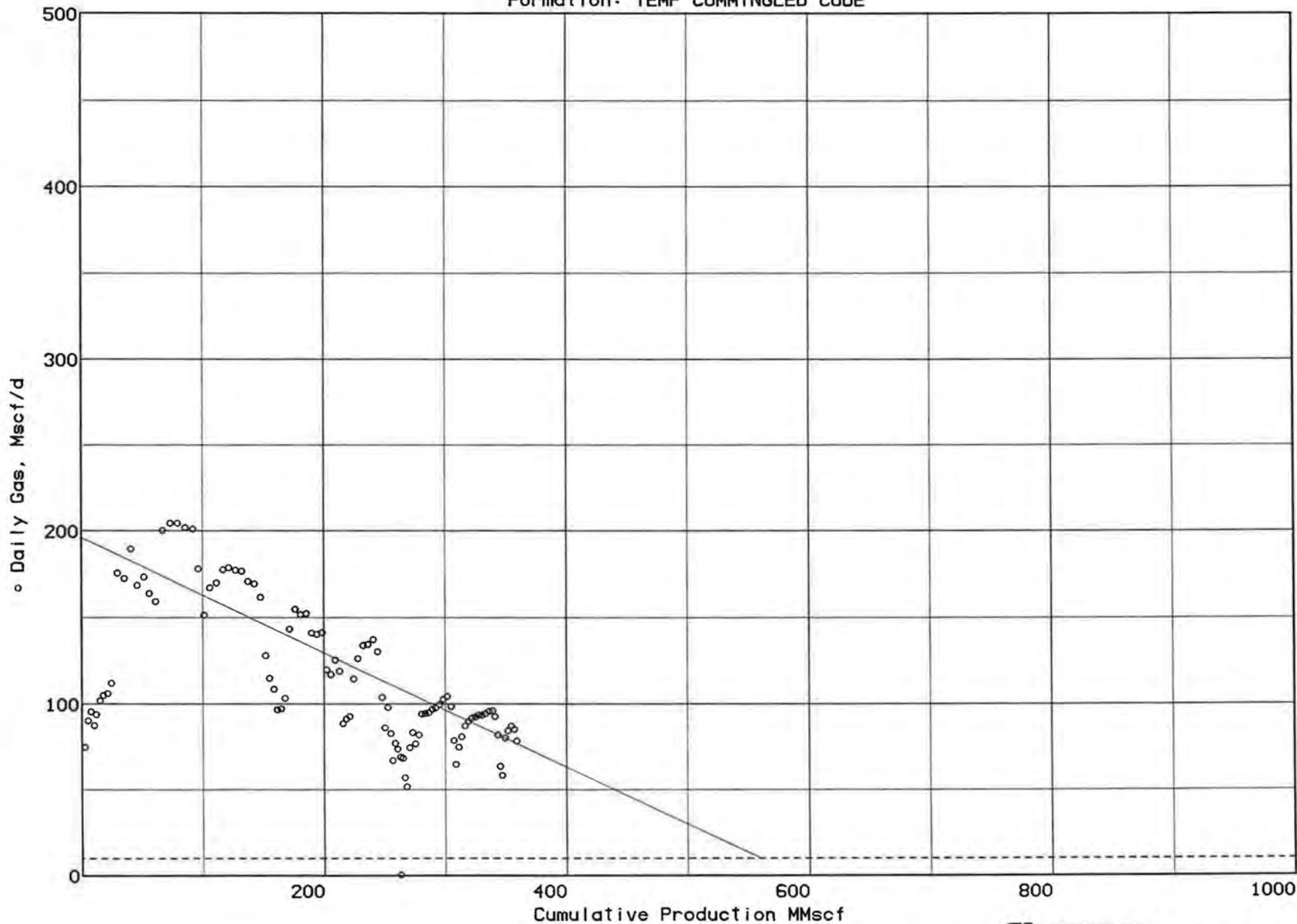


Figure 24

PRODUCTION HISTORY

Proved Plus Probable

00/02-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE

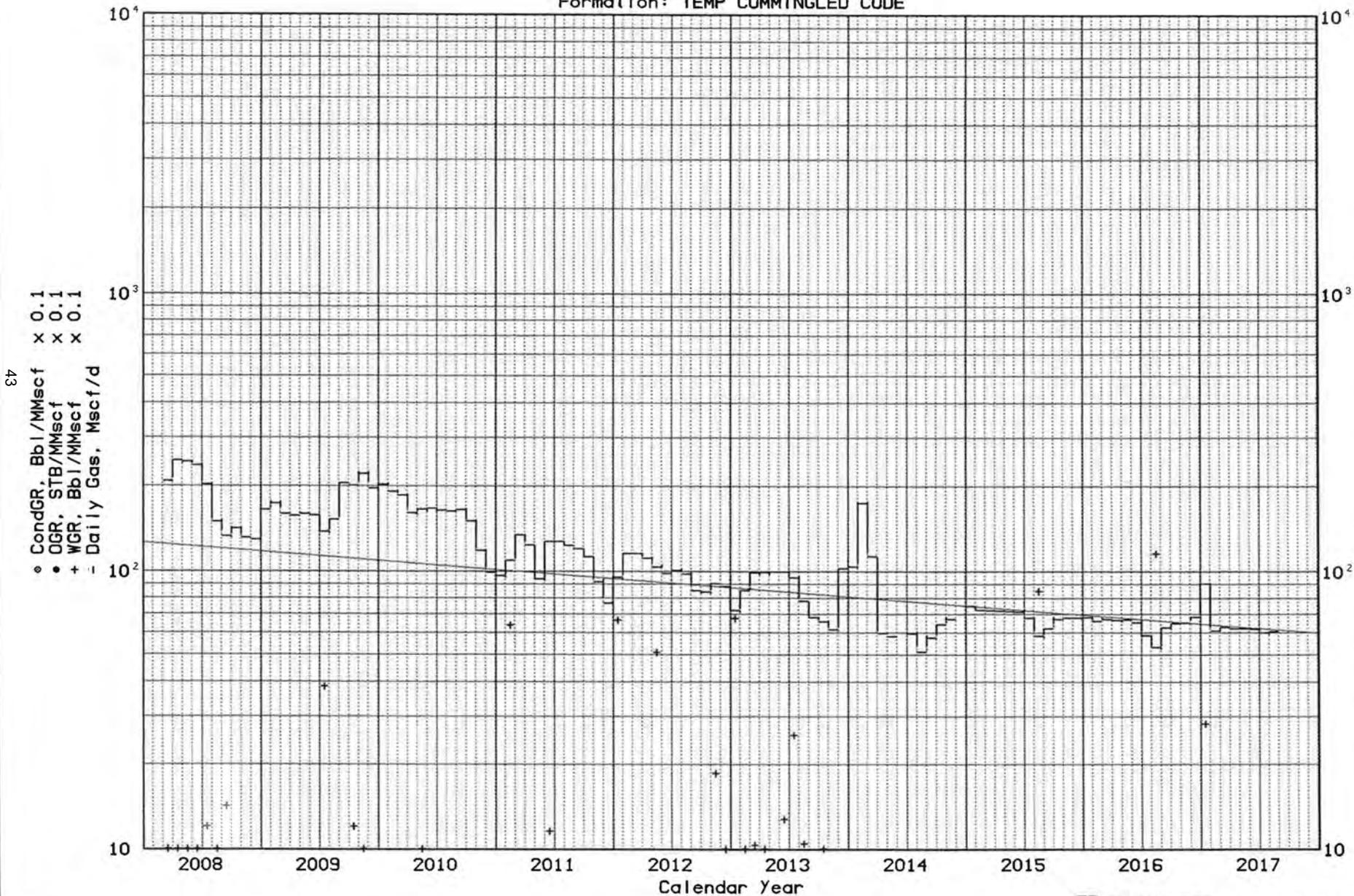


Figure 3a

PRODUCTION HISTORY

Proved Plus Probable

00/02-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE

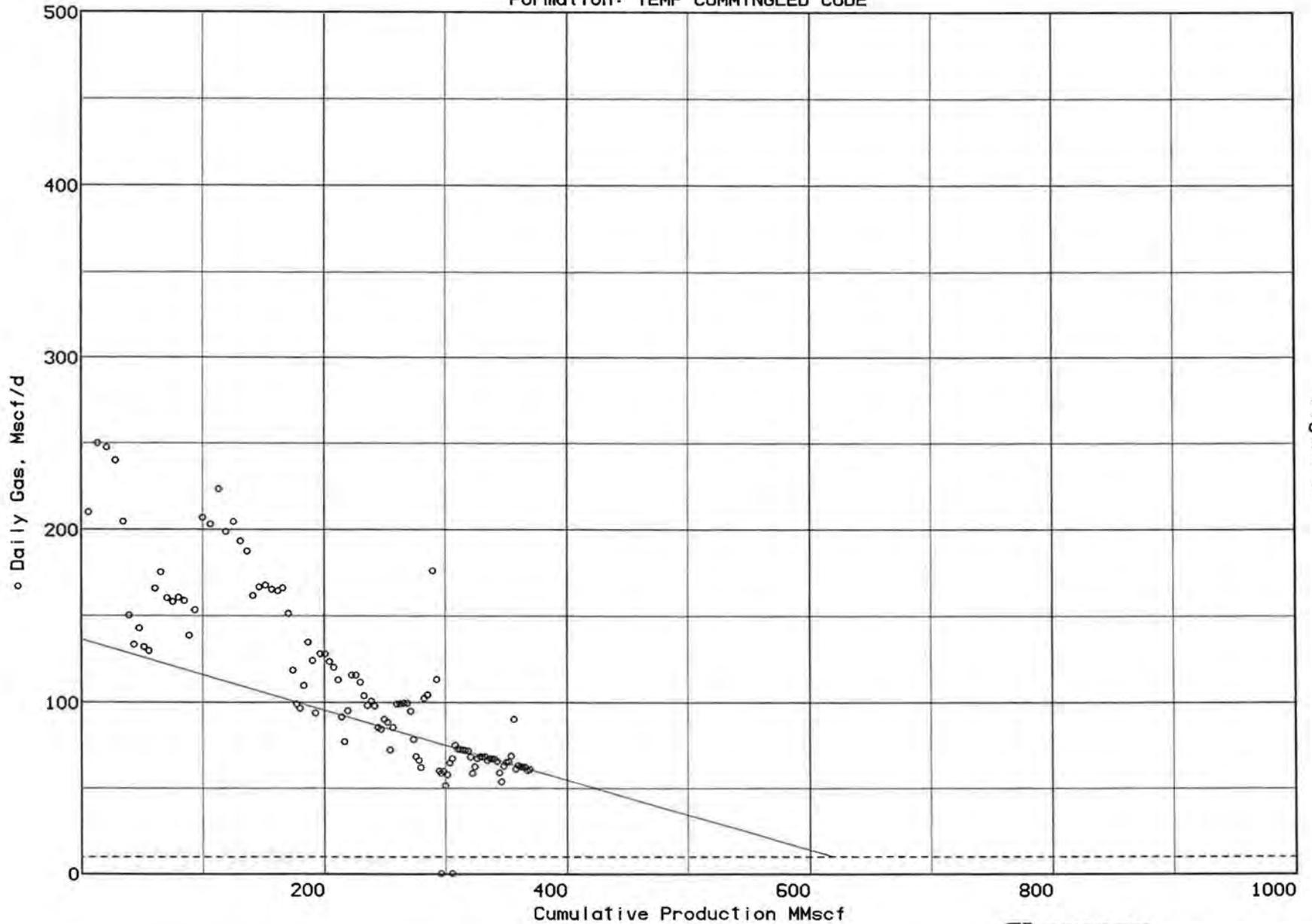


Figure 3b

PRODUCTION HISTORY

Proved Plus Probable

00/14-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE



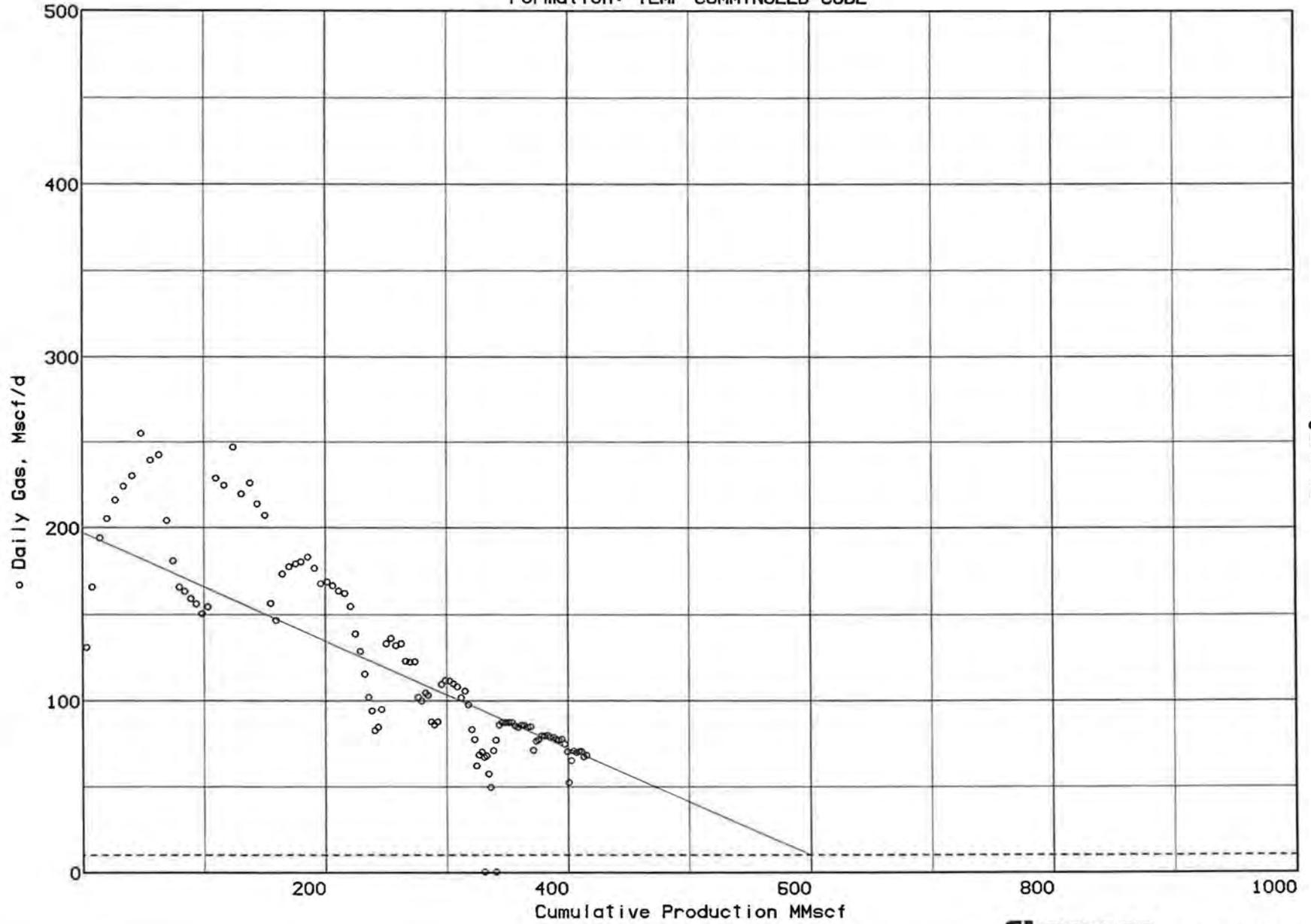
Figure 3c

PRODUCTION HISTORY

Proved Plus Probable

00/14-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE



PRODUCTION HISTORY

Proved Plus Probable

00/15-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE



Figure 3e

PRODUCTION HISTORY

Proved Plus Probable

00/15-21-041-23 W4M/00

Field: BASHAW
Formation: TEMP COMMINGLED CODE

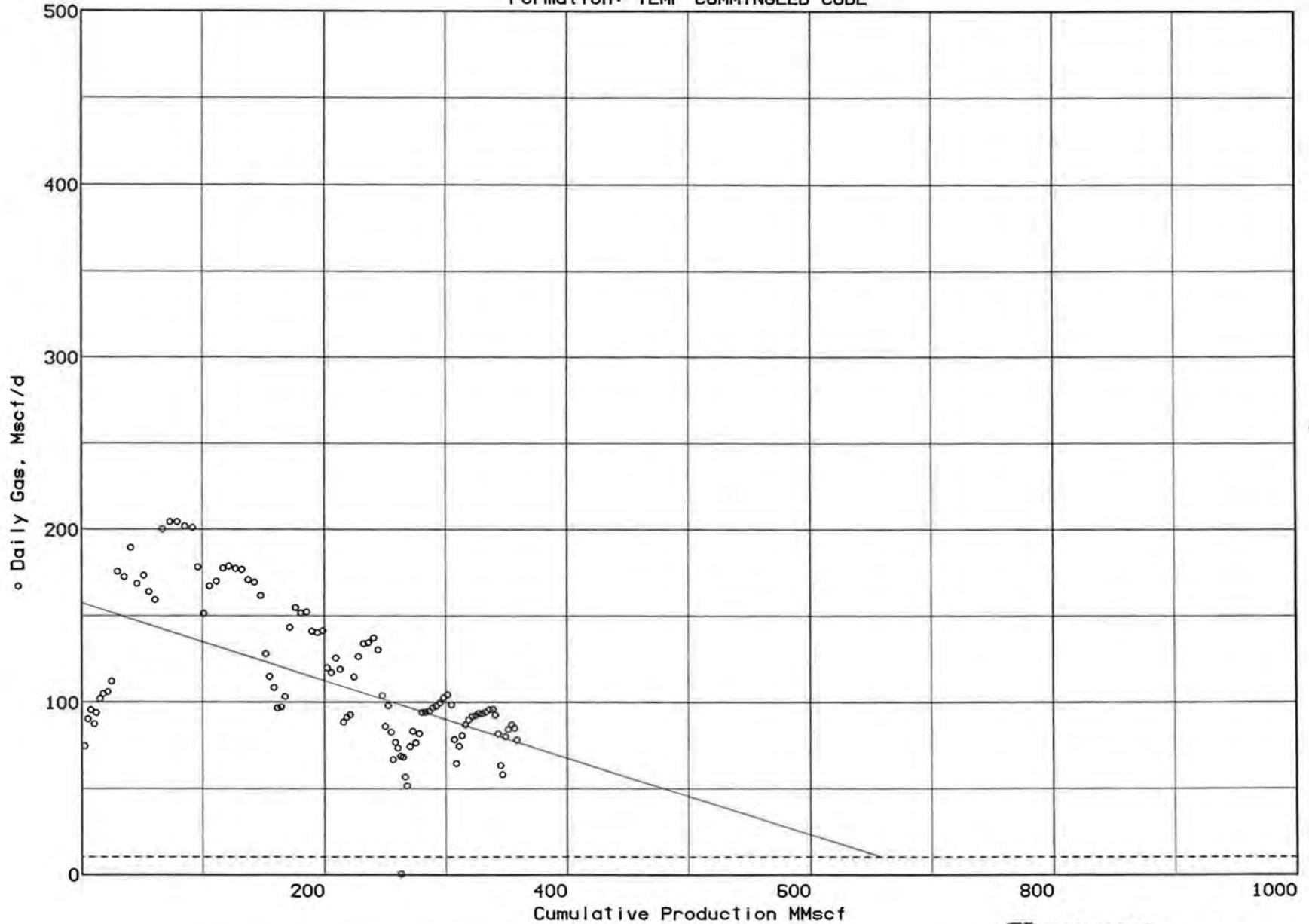


Table 3a

Summary of Anticipated Capital Expenditures
Development

October 1, 2017

Silk Road Energy Inc.

Bashaw Area, Alberta

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
-------------	------	-----------	--------------------	-------------------	-----------------

No Capital Expenditures have been anticipated for this area.

Table 3b
Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2017

Silk Road Energy Inc.

Bashaw Area, Alberta

Description	Well Parameters	Capital Interest %	Gross Capital M\$	Net Capital M\$
Well 02-21-041-23 W4	Flowing Horseshoe Canyon CBM well	12.3300	68	8
Well 14-21-041-23 W4	Flowing Horseshoe Canyon CBM well	12.3300	68	8
Well 15-21-041-23 W4	Flowing Horseshoe Canyon CBM well	12.3300	68	8
Total Abandonment and Restoration			204	25

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 Reserves and Economics
Before Income Tax

Forecast Prices & Costs

October 1, 2017

Silk Road Energy Inc.

Bashaw, Alberta

Description	Net To Appraised Interest												
	Reserves						Cumulative Cash Flow (BIT) - M\$						
	Light and Medium Oil		Conventional Natural Gas		NGL		Discounted at:						
	Gross	Net	Gross	Net	Gross	Net	Undlac.	5%/year	10%/year	15%/year	20%/year		
Proved Developed Producing													
Well 02-21-041-23 W4M	Horseshoe Canyon	0	0	20	16	0	0	17	17	16	14	13	
Well 14-21-041-23 W4M	Horseshoe Canyon	0	0	16	13	0	0	11	12	12	12	11	
Well 15-21-041-23 W4M	Horseshoe Canyon	0	0	24	20	0	0	25	24	21	19	17	
Total Proved Developed Producing		0	0	59	49	0	0	54	53	50	45	41	
Probable													
Probable Developed Producing													
Well 02-21-041-23 W4M	Horseshoe Canyon	Incr.	0	0	9	8	0	0	14	10	7	5	3
Well 14-21-041-23 W4M	Horseshoe Canyon	Incr.	0	0	6	4	0	0	9	8	6	4	3
Well 15-21-041-23 W4M	Horseshoe Canyon	Incr.	0	0	11	8	0	0	19	13	7	6	4
Total Probable Developed Producing			0	0	26	20	0	0	42	31	21	16	11
Total Proved Plus Probable			0	0	85	69	0	0	96	84	71	60	51

M\$ means thousands of 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.

Table 4T
Summary of Company Reserves and Economics
After Income Tax
October 1, 2017

Forecast Prices & Costs

Silk Road Energy Inc.

Description	Light and Medium Oil		Sales Gas		NGL		Cumulative Cash Flow - M\$				
	MSTB		MMscf		Mbbbls		Discounted at:				
	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing											
Total Proved Developed Producing (BIT)	0	0	59	49	0	0	54	53	50	45	41
Company Income Tax	-	-	-	-	-	-	(22)	(18)	(15)	(13)	(11)
Total Proved Developed Producing (AIT)	0	0	59	49	0	0	32	35	34	32	29
Probable											
Total Probable (BIT)	0	0	26	20	0	0	42	31	21	15	11
Company Income Tax	-	-	-	-	-	-	(11)	(7)	(5)	(3)	(2)
Total Probable (AIT)	0	0	26	20	0	0	31	24	16	11	8
Total Proved Plus Probable (AIT)	0	0	85	69	0	0	63	59	51	43	37

M\$ means thousands of 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.

Table 4a

EVALUATION OF: Bashaw, Alberta
 ----- Total Proved Developed Producing Cons.

ERGO v7.43 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 07-DEC-2017 6395
 EFF:01-OCT-2017 DISC:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 13:14
 FILE:

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

TOTAL ABANDONMENT - 274806 -\$-

Year	Sales Gas MMCF					
	# of Wells	Price \$/MCF	Pool		Company Share	
			MCF/D	Vol	Gross	Net
2017	3	2.46	185.8	17	2	2
2018	3	2.60	171.9	63	8	6
2019	3	2.73	152.1	56	7	6
2020	3	2.87	134.6	49	6	5
2021	3	3.01	119.2	44	5	4
2022	3	3.16	105.6	39	5	4
2023	3	3.32	93.6	34	4	3
2024	3	3.48	83.0	30	4	3
2025	3	3.56	73.6	27	3	3
2026	3	3.63	65.3	24	3	2
2027	3	3.70	57.9	21	3	2
2028	3	3.77	51.4	19	2	2
2029	3	3.85	45.7	17	2	2
2030	2	3.92	31.5	11	1	1
2031	2	4.00	28.3	10	1	1
SUB				460	57	47
REM				21	3	2
TOT				481	59	49

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

Year	Capital & Aband Costs -\$	Future Revenue (PR)					Royalties			Operating Costs			PR After Roy&Oper -\$	Net back \$/BOE	Proc& Other Income -\$	Cap'l Costs -\$	Aband Costs -\$	Future Net Rev	
		Oil -\$	Sale Gas -\$	Products -\$	Total -\$	Crown -\$	Other -\$	Mineral -\$	Fixed -\$	Variable -\$	\$/BOE	Undisc -\$						10.0% -\$	
2017	0	0	5193	0	5193	0	935	0	18.0	809	333	3.25	3117	8.87	0	0	0	3117	3080
2018	0	0	20083	0	20083	0	1615	0	18.0	3269	1246	3.50	11953	9.27	0	0	0	11953	11126
2019	0	0	18672	0	18672	0	3361	0	18.0	3334	1124	3.91	10852	9.51	0	0	0	10852	9183
2020	0	0	17380	0	17380	0	3128	0	18.0	3401	1015	4.37	9836	9.74	0	0	0	9836	7566
2021	0	0	16145	0	16145	0	2906	0	18.0	3469	917	4.91	8853	9.90	0	0	0	8853	6191
2022	0	0	15012	0	15012	0	2702	0	18.0	3538	828	5.51	7944	10.03	0	0	0	7944	5050
2023	0	0	13970	0	13970	0	2515	0	18.0	3609	749	6.21	7098	10.11	0	0	0	7098	4103
2024	0	0	13009	0	13009	0	2342	0	18.0	3681	677	7.00	6310	10.14	0	0	0	6310	3315
2025	0	0	11770	0	11770	0	2119	0	18.0	3755	612	7.91	5285	9.58	0	0	0	5285	2524
2026	0	0	10649	0	10649	0	1917	0	18.0	3830	554	8.95	4349	8.88	0	0	0	4349	1888
2027	0	0	9635	0	9635	0	1734	0	18.0	3906	502	10.15	3493	8.04	0	0	0	3493	1379
2028	0	0	8717	0	8717	0	1569	0	18.0	3984	454	11.51	2709	7.02	0	0	0	2709	972
2029	86240	0	7905	0	7905	0	1423	0	18.0	4064	412	13.06	2007	5.86	0	0	10633	-8627	-2815
2030	0	0	5564	0	5564	0	1002	0	18.0	2761	290	12.91	1512	6.40	0	0	0	1512	448
2031	0	0	5081	0	5081	0	915	0	18.0	2816	265	14.54	1085	5.12	0	0	0	1085	293
SUB	86240	0	178786	0	178786	0	32181	0	18.0	50224	9978		86402		0	0	10633	75769	54306
REM	188566	0	10897	0	10897	0	1962	0	18.0	7301	567		1068		0	0	23250	-22183	-4690
TOT	274806	0	189683	0	189683	0	34143	0	18.0	57525	10546		87470		0	0	33884	53586	49616

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

Discount Rate	COMPANY SHARE							
	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%	
PR After Roy & Oper.	87470	69995	62315	58028	54278	49471	43123	
Proc & Other Income	0	0	0	0	0	0	0	
Capital Costs	0	0	0	0	0	0	0	
Abandonment Costs	33884	16515	10963	8412	6497	4460	2453	
Future Net Revenue	53586	53480	51352	49616	47781	45011	40671	
	1st Year	Average	Royalties	Oper Costs	PR After Roy&Oper	Capital Costs	Future NetRev	
% Interest	12.3	12.3						
% of Future Revenue			18.0	35.9	46.1	0	28.3	

----- PROFITABILITY -----

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Pinding (\$/BOE)		n/a
NPV @ 10.0% (\$/BOE)		5.02
NPV @ 5.0% (\$/BOE)		5.41

Table 4a

FUTURE NET REVENUE & INCOME TAX SUMMARY:

ERGO v7.43 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL 07-DEC-2017 6395
 RPP:01-OCT-2017 DISC:01-OCT-2017 PROD:01-JAN-2017
 RUN DATE: 27-DEC-2017 TIME: 13:14
 FILE:

EVALUATION BY -
 COMPANY EVALUATED - Silk Road Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

Year	FR After Roy&Oper -\$-	Crown Royalties -\$-	Min/Cap Tax -\$-	Capital Costs -\$-	Aband Costs -\$-	Admin + Oth Income/Expense -\$-	Future Net Rev Before Tax		Taxable Income		Income Tax		Future Net Rev After Tax		
							Annual -\$-	Cum -\$-	Before Deduct -\$-	After Deduct -\$-	Fed -\$-	Prov -\$-	Undisc -\$-	10.0% -\$-	Cum -\$-
2017	3117	0	0	0	0	0	3117	3117	3117	3117	468	374	2275	2248	2248
2018	11953	0	0	0	0	0	11953	15070	11953	11953	1793	1434	8726	8122	10370
2019	10852	0	0	0	0	0	10852	25922	10852	10852	1628	1302	7922	6704	17074
2020	9836	0	0	0	0	0	9836	35758	9836	9836	1475	1180	7180	5523	22598
2021	8853	0	0	0	0	0	8853	44611	8853	8853	1328	1062	6463	4520	27117
2022	7944	0	0	0	0	0	7944	52555	7944	7944	1192	953	5799	3687	30804
2023	7098	0	0	0	0	0	7098	59653	7098	7098	1065	852	5182	2995	33799
2024	6310	0	0	0	0	0	6310	65963	6310	6310	946	757	4606	2420	36219
2025	5285	0	0	0	0	0	5285	71247	5285	5285	793	634	3858	1863	38062
2026	4349	0	0	0	0	0	4349	75596	4349	4349	652	522	3174	1378	39440
2027	3493	0	0	0	0	0	3493	79089	3493	3493	524	419	2550	1007	40447
2028	2709	0	0	0	0	0	2709	81798	2709	2709	406	325	1978	710	41157
2029	2007	0	0	0	10633	0	-8627	73171	3007	0	0	0	-8627	-2815	38342
2030	1512	0	0	0	0	0	1512	74683	1512	0	0	0	1512	448	38791
2031	1085	0	0	0	0	0	1085	75769	1085	0	0	0	1085	293	39083
SUB	86402	0	0	0	10633	0	75769		86402	81798	12270	9816	53683	39083	
REM	1068	0	0	0	23250	0	-22183		1068	0	0	0	-22183	-4690	
TOT	87470	0	0	0	33884	0	53586		87470	81798	12270	9816	31501	34394	

NET PRESENT VALUE (-\$-)							0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%		
Future net revenue before tax							53586	53480	51352	49616	47781	45011	40671		
Federal & provincial income tax							22086	18086	16261	15222	14302	13106	11498		
Future net revenue after tax							31501	35394	35091	34394	33479	31905	29173		

Table 4b

EVALUATION OF: Bashaw, Alberta
 ----- Total Proved Plus Probable Developed Producing Cons.

ERGO v7.43 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 07-DEC-2017 6395
 MFP:01-OCT-2017 DISC:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 13:15
 FILE:

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

TOTAL ABANDONMENT - 312097 - \$-

Year	Sales Gas MMCF					
	# of Wells	Price \$/MCF	Pool		Company Share	
			MCF/D	Vol	Gross	Net
2017	3	2.46	186.6	17	2	2
2018	3	2.60	176.6	64	8	7
2019	3	2.73	162.0	59	7	6
2020	3	2.87	148.6	54	7	5
2021	3	3.01	136.4	50	6	5
2022	3	3.16	125.2	46	6	5
2023	3	3.32	115.0	42	5	4
2024	3	3.48	105.6	39	5	4
2025	3	3.56	97.0	35	4	4
2026	3	3.63	89.2	33	4	3
2027	3	3.70	82.0	30	4	3
2028	3	3.77	75.3	28	3	3
2029	3	3.85	69.3	25	3	3
2030	3	3.92	63.7	23	3	2
2031	3	4.00	58.6	21	3	2
SUB				566	70	57
REM				119	15	12
TOT				685	85	69

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

Year	Capital & Aband Costs - \$-	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy&Oper - \$-	Net back \$/BOE	Proc& Other Income - \$-	Cap'l Costs - \$-	Aband Costs - \$-	Future Net Rev		
		Oil - \$-	Sale Gas - \$-	Products - \$-	Total - \$-	Crown - \$-	Other - \$-	Mineral - \$-	Fixed - \$-	Variable - \$-	\$/BOE						Undisc - \$-	10.0% - \$-	
2017	0	0	5217	0	5217	0	939	0	18.0	809	334	3.24	3135	8.88	0	0	0	3135	3097
2018	0	0	20632	0	20632	0	1714	0	18.0	3269	1280	3.43	12369	9.34	0	0	0	12369	11514
2019	0	0	19888	0	19888	0	3580	0	18.0	3334	1198	3.73	11777	9.69	0	0	0	11777	9965
2020	0	0	19190	0	19190	0	3454	0	18.0	3401	1121	4.06	11214	10.06	0	0	0	11214	8627
2021	0	0	18477	0	18477	0	3326	0	18.0	3469	1049	4.42	10633	10.39	0	0	0	10633	7436
2022	0	0	17805	0	17805	0	3205	0	18.0	3538	983	4.81	10080	10.73	0	0	0	10080	6408
2023	0	0	17169	0	17169	0	3090	0	18.0	3609	920	5.25	9550	11.07	0	0	0	9550	5520
2024	0	0	16564	0	16564	0	2982	0	18.0	3681	862	5.73	9040	11.41	0	0	0	9040	4750
2025	0	0	15525	0	15525	0	2795	0	18.0	3755	808	6.27	8168	11.22	0	0	0	8168	3902
2026	0	0	14549	0	14549	0	2619	0	18.0	3830	757	6.86	7343	10.98	0	0	0	7343	3189
2027	0	0	13632	0	13632	0	2454	0	18.0	3906	710	7.51	6562	10.68	0	0	0	6562	2591
2028	0	0	12772	0	12772	0	2299	0	18.0	3984	666	8.23	5823	10.30	0	0	0	5823	2090
2029	0	0	11991	0	11991	0	2158	0	18.0	4054	624	9.02	5144	9.90	0	0	0	5144	1678
2030	0	0	11257	0	11257	0	2026	0	18.0	4145	586	9.90	4499	9.41	0	0	0	4499	1334
2031	0	0	10542	0	10542	0	1898	0	18.0	4228	550	10.86	3866	8.79	0	0	0	3866	1042
SUB	0	0	225209	0	225209	0	40538	0	18.0	53020	12447		119204		0	0	0	119204	73143
REM	312097	0	64516	0	64516	0	11613	0	18.0	34362	3360		15180		0	0	38462	-23301	-2411
TOT	312097	0	289725	0	289725	0	52151	0	18.0	87382	15808		134385		0	0	38462	95903	70732

NET PRESENT VALUE (-\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	134384	97956	83646	76101	69754	61960	52236
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	38462	13802	7760	5369	3759	2249	1006
Future Net Revenue	95903	84154	75886	70732	65995	59711	51229
----- COMPANY SHARE -----							
	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	12.3	12.3					
% of Future Revenue			18.0	35.6	46.4	.0	33.1

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%)	n/a
(disc. @ 5.0%)	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding (\$/BOE)	n/a
NPV @ 10.0% (\$/BOE)	5.02
NPV @ 5.0% (\$/BOE)	5.97

Table 4b

FUTURE NET REVENUE & INCOME TAX SUMMARY:

ERGO v7.43 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 07-DEC-2017 6395
 RFP:01-OCT-2017 DISC:01-OCT-2017 PROD:01-JAN-2017
 RUN DATE: 27-DEC-2017 TIME: 13:15
 FILE:

EVALUATION BY
 COMPANY EVALUATED - Silk Road Energy Inc.
 APPRAISAL FOR
 PROJECT - FORECAST PRICES & COSTS

Year	FR After Roy&Oper -\$-	Crown Royalties -\$-	Min/Cap Tax -\$-	Capital Costs -\$-	Aband Costs -\$-	Admin + Oth Income/Expense -\$-	Future Net Rev Before Tax		Taxable Income		Income Tax		Future Net Rev After Tax			
							Annual -\$-	Cum -\$-	Before Deduct -\$-	After Deduct -\$-	Fed -\$-	Prov -\$-	Undisc -\$-	10.0% -\$-	Cum -\$-	
2017	3135	0	0	0	0	0	3135	3135	3135	3135	470	376	2288	2261	2261	
2018	12369	0	0	0	0	0	12369	15504	12369	12369	1855	1484	9030	8405	10666	
2019	11777	0	0	0	0	0	11777	27281	11777	11777	1766	1413	8597	7275	17941	
2020	11214	0	0	0	0	0	11214	38495	11214	11214	1682	1346	8187	6298	24239	
2021	10633	0	0	0	0	0	10633	49128	10633	10633	1595	1276	7762	5428	29667	
2022	10080	0	0	0	0	0	10080	59208	10080	10080	1512	1210	7358	4678	34345	
2023	9550	0	0	0	0	0	9550	68758	9550	9550	1432	1146	6971	4029	38374	
2024	9040	0	0	0	0	0	9040	77798	9040	9040	1356	1085	6599	3467	41842	
2025	8168	0	0	0	0	0	8168	85966	8168	8168	1225	980	5963	2848	44690	
2026	7343	0	0	0	0	0	7343	93309	7343	7343	1101	881	5361	2328	47018	
2027	6562	0	0	0	0	0	6562	99871	6562	6562	984	787	4790	1891	48909	
2028	5823	0	0	0	0	0	5823	105694	5823	5823	873	699	4251	1525	50434	
2029	5144	0	0	0	0	0	5144	110839	5144	5144	772	617	3755	1225	51659	
2030	4499	0	0	0	0	0	4499	115338	4499	4499	675	540	3284	974	52634	
2031	3866	0	0	0	0	0	3866	119204	3866	3866	580	464	2822	761	53395	
SUB	119204	0	0	0	0	0	119204		119204	119204	17881	14304	87019	53395		
REM	15180	0	0	0	38482	0	-23301		15180	3548	532	426	-24259	-2637		
TOT	134384	0	0	0	38482	0	95903		134384	122753	18413	14730	62760	50757		

NET PRESENT VALUE (-\$-)						.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%				
Future net revenue before tax						95903	84154	75886	70732	65995	59711	51229				
Federal & provincial income tax						33143	25140	21792	19975	18417	16468	13979				
Future net revenue after tax						62760	59015	54094	50757	47578	43244	37250				

Table 4c

EVALUATION OF: Bashaw, Alberta - Proved Developed Producing

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 07-DEC-2017 6395
 EFF:01-OCT-2017 DISC:01-OCT-2017 PROD:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 11:37
 FILE: CBMPP1.DAX

WELL/LOCATION = Well 02-21-041-23 W4M (Horseshoe Canyon)
 EVALUATED BY =
 COMPANY EVALUATED = Silk Road Energy Inc.
 APPRAISAL FOR =
 PROJECT = FORECAST PRICES & COSTS

TRACT FACTOR = 100.0000 %
 ULT POOL RESRRVES = 170 MMCF
 PRODUCTION TO DATE = N/A
 DECLINE INDICATOR = EXPONENTIAL

TOTAL ABANDONMENT = 93349 \$- (2034)
 NOTE: ECONOMIC LIMIT OCCURS IN 2034

INTEREST

AVG WI 12.3300%

ROYALTIES/TAXES

ALBERTA MINERAL TAX + AVG PM 18.00%

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Company Share	
			MCF/D	Vol	Gross	Net
2017	1	2.46	57.2	5	1	1
2018	1	2.60	53.7	19	2	2
2019	1	2.73	48.5	17	2	2
2020	1	2.87	43.8	15	2	2
2021	1	3.01	39.5	14	2	1
2022	1	3.16	35.7	12	2	1
2023	1	3.32	32.2	11	1	1
2024	1	3.48	29.1	10	1	1
2025	1	3.56	26.3	9	1	1
2026	1	3.63	23.7	8	1	1
2027	1	3.70	21.4	7	1	1
2028	1	3.77	19.3	7	1	1
2029	1	3.85	17.5	6	1	1
2030	1	3.92	15.8	6	1	1
2031	1	4.00	14.2	5	1	1
SUB				152	19	15
RBM				9	1	1
TOT				161	20	16

- P/T = COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs	Future Revenue (PR)				Royalties			Operating Costs			PR After Roy & Oper	Net back	Proc & Other Income	Cap'l Costs	Aband Costs	Future Net Rev		
		Oil	Sale Gas	Products	Total	Crown	Other	Mineral	Fixed	Variable	\$/MCF						Undisc	Net Rev	
2017	0	0	1530	0	1530	0	275	0	18.0	268	98	.59	889	1.43	0	0	0	889	878
2018	0	0	6015	0	6015	0	1083	0	18.0	1085	373	.63	3474	1.50	0	0	0	3474	3234
2019	0	0	5708	0	5708	0	1027	0	18.0	1107	344	.69	3230	1.54	0	0	0	3230	2733
2020	0	0	5420	0	5420	0	976	0	18.0	1129	317	.77	2998	1.59	0	0	0	2998	2307
2021	0	0	5134	0	5134	0	924	0	18.0	1152	292	.85	2766	1.62	0	0	0	2766	1935
2022	0	0	4866	0	4866	0	876	0	18.0	1175	269	.94	2547	1.65	0	0	0	2547	1619
2023	0	0	4614	0	4614	0	831	0	18.0	1198	247	1.04	2338	1.68	0	0	0	2338	1351
2024	0	0	4376	0	4376	0	788	0	18.0	1222	228	1.15	2138	1.70	0	0	0	2138	1124
2025	0	0	4031	0	4031	0	726	0	18.0	1247	210	1.28	1849	1.63	0	0	0	1849	883
2026	0	0	3712	0	3712	0	668	0	18.0	1272	193	1.43	1579	1.54	0	0	0	1579	686
2027	0	0	3417	0	3417	0	615	0	18.0	1297	178	1.60	1327	1.44	0	0	0	1327	524
2028	0	0	3144	0	3144	0	566	0	18.0	1323	164	1.78	1091	1.31	0	0	0	1091	392
2029	0	0	2899	0	2899	0	522	0	18.0	1350	151	1.99	876	1.16	0	0	0	876	286
2030	0	0	2671	0	2671	0	481	0	18.0	1377	139	2.23	675	.99	0	0	0	675	200
2031	0	0	2455	0	2455	0	442	0	18.0	1404	128	2.49	481	.78	0	0	0	481	130
SUB	0	0	59991	0	59991	0	10798	0	18.0	17605	3329		28258		0	0	0	28258	18280
RBM	93349	0	4351	0	4351	0	783	0	18.0	2893	227		448		0	0	11510	-11062	-2458
TOT	93349	0	64342	0	64342	0	11582	0	18.0	20498	3556		28707		0	0	11510	17197	15822

NET PRESENT VALUE (-\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
PR After Roy & Oper.	28707	22530	19862	18387	17106	15478	13354
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	11510	5337	3424	2565	1931	1273	651
Future Net Revenue	17197	17193	16437	15822	15174	14204	12703

COMPANY SHARE

	1st Year	Average	Royalties Costs	Oper Roy & Oper	PR After Capital Costs	Future Net Rev
% Interest	12.3	12.3				
% of Future Revenue			18.0	37.4	44.6	26.7

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%)	n/a
(disc. @ 5.0%)	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding (\$/BOE)	n/a
NPV @ 10.0% (\$/MCF)	.80
NPV @ 5.0% (\$/MCF)	.87

Table 4d

EVALUATION OF: Bashaw, Alberta - Proved Developed Producing

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 07-DEC-2017 6395
 EFF:01-OCT-2017 DISC:01-OCT-2017 PROD:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 11:40
 FILE: CBMPP2.DAX

WELL/LOCATION - Well 14-21-041-23 W4M (Horseshoe Canyon)
 EVALUATED BY -
 COMPANY EVALUATED - Silk Road Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVE - 134 MMCP
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 86240 \$- (2030)
 NOTE: ECONOMIC LIMIT OCCURS IN 2030

INTEREST

AVG WI 12.3300%

ROYALTIES/TAXES

ALBERTA MINERAL TAX + AVG PH 18.00%

Year	# of Wells	Price \$/MCP	Sales Gas MMCP		Company Share	
			Pool		Gross	Net
			MCP/D	Vol		
2017	1	2.46	63.4	6	1	1
2018	1	2.60	57.7	20	3	2
2019	1	2.73	49.6	17	2	2
2020	1	2.87	42.7	15	2	2
2021	1	3.01	36.7	13	2	1
2022	1	3.16	31.5	11	1	1
2023	1	3.32	27.1	10	1	1
2024	1	3.48	23.3	8	1	1
2025	1	3.56	20.0	7	1	1
2026	1	3.63	17.2	6	1	1
2027	1	3.70	14.8	5	1	1
2028	1	3.77	12.7	4	1	0
2029	1	3.85	11.0	4	0	0
SUB				127	16	13
REM				0	0	0
TOT				127	16	13

= P/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy & Oper	Net back Costs	Proc & Other Income	Cap'l Costs	Aband Costs	Future Net Rev		
		Oil	Sale Gas	Products	Total	Crown	Other	Mineral	Fixed	Variable	\$/MCP						Undisc	10.0%	
2017	0	0	1714	0	1714	0	308	0	18.0	271	110	.55	1025	1.47	0	0	0	1025	1013
2018	0	0	6502	0	6502	0	1170	0	18.0	1092	403	.60	3837	1.53	0	0	0	3837	3571
2019	0	0	5875	0	5875	0	1057	0	18.0	1113	354	.68	3350	1.56	0	0	0	3350	2835
2020	0	0	5312	0	5312	0	956	0	18.0	1136	310	.78	2910	1.57	0	0	0	2910	2238
2021	0	0	4791	0	4791	0	862	0	18.0	1158	272	.90	2498	1.57	0	0	0	2498	1747
2022	0	0	4324	0	4324	0	778	0	18.0	1182	239	1.04	2126	1.55	0	0	0	2126	1351
2023	0	0	3904	0	3904	0	703	0	18.0	1205	209	1.20	1787	1.52	0	0	0	1787	1033
2024	0	0	3526	0	3526	0	635	0	18.0	1229	184	1.40	1478	1.46	0	0	0	1478	777
2025	0	0	3093	0	3093	0	557	0	18.0	1254	161	1.63	1121	1.29	0	0	0	1121	536
2026	0	0	2712	0	2712	0	488	0	18.0	1279	141	1.90	804	1.07	0	0	0	804	349
2027	0	0	2377	0	2377	0	428	0	18.0	1305	124	2.22	521	.81	0	0	0	521	206
2028	0	0	2082	0	2082	0	375	0	18.0	1331	109	2.60	268	.49	0	0	0	268	96
2029	86240	0	1828	0	1828	0	329	0	18.0	1357	95	3.06	47	1.10	0	0	10633	-10587	-3454
SUB	86240	0	48040	0	48040	0	8647	0	18.0	14911	2710		21771		0	0	10633	11138	12298
REM	0	0	0	0	0	0	0	0	0	0	0		0		0	0	0	0	0
TOT	86240	0	48040	0	48040	0	8647	0	18.0	14911	2710		21771		0	0	10633	11138	12298

NET PRESENT VALUE (-\$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	21771	18317	16700	15767	14931	13830	12322
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	10633	5993	4304	3469	2807	2058	1248
Future Net Revenue	11138	12324	12396	12298	12124	11773	11074

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%)	n/a
(disc. @ 5.0%)	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Panding (\$/BOE)	n/a
NPV @ 10.0% (\$/MCP)	.79
NPV @ 5.0% (\$/MCP)	.79

COMPANY SHARE

	1st Year	Average	Royalties	Oper Cost	PR After Roy & Oper	Capital Costs	Future Net Rev
% Interest	12.3	12.3					
% of Future Revenue			18.0	36.7	45.3	.0	23.2

Table 4a

EVALUATION OF: Bashaw, Alberta - Proved Developed Producing

ERGO V7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 07-DEC-2017 6395
 HPP:01-OCT-2017 DISC:01-OCT-2017 PROD:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 11:42
 FILE: CBMP3.DAX

WELL/LOCATION - Well 15-21-041-23 W4M (Horseshoe Canyon)
 EVALUATED BY -
 COMPANY EVALUATED - Silk Road Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 204 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 95216 \$- (2035)
 NOTE: ECONOMIC LIMIT OCCURS IN 2035

INTEREST

AVG WI 12.3300%

ROYALTIES/TAXES

ALBERTA MINERAL TAX + AVG PH 18.00%

Year	# of Wells	Sales Gas			Company Share	
		Price \$/MCF	Pool		Gross	Net
			MCF/D	Vol		
2017	1	2.46	72.1	6	1	1
2018	1	2.60	67.1	24	3	2
2019	1	2.73	59.9	21	3	2
2020	1	2.87	53.4	19	2	2
2021	1	3.01	47.6	17	2	2
2022	1	3.16	42.5	15	2	2
2023	1	3.32	37.9	13	2	1
2024	1	3.48	33.8	12	1	1
2025	1	3.56	30.1	11	1	1
2026	1	3.63	26.9	9	1	1
2027	1	3.70	23.9	8	1	1
2028	1	3.77	21.4	8	1	1
2029	1	3.85	19.0	7	1	1
2030	1	3.92	17.0	6	1	1
2031	1	4.00	15.1	5	1	1
SUB				181	22	18
REM				13	2	1
TOT				194	24	20

= P/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy&Oper	Net back	Proc & Other Income	Cap'1 Costs	Aband Costs	Future Net Rev		
		Oil	Sale Gas	Products	Total	Crown	Other	Mineral	Fixed	Variable	\$/MCF						Undisc	10.0%	
2017	0	0	1950	0	1950	0	351	0	18.0	271	125	.50	1203	1.52	0	0	0	1203	1189
2018	0	0	7565	0	7565	0	1362	0	18.0	1092	469	.54	4642	1.59	0	0	0	4642	4321
2019	0	0	7089	0	7089	0	1276	0	18.0	1113	427	.59	4273	1.64	0	0	0	4273	3616
2020	0	0	6648	0	6648	0	1197	0	18.0	1136	388	.66	3928	1.69	0	0	0	3928	3021
2021	0	0	6220	0	6220	0	1120	0	18.0	1158	353	.73	3588	1.74	0	0	0	3588	2510
2022	0	0	5822	0	5822	0	1048	0	18.0	1182	321	.82	3271	1.78	0	0	0	3271	2080
2023	0	0	5452	0	5452	0	981	0	18.0	1205	292	.91	2973	1.81	0	0	0	2973	1719
2024	0	0	5107	0	5107	0	919	0	18.0	1229	266	1.02	2693	1.84	0	0	0	2693	1415
2025	0	0	4646	0	4646	0	836	0	18.0	1254	242	1.14	2314	1.77	0	0	0	2314	1106
2026	0	0	4226	0	4226	0	761	0	18.0	1279	220	1.29	1966	1.69	0	0	0	1966	854
2027	0	0	3841	0	3841	0	691	0	18.0	1305	200	1.45	1645	1.58	0	0	0	1645	650
2028	0	0	3491	0	3491	0	628	0	18.0	1331	182	1.63	1350	1.46	0	0	0	1350	484
2029	0	0	3178	0	3178	0	572	0	18.0	1357	166	1.84	1084	1.31	0	0	0	1084	354
2030	0	0	2893	0	2893	0	521	0	18.0	1384	151	2.08	837	1.14	0	0	0	837	248
2031	0	0	2626	0	2626	0	473	0	18.0	1412	137	2.36	604	.92	0	0	0	604	163
SUB	0	0	70755	0	70755	0	12736	0	18.0	17707	3939		36373		0	0	0	36373	23728
REM	95216	0	6546	0	6546	0	1178	0	18.0	4408	341		619		0	0	11740	-11121	-2232
TOT	95216	0	77301	0	77301	0	13914	0	18.0	22115	4280		36992		0	0	11740	25252	21496

NET PRESENT VALUE (-\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	36992	29148	25753	23874	22241	20163	17448
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	11740	5185	3234	2378	1759	1129	554
Future Net Revenue	25252	23963	22519	21496	20483	19034	16894

COMPANY SHARE							
	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	12.3	12.3					
% of Future Revenue			18.0	34.1	47.9	0	32.7

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Pinding (\$/BOE)		n/a
NPV @ 10.0% (\$/MCF)		.90
NPV @ 5.0% (\$/MCF)		1.00

Table 4f

EVALUATION OF: Bashaw, Alberta - Proved Plus Probable Developed Producing

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 07-DEC-2017 6395
 EFF:01-OCT-2017 DISC:01-OCT-2017 PROD:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 11:38
 FILE: CBMRAL,DAX

WELL/LOCATION - Well 02-21-041-23 W4M (Horsehoe Canyon)
 EVALUATED BY -
 COMPANY EVALUATED - Silk Road Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 248 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 109374 -\$- (2042)
 NOTE: ECONOMIC LIMIT OCCURS IN 2042

INTEREST

AVG WI 12.3300%

ROYALTIES/TAXES

ALBERTA MINRRAL TAX + AVG PR 18.00%

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Company Share	
			Pool		Gross	Net
			MCF/D	Vol		
2017	1	2.46	57.4	5	1	1
2018	1	2.60	55.0	19	2	2
2019	1	2.73	51.2	18	2	2
2020	1	2.87	47.7	17	2	2
2021	1	3.01	44.5	16	2	2
2022	1	3.16	41.4	15	2	1
2023	1	3.32	38.6	14	2	1
2024	1	3.48	36.0	13	2	1
2025	1	3.56	33.5	12	1	1
2026	1	3.63	31.2	11	1	1
2027	1	3.70	29.1	10	1	1
2028	1	3.77	27.1	9	1	1
2029	1	3.85	25.3	9	1	1
2030	1	3.92	23.6	8	1	1
2031	1	4.00	21.9	8	1	1
SUB				182	22	18
REM				53	7	5
TOT				235	29	24

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

Year	Capital & Aband Costs -\$	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy&Oper -\$	Net back \$/MCF	Proc& Other Income -\$	Cap'l Costs -\$	Aband Costs -\$	Future Net Rev		
		Oil -\$	SaleGas -\$	Producte -\$	Total -\$	Crown -\$	Other -\$	Mineral -\$	Fixed -\$	Variable -\$	\$/MCF						Undisc -\$	10.0% -\$	
2017	0	0	1536	0	1536	0	276	0	18.0	268	98	.59	893	1.43	0	0	0	893	883
2018	0	0	6158	0	6158	0	1108	0	18.0	1085	382	.62	3582	1.51	0	0	0	3582	3334
2019	0	0	6030	0	6030	0	1085	0	18.0	1107	363	.67	3474	1.57	0	0	0	3474	2940
2020	0	0	5909	0	5909	0	1064	0	18.0	1129	345	.72	3371	1.64	0	0	0	3371	2593
2021	0	0	5776	0	5776	0	1040	0	18.0	1152	328	.77	3257	1.70	0	0	0	3257	2277
2022	0	0	5650	0	5650	0	1017	0	18.0	1175	312	.83	3146	1.76	0	0	0	3146	2000
2023	0	0	5528	0	5528	0	995	0	18.0	1198	296	.90	3039	1.82	0	0	0	3039	1756
2024	0	0	5411	0	5411	0	974	0	18.0	1222	282	.97	2933	1.89	0	0	0	2933	1541
2025	0	0	5144	0	5144	0	926	0	18.0	1247	268	1.05	2704	1.87	0	0	0	2704	1291
2026	0	0	4888	0	4888	0	880	0	18.0	1272	254	1.13	2482	1.84	0	0	0	2482	1078
2027	0	0	4643	0	4643	0	836	0	18.0	1297	242	1.22	2269	1.81	0	0	0	2269	896
2028	0	0	4409	0	4409	0	794	0	18.0	1323	230	1.33	2063	1.76	0	0	0	2063	740
2029	0	0	4195	0	4195	0	755	0	18.0	1350	218	1.44	1872	1.72	0	0	0	1872	611
2030	0	0	3989	0	3989	0	718	0	18.0	1377	208	1.56	1687	1.66	0	0	0	1687	500
2031	0	0	3784	0	3784	0	681	0	18.0	1404	197	1.69	1502	1.59	0	0	0	1502	405
SUB	0	0	73050	0	73050	0	11149	0	18.0	17605	4023		38273		0	0	0	38273	22846
REM	109374	0	28952	0	28952	0	5211	0	18.0	15681	1508		6551		0	0	13486	-6935	-131
TOT	109374	0	102002	0	102002	0	18360	0	18.0	33287	5532		44824		0	0	13486	31338	22715

NET PRESENT VALUE (-\$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	44824	31734	26722	24117	21948	19316	16085
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	13486	4232	2168	1402	914	488	177
Future Net Revenue	31338	27502	24555	22715	21034	18828	15907

COMPANY SHARE							
	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	12.3	12.3					
% of Future Revenue			18.0	38.1	43.9	0	30.7

PROFITABILITY

	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%)	n/a
(disc. @ 5.0%)	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding (\$/BOE)	n/a
NPV @ 10.0% (\$/MCF)	.78
NPV @ 5.0% (\$/MCF)	.95

Table 4g

EVALUATION OF: Bashaw, Alberta - Proved Plus Probable Developed Producing

ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 07-DEC-2017 6395
 RFP:01-OCT-2017 DISC:01-OCT-2017 PROD:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 11:41
 FILE: CBMRA2.DAX

WELL/LOCATION - Well 14-21-041-23 W4M (Horseshoe Canyon)
 EVALUATED BY -
 COMPANY EVALUATED - Silk Road Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 182 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 93349 \$- (2034)
 NOTE: ECONOMIC LIMIT OCCURS IN 2034

INTEREST

AVG WI 12.3300%

ROYALTIES/TAXES

ALBERTA MINERAL TAX + AVG PH 18.00%

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Company Share	
			Pool		Gross	Net
			MCF/D	Vol		
2017	1	2.46	63.7	6	1	1
2018	1	2.60	59.5	21	3	2
2019	1	2.73	53.4	19	2	2
2020	1	2.87	47.9	17	2	2
2021	1	3.01	42.9	15	2	2
2022	1	3.16	38.5	14	2	1
2023	1	3.32	34.5	12	1	1
2024	1	3.48	30.9	11	1	1
2025	1	3.56	27.7	10	1	1
2026	1	3.63	24.9	9	1	1
2027	1	3.70	22.3	8	1	1
2028	1	3.77	20.0	7	1	1
2029	1	3.85	17.9	6	1	1
2030	1	3.92	16.1	6	1	1
2031	1	4.00	14.4	5	1	1
SUB				164	20	17
REM				9	1	1
TOT				173	21	17

COMPANY SHARE FUTURE NET REVENUE

Year	Capital Aband Costs	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy&Oper	Net back \$/MCF	Proc& Other Income	Cap'l Costs	Aband Costs	Future Net Rev		
		Oil	SaleGas	Products	Total	Crown	Other	Mineral	Fixed	Variable	\$/MCF						Undisc	10.0%	
2017	0	0	1723	0	1723	0	310	0	18.0	271	110	.54	1032	1.48	0	0	0	1032	1019
2018	0	0	6708	0	6708	0	1207	0	18.0	1092	416	.58	3993	1.55	0	0	0	3993	3716
2019	0	0	6320	0	6320	0	1138	0	18.0	1113	381	.64	3688	1.59	0	0	0	3688	3121
2020	0	0	5959	0	5959	0	1073	0	18.0	1136	348	.71	3403	1.64	0	0	0	3403	2618
2021	0	0	5605	0	5605	0	1009	0	18.0	1158	318	.79	3120	1.67	0	0	0	3120	2182
2022	0	0	5275	0	5275	0	950	0	18.0	1182	291	.88	2853	1.71	0	0	0	2853	1814
2023	0	0	4967	0	4967	0	894	0	18.0	1205	266	.98	2602	1.74	0	0	0	2602	1504
2024	0	0	4678	0	4678	0	842	0	18.0	1229	243	1.10	2363	1.76	0	0	0	2363	1242
2025	0	0	4279	0	4279	0	770	0	18.0	1254	223	1.23	2032	1.69	0	0	0	2032	971
2026	0	0	3913	0	3913	0	704	0	18.0	1279	204	1.37	1726	1.60	0	0	0	1726	749
2027	0	0	3576	0	3576	0	644	0	18.0	1305	186	1.54	1442	1.49	0	0	0	1442	569
2028	0	0	3268	0	3268	0	588	0	18.0	1331	170	1.73	1178	1.36	0	0	0	1178	423
2029	0	0	2991	0	2991	0	538	0	18.0	1357	156	1.95	940	1.21	0	0	0	940	307
2030	0	0	2737	0	2737	0	493	0	18.0	1384	142	2.19	718	1.03	0	0	0	718	213
2031	0	0	2498	0	2498	0	450	0	18.0	1412	130	2.47	506	.81	0	0	0	506	136
SUB	0	0	64497	0	64497	0	11610	0	18.0	17707	3586		31595		0	0	0	31595	20584
REM	93349	0	4182	0	4182	0	789	0	18.0	2909	228		455		0	0	11510	-11055	-2456
TOT	93349	0	68879	0	68879	0	12398	0	18.0	20617	3814		32050		0	0	11510	20540	18127

NET PRESENT VALUE (-\$-)

Discount Rate	NET PRESENT VALUE (-\$-)						
	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	32050	25265	22322	20692	19275	17470	15110
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	11510	5337	3424	2565	1931	1273	651
Future Net Revenue	20540	19928	18898	18127	17344	16196	14458

COMPANY SHARE						
1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	12.3	12.3				
% of Future Revenue			18.0	35.5	46.5	29.8

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Finding (\$/BOE)		n/a
NPV @ 10.0% (\$/MCF)		.85
NPV @ 5.0% (\$/MCF)		.93

Table 4h

EVALUATION OF: Bashaw, Alberta - Proved Plus Probable Developed Producing

BRGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 07-DEC-2017 6395
 EFF:01-OCT-2017 DISC:01-OCT-2017 PROD:01-OCT-2017
 RUN DATE: 27-DEC-2017 TIME: 11:43
 FILE: CBMRA3.DAX

WELL/LOCATION - Well 15-21-041-23 W4M (Horseshoe Canyon)
 EVALUATED BY -
 COMPANY EVALUATED - Silk Road Energy Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 292 MMCF
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 109374 - \$- (2042)
 NOTE: ECONOMIC LIMIT OCCURS IN 2042

INTEREST

AVG WI 12.3300%

ROYALTIES/TAXES

ALBERTA MINERAL TAX + AVG PH 18.00%

Year	# of Wells	Price \$/MCF	Sales Gas		Company Share	
			MMCF		MMCF	
			Pool MCF/D	Vol	Gross	Net
2017	1	2.46	72.4	6	1	1
2018	1	2.60	68.9	24	3	2
2019	1	2.73	63.7	22	3	2
2020	1	2.87	58.8	21	3	2
2021	1	3.01	54.3	19	2	2
2022	1	3.16	50.2	18	2	2
2023	1	3.32	46.3	16	2	2
2024	1	3.48	42.8	15	2	2
2025	1	3.56	39.5	14	2	1
2026	1	3.63	36.5	13	2	1
2027	1	3.70	33.7	12	1	1
2028	1	3.77	31.2	11	1	1
2029	1	3.85	28.8	10	1	1
2030	1	3.92	26.6	9	1	1
2031	1	4.00	24.6	9	1	1
SUB				220	27	22
RBM				57	7	6
TOT				277	34	28

= P/T = COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy & Oper	Net back	Proc & Other Income	Cap'l Costs	Aband Costs	Future Net Rev		
		Oil	Sale Gas	Products	Total	Crown	Other	Mineral	Fixed	Variable	\$/MCF						Undisc	Net	
2017	0	0	1958	0	1958	0	352	0	18.0	271	125	.50	1210	1.52	0	0	0	1210	1195
2018	0	0	7766	0	7766	0	1398	0	18.0	1092	482	.53	4795	1.60	0	0	0	4795	4463
2019	0	0	7538	0	7538	0	1357	0	18.0	1113	454	.57	4614	1.67	0	0	0	4614	3904
2020	0	0	7322	0	7322	0	1318	0	18.0	1136	428	.61	4441	1.74	0	0	0	4441	3416
2021	0	0	7096	0	7096	0	1277	0	18.0	1158	403	.66	4257	1.81	0	0	0	4257	2977
2022	0	0	6880	0	6880	0	1238	0	18.0	1182	380	.72	4080	1.87	0	0	0	4080	2594
2023	0	0	6674	0	6674	0	1201	0	18.0	1205	358	.78	3910	1.94	0	0	0	3910	2260
2024	0	0	6475	0	6475	0	1166	0	18.0	1229	337	.84	3743	2.01	0	0	0	3743	1967
2025	0	0	6102	0	6102	0	1098	0	18.0	1254	318	.92	3432	2.00	0	0	0	3432	1639
2026	0	0	5748	0	5748	0	1035	0	18.0	1279	299	1.00	3135	1.98	0	0	0	3135	1361
2027	0	0	5413	0	5413	0	974	0	18.0	1305	282	1.08	2852	1.95	0	0	0	2852	1126
2028	0	0	5095	0	5095	0	917	0	18.0	1331	266	1.18	2582	1.91	0	0	0	2582	926
2029	0	0	4805	0	4805	0	865	0	18.0	1357	250	1.29	2333	1.87	0	0	0	2333	761
2030	0	0	4530	0	4530	0	815	0	18.0	1384	236	1.40	2094	1.81	0	0	0	2094	621
2031	0	0	4259	0	4259	0	767	0	18.0	1412	222	1.53	1859	1.74	0	0	0	1859	501
SUB	0	0	87662	0	87662	0	15779	0	18.0	17707	4838		49337		0	0	0	49337	29714
RBM	109374	0	31182	0	31182	0	5613	0	18.0	15771	1624		8174		0	0	13486	-5312	176
TOT	109374	0	118844	0	118844	0	21392	0	18.0	33478	6463		57511		0	0	13486	44025	29890

NET PRESENT VALUE (-\$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper	57511	40958	34602	31292	28531	25174	21041
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	13486	4232	2168	1402	914	488	177
Future Net Revenue	44025	36725	32434	29890	27617	24687	20864

COMPANY SHARE							
	1st Year	Average	Royalties	Oper Costs	FR After Roy & Oper	Capital Costs	Future Net Rev
% Interest	12.3	12.3					
% of Future Revenue			18.0	33.6	48.4	0	37.0

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Pinding (\$/BOE)		n/a
NPV @ 10.0% (\$/MCF)		.87
NPV @ 5.0% (\$/MCF)		1.07

PRODUCTION HISTORY AND FORECAST

BASHAW, Alberta

COMPANY SHARE
PROVED DEVELOPED PRODUCING AND PROVED PLUS PROBABLE

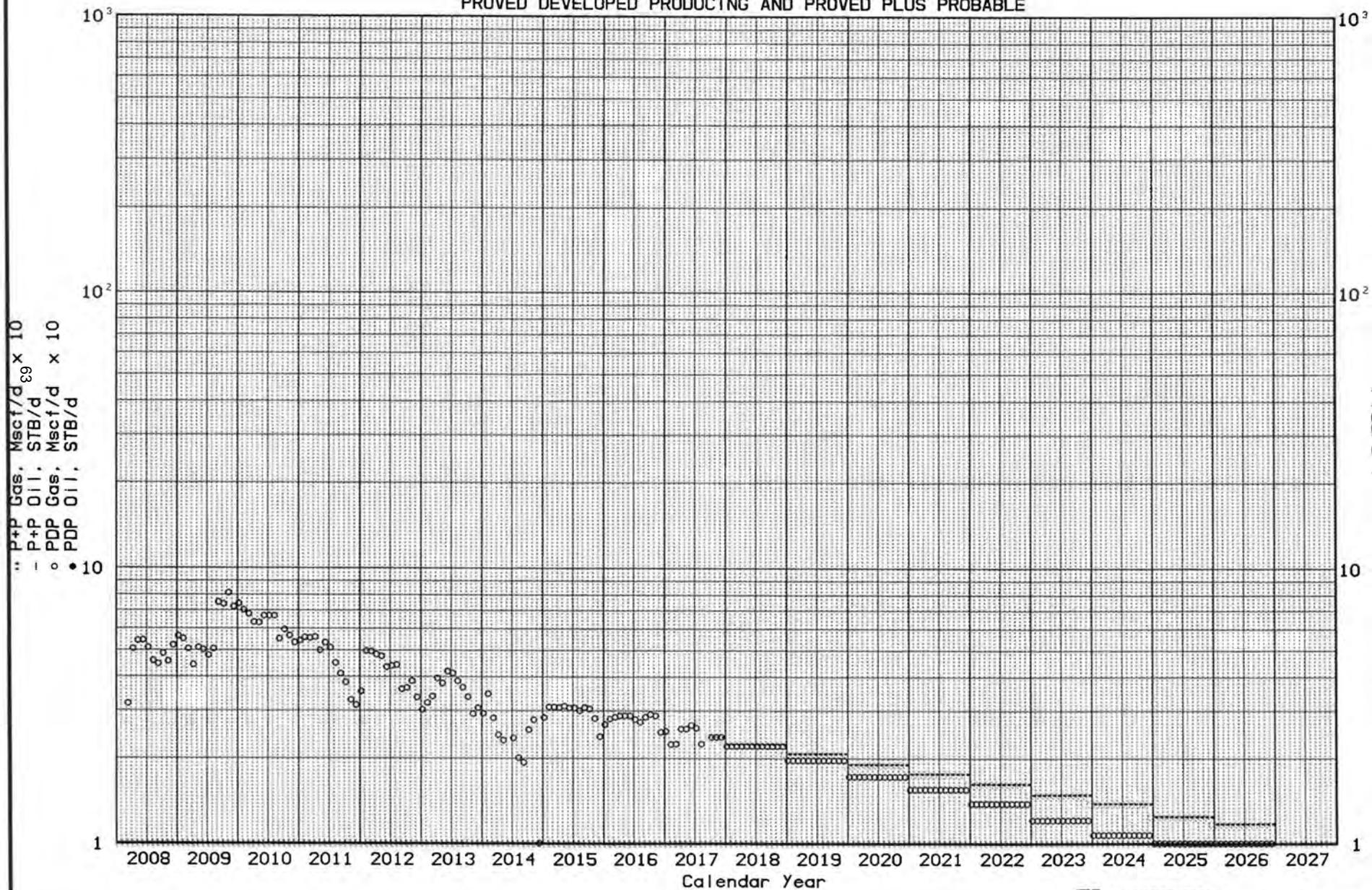


Figure 4

**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
Mbbbls	- 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

December 27, 2017

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

Dear Sir:

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 September 30, 2017, (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, Silk Road 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.

5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:

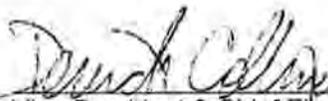
- For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised 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,

President and Chief Executive Officer



Vice-President & Chief Financial Officer