



# Investor Presentation





# ENVISION

To become a successful & profitable junior crude oil producer which will take advantage of the management teams' collective expertise in finding, exploring, recovering & developing crude oil assets in Western Canada.

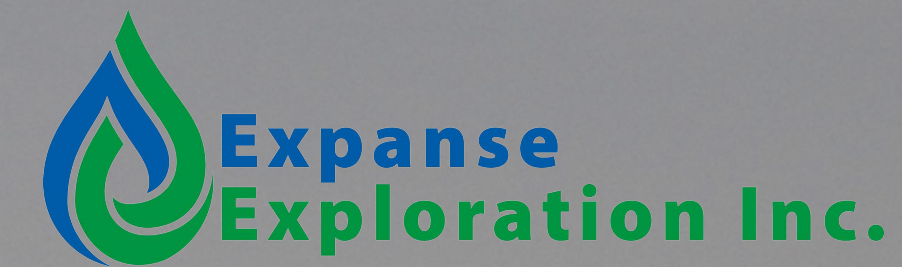




# PURPOSE

What do we want to do?

To purchase 31 underdeveloped oil wells which are producing little to no crude oil, and complete work-overs to re-establish productivity.





# SOLUTION

To plug the existing wells to block out water, and re-perforate at the top of the oil-bearing zone.

Take advantage of lower royalty rate for “High Water Cut Oil Wells”.



# LOCATION

Southeast Saskatchewan



**Low Royalties**



**Low Well Security Deposits**



**"Play Book" Acquired**



# MANAGEMENT



## MATTHEW WILSON CO-FOUNDER & CEO

-  Co-founder & Operation Manager of Fluid Energy Group
-  1.9 million share interest in Fluid Energy Group
-  21 Years of Oil & Gas Industry Experience
-  Xtreme Coil Drilling (Kingdom of Saudi Arabia) 3 Years as Rig Manager
-  Technicoil (Medicine Hat) 8 years as Rig Manager & Drilling & Completions Consultant
-  Fluid Energy Group (Calgary) 3 Years as Operation Manager
-  1740828 Alberta Ltd (Midland, Texas) 9 Years as Completion Consultant

## AREAS OF EXPERTISE:

- Hole Security & Management
- Strategic Planning and Implementation
- Product Oversight / Inventory Control
- Facilities Construction and Oversight
- Client Relationship Management
- Team Building and Leadership
- Cost Reduction and Analysis



# MANAGEMENT



## DAVID HUGHES G E O L O G I S T



Extensive industry experience managing large development and exploration programs & expediting operations.



Geotechnical (Calgary) - 22 years as Founder & President



Oilsands Quest Inc. (Calgary) - 2 years as Senior Project Development Geologist

## AREAS OF EXPERTISE:

Diversified Project Geologist

Budget Planner / Facilitator International

Exposure Member of P Geol - APEGA

Member of CSPG



# MANAGEMENT



## BILL WEB LAND MANAGER



Over 35 years of practical experience in all facets of land and resource management.



Member & Past Director of the Canadian Association of Petroleum Landmen (CAPL)



Holder of P. Land designation from CAPL, Having formerly been granted Certified Professional Landman (C.P.L) Status from the AAPL

## AREAS OF EXPERTISE:

Direct Negotiation

Direct Supervision in Oil & Gas field Op

Hiring & Supervision of land staff

Facilities Construction and Oversight



# MANAGEMENT



## CHRIS MOTHERSELE ENGINEER

-  30+ years of experience covers technical and leadership roles in Oil & Gas industry
-  Well Doctors Inc. (Calgary) - 19 years as President
-  E-Tee's Inc. (Calgary) - 18 years as President
-  Wrangler West Energy Inc. (Calgary)
  - 15 years as Exploitation Consultant
-  Woodthorpe Petroleum Ltd. (Calgary)
  - 15 years as Chief Reservoir Engineer

## AREAS OF EXPERTISE:

Direct Negotiation

Direct Supervision in Oil & Gas field Op

Hiring & Supervision of land staff

Facilities Construction and Oversight



# INVESTMENT

## \$15 MM

Debt and/or Equity.  
Equity position & dividend  
distributions for investor  
are negotiable.

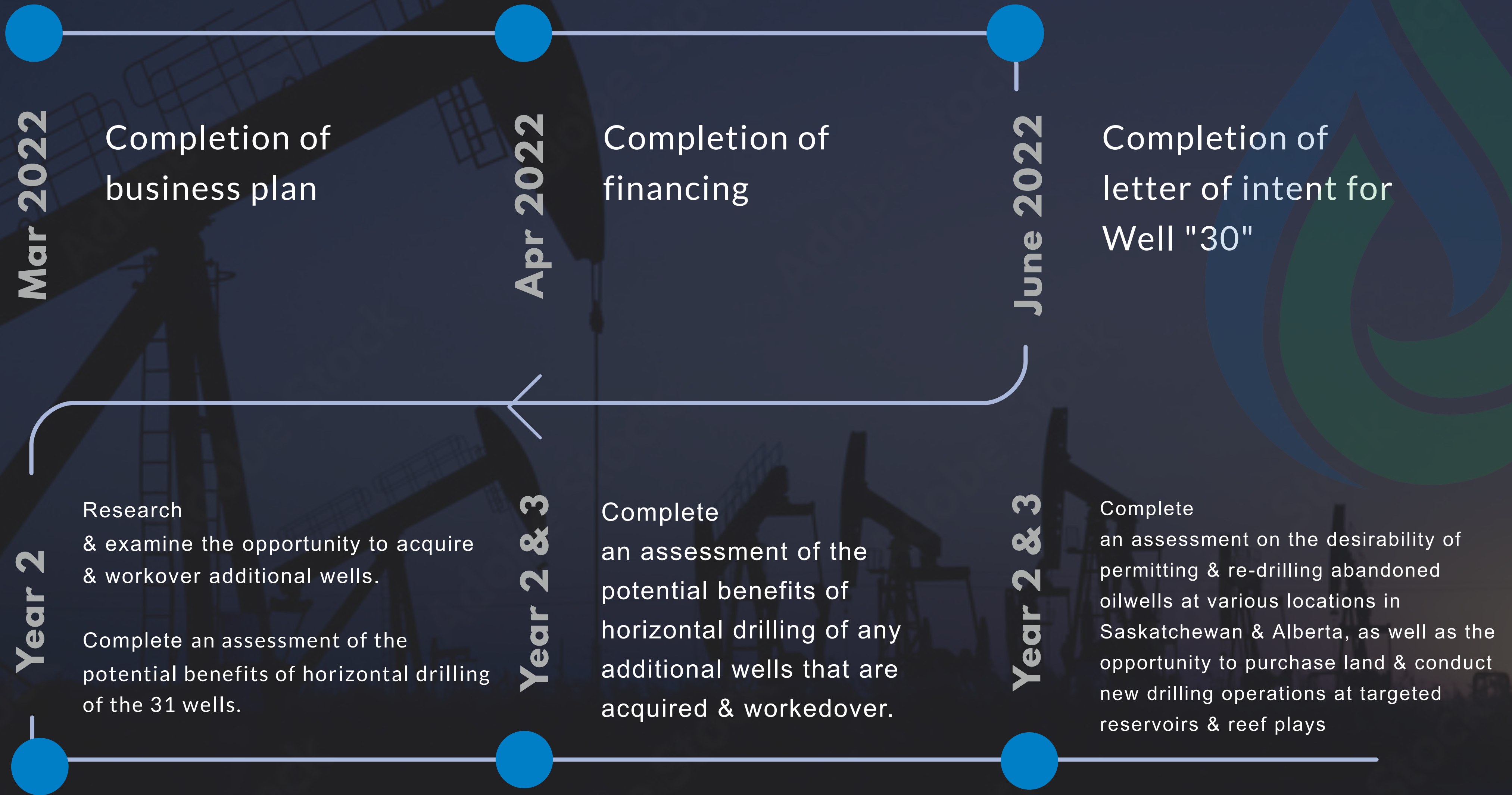


TASKS	\$
PURCHASE OF OIL WELLS x 31 wells	\$2.32MM
Orphan Well Fund Levy	\$10M
Well Abandonment Security Deposit x 31 wells	\$1.03MM
Well Reclamation Security Deposit x 31 wells	\$688M
Well Workover & Completion x 31 wells	\$9.3MM
Brokerage Fee	\$600M
Working Capital	\$1.04MM
Total	\$15MM



# DEVELOPMENT ROADMAP

## ROADMAP





# WELL MAKEOVER DETAILS & STRATEGIES

1

Pull everything out of well & inspect tubing & rods.

2

Taking items in and out of the well. Insert cement placement plug(s).

3

Running of packer for production string (if needed).

4

Wire lining of well to find new water oil contact point, integrity of well (if needed), & collar locating to guarantee depths.

5

Wireline retrieval of well (if needed).

6

Scratcher run – for cleaning mud & mud filter cake off the wellbore wall.

7

Running pipe to set cement (if needed).

8

Running of dual string (if needed). Running Rods.

9

Perforating of new holes in casing. Cementing (if needed).

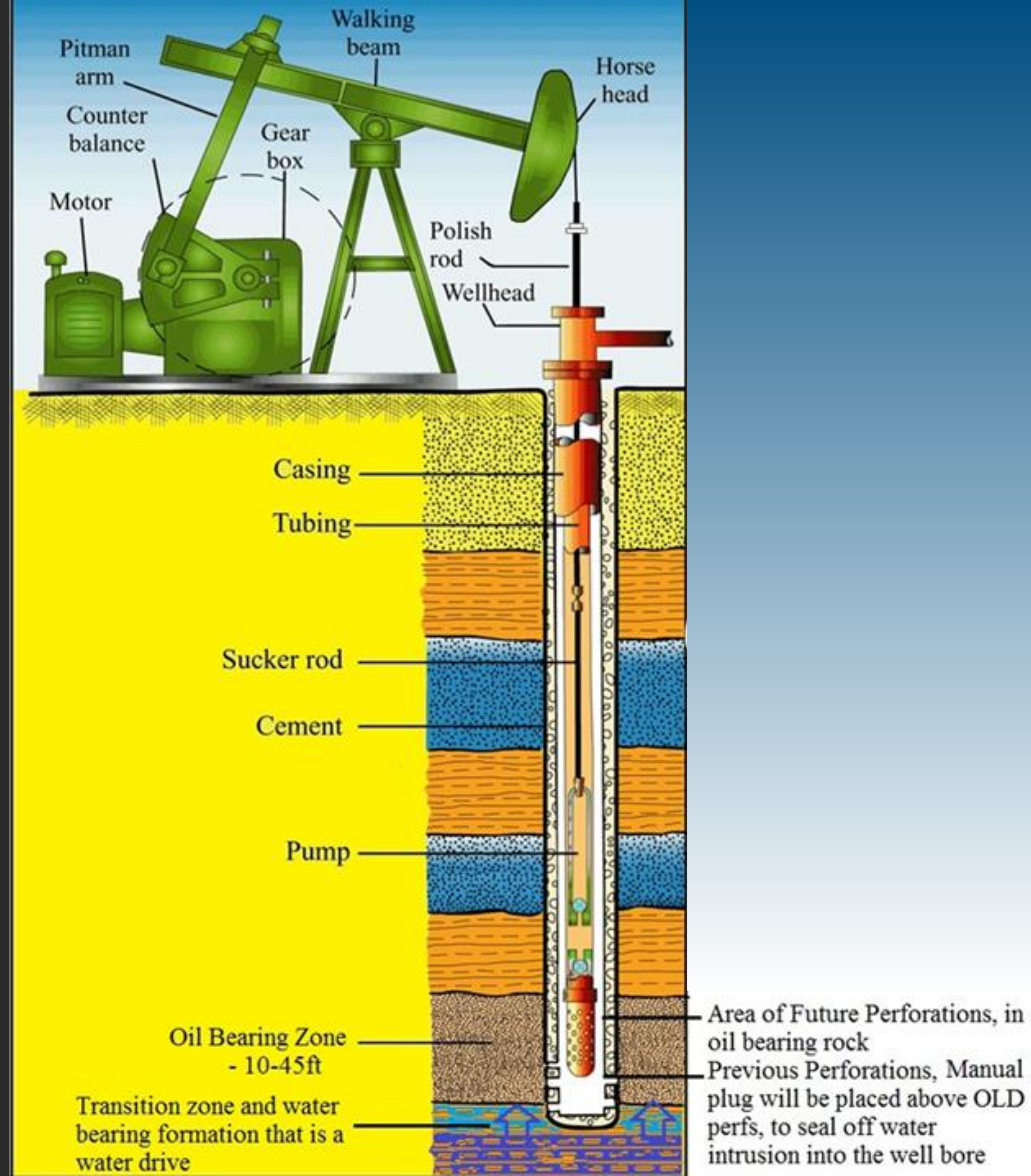
10

Put downhole tools back into well & turn well on.



# WELL MAKEOVER DETAILS & STRATEGIES

The primary targets are of the “By-Passed Pay” or “Hydrocarbon Behind Pipe” class. The company sees that the past operators have perforated low on structure in this field. Subsequently the company plans on re-perforating higher up in the oil-bearing zone.



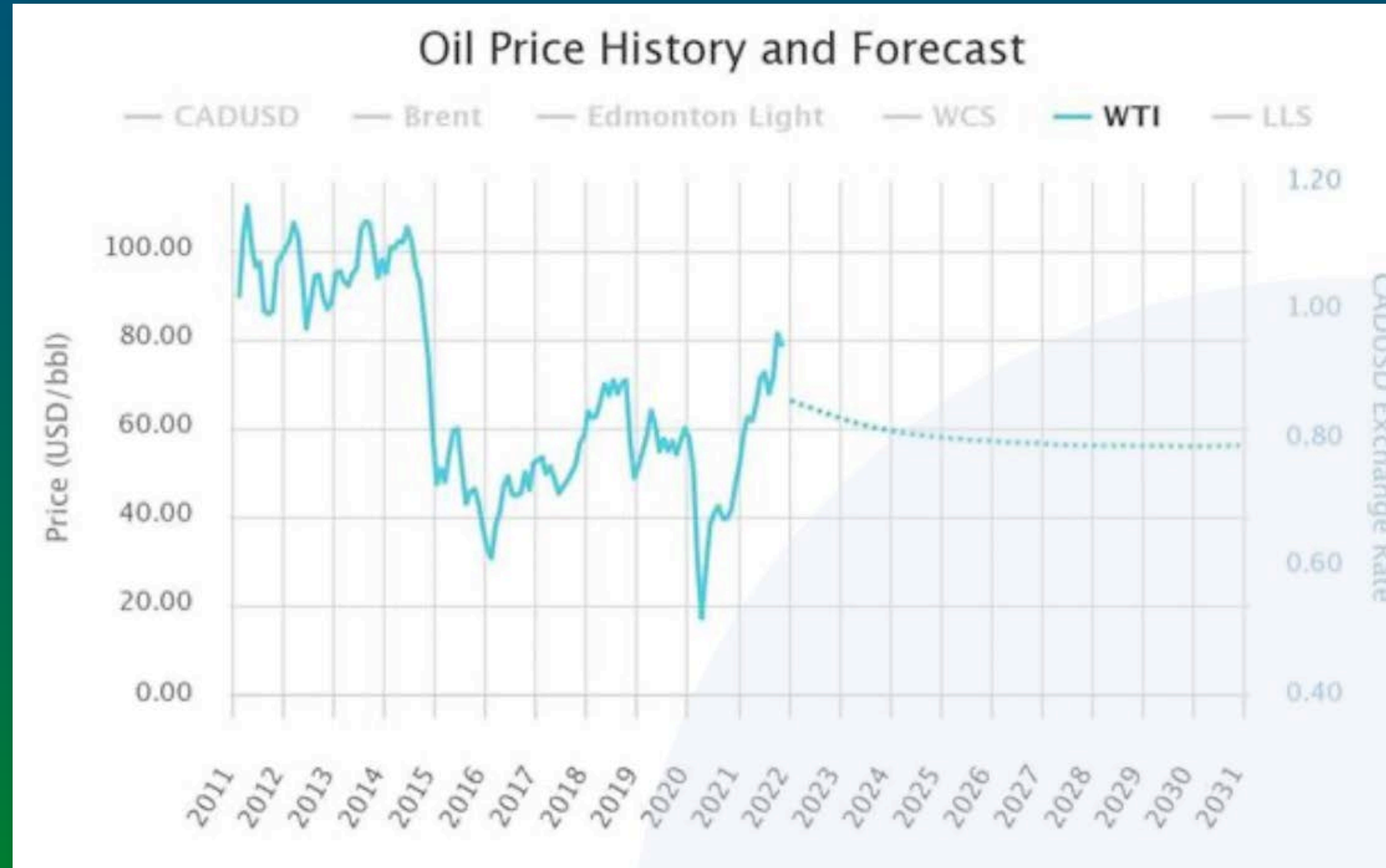


# WELL INFORMATION

WELL ITEM	DESCRIPTION
General Location	SE Saskatchewan surrounding Weyburn, and Estevan to the Manitoba & US borders.
Pool Classification	Winnipegosis & various Mississippian.
Crude Type	Light sweet crude
API Gravity	36-42
Unique Well Identifiers	To be provided as a condition of financing
Land Ownership	Primarily Saskatchewan Crown, mixed freehold.
Expected Well Life	5-10 years, 7 years used in financials per annual decline in production, & amortization. Pumpjack stroke rates will be set in order to extend well life and optimize recovery.
Infrastructure	Varies case by case. Generally includes access roads, utilities, pipelines, fencing, cattle guards and may include surface equipment such as storage tanks and pumpjacks.
Purchase Price	Will range from a nominal amount to as much as \$75,000, which will be used for budgeting to be conservative.
Well Candidates	The company estimates that there are 50+ wells that could be suitable for acquisition. Of these, 28 are currently being examined. Pictures & images from a sampling of these 28 may be seen under Exhibit E.



# MARKET RESEARCH



**\$75.81 / bbl (USD)**  
As of Jan 2, 2021



**\$75.81/bbl (USD)**  
**As of Jan 2, 2021**

As can be seen, both market research organizations are forecasting a steady market price of +/- \$80 per barrel going forward. It is the writer's opinion that domestic energy policies in Canada & the USA are not favourable to the O&G industry, and subsequently supply issues would suggest a rising price. On the other hand, this could change as administrations change, & these models consider a multitude of variables, including global supply & demand dynamics. Variable crude prices will be reflected in the break-even & sensitivity analysis section under Financial Information.





# FUTURE GROWTH

While the company will be starting with 31 wells, it has also identified a minimum of 50+ low to non-producing (0.5-10bbl/day) wells in proven areas within SE Saskatchewan.

After the original 31 wells are operational the company will be looking to expand their well work-over program on additional wells.

While the company will be starting with 31 wells, it has identified 50+ low to non-producing (0.5-10bbl/day) wells in proven areas within SE Saskatchewan. After the original 31 wells are operational the company will be looking to expand their well work-over program on additional wells.

After approximately a year, in the event that the wells are producing as expected, the company will consider horizontal drilling to expand oil recovery.

Another opportunity which may be considered are wells in SE Saskatchewan that have been fully abandoned and have been left behind. A few wells will be targeted to start, and the company will start the permitting process and seek to drill new production. These wells will require both a work-over & re-drilling. The company may also consider looking for distressed assets to manage and will consider 3D seismic on different reef plays in SE Saskatchewan that have not been fully outlined or drilled. The company knows there are overlooked reefs in the area that could potentially facilitate new drilling opportunities. This methodology of selecting current or previous producers substantially reduces the associated geological risk profile of the plan.

**HORIZONTAL  
DRILLING**

**BUYING UP MORE  
QUALIFIED  
ABANDONED WELLS**

**3D SEISMIC ON  
DIFFERENT REEF PLAYS  
IN SE SKTH**



# EXIT STRATEGY

Matthew Wilson would like to build up the company by progressively adding productive wells, with the intention of selling the business. The company will target an aggressive growth strategy in order to attain production of a minimum of 3100 BOPD within 2 years.

It is anticipated that the purchase price for the business will involve a purchase price per barrel of crude oil produced each day of \$40,000 per barrel. At a minimum of 3100 barrels a day, this would involve a selling price of \$124,000,000.

## RECENT TRANSACTIONS

DATE	PURCHASER	SELLER	PURCHASE PRICE	BBL / DAY	PRICE PER BBL
2018	Vermillion Energy	Private	\$90 MM	1,150	\$78,260
2018	Torc Oil & Gas	Private	\$165 MM	3,200	\$51,562
2020	Whitecap Resources	Torc Oil & Gas	\$900 MM	25,000	\$36,000
2021	Whitecap Resources	Kicking Horse	\$300MM	8,000	\$37,500
2021	Surge Energy Inc.	Fire Sky Assets	\$58MM	1,500	\$38,667



# FINANCIALS

PROJECTED REVENUE & NET PROFIT & CASH FLOW





Equity position & dividend  
distributions for investors  
are negotiable

# STRUCTURE OF THE DEAL



**EQUITY**



**AND/ OR**



**DEBT**



*Thank You*

**EXPANSE-ENERGY.COM**  
**INFO@EXPANSE-ENERGY.COM**

