



**Land and Drilling Opportunity**  
**Lithic Mannville Play**  
June 7, 2017

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**Taber East Prospect**

Baycrest Energy Ltd. (“**Baycrest**”) has acquired lands with up to 30m of potential bypassed pay in an abandoned vertical well in Southern Alberta and is now seeking an operator to commit to acquire these key lands from Baycrest and develop the prospect. The Taber East area is relatively under-drilled and has significant seismic data available for purchase. Existing wells in the area show by-passed pay potential in lithic Mannville channel sands which are suitable for horizontal well applications. Wells in the area have shown economic production with vertical wells from Glauconitic sands, the Mississippian Sawtooth Formation and from Arcs/Nisku porosity. The Livingstone Formation, below the Sawtooth, is productive to the north of the Taber East Prospect and also has by-passed pay potential.

**Taber East Crown Lands**

Baycrest has acquired a 100% interest in Sections 5 and 6-10-15 W4M (below SWS) in 1280 net mineral acres of undeveloped lands in the East Taber Area at the June 7, 2017 Alberta Crown Sale. With this successful Crown land acquisition, a HZ well could be drilled on the acquired acreage. The key well on the Taber East Prospect is 100/05-05-10-15W4M as shown on page 2. Vertical natural gas wells producing from a similar channel system exist in an adjacent Township.

**Taber East Prospect Terms**

- Baycrest will sell the Taber East prospect lands for cash and reserve a GORR on the Taber East Crown Lands and Taber After-Acquired Lands (see **Taber East Prospect Area** within the green outline on page 3).

**Primary Target\* and Secondary Targets\*\***

- Mannville channel\*
- Sawtooth\*\*
- Nisku/Arcs\*\*

**Reserve Potential – Lithic Mannville\***

The primary target is a Mannville-aged channel play. Analog upper Mannville oil/gas/ngl pools exist in Alberta including those being developed by Bonavista (42-27 W4M, see page 3) with strong results. Mannville reserve potential is estimated at OGIP of up to 8 BCF per section (using depth of 900m., 10-20m potential pay, porosity 6-10%, SW tbd)

**Additional Potential – Sawtooth, Livingstone, ARCS**

- Seismically defined Sawtooth leads – seismic review required
- Livingstone bypassed pay, key well logs available
- ARCS and Deep Devonian, seismic review required,

**Seismic Coverage**

Significant 2-D and 3-D data is believed to be available for purchase.

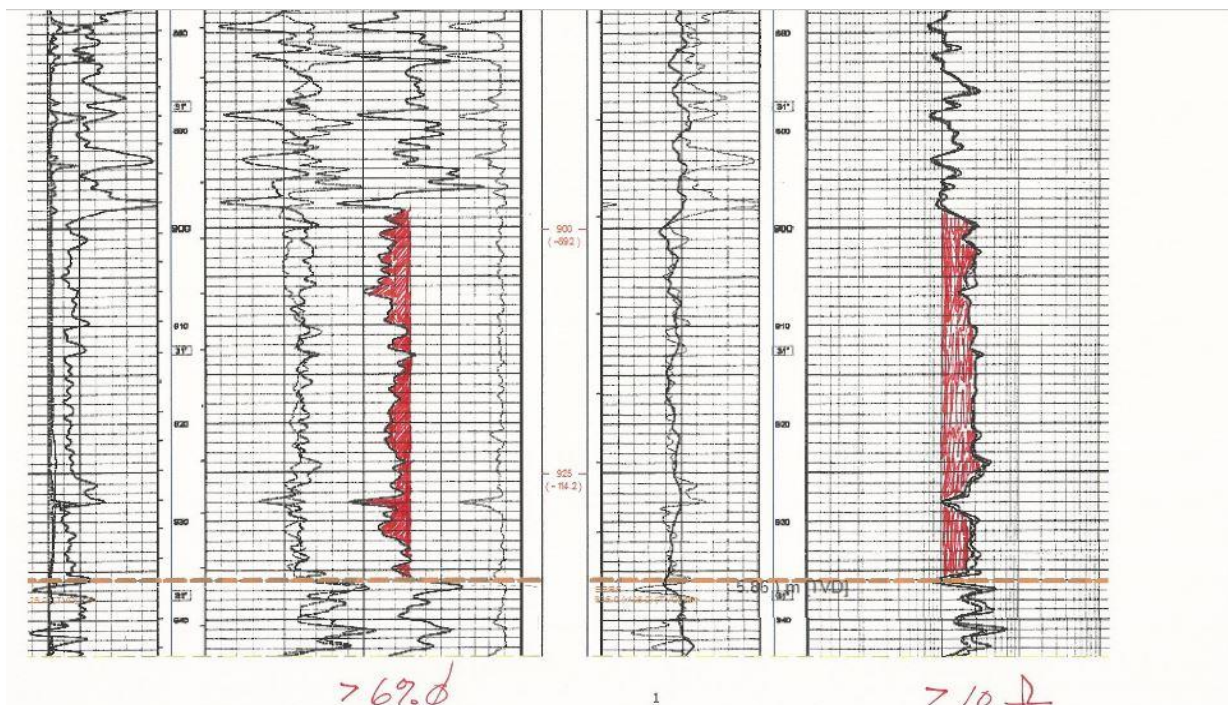
**Infrastructure and Access**

A successful gas well drilled on the Taber East Prospect would require tie-in to local infrastructure. The area is well known for centre-pivot irrigation so surface locations may require deviation or horizontal wells (see page 4). This area is generally farmland with surface access adjacent to road infrastructure.

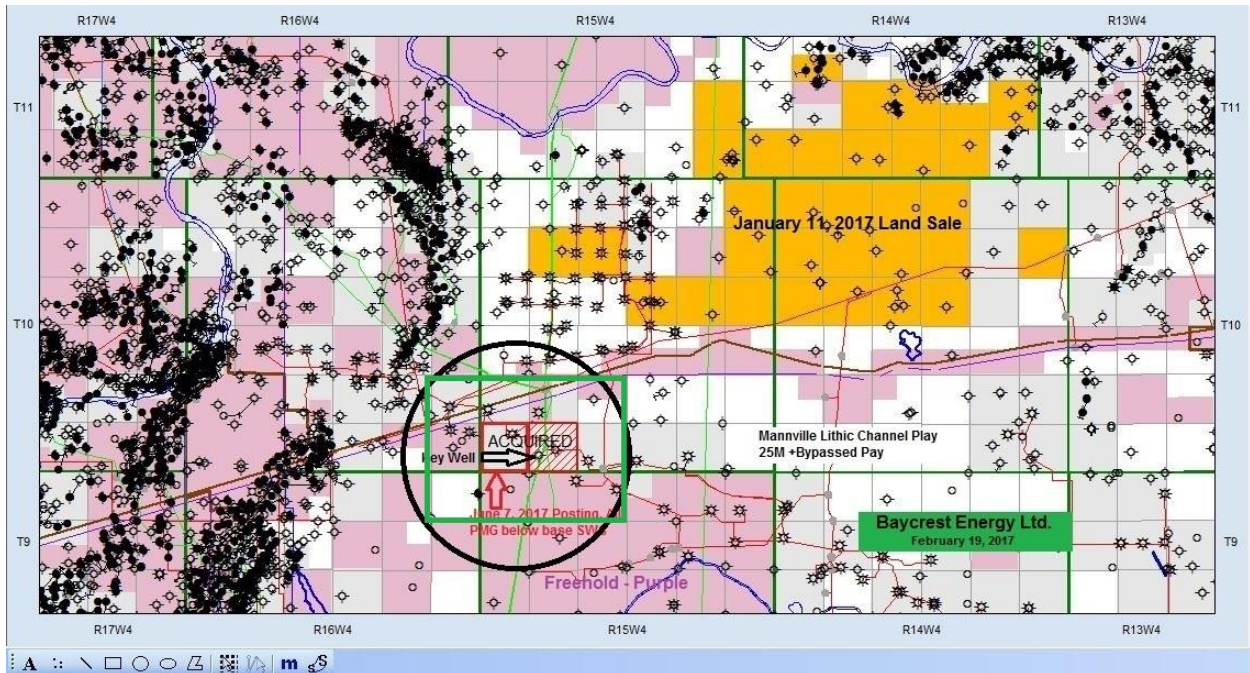
**HZ Mannville Well Cost and F+D Parameters (estimated, excluding land costs)**

Drilling Costs	\$1.1MM
Completion Costs	\$0.75MM
Equipping & Tie-in Costs	\$0.40MM
Un-risked Reserves/Well (P+P) Mannville zone only	480,000 boe 3.0 Bcf
F+D Cost	\$7.00 boe (initial well)

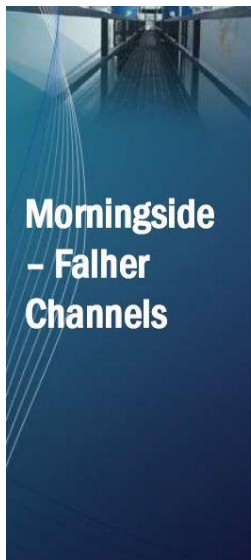
**Taber East Prospect Key Vertical Well: 100/05-05-010-015W4M  
30m potential bypassed pay (untested)**



**Taber East Prospect**  
**Sections 5 and 6-10-15 W4M – Lands Acquired on June 7, 2017 shown in Red**



**Mannville Play Morningside in Central Alberta**  
**Twp 42-28 W4M**



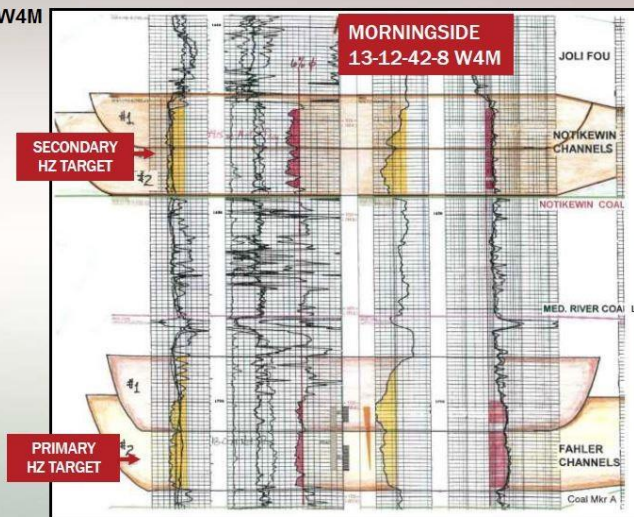
**Analog - Lithic Channel 42-28 W4M**

**Notikewin Channels**

- » Secondary horizontal target - produces vertically in the area
- » Liquids-rich gas - no produced water
- » OGIP similar to the Falher

**Falher Channels**

- » Primary horizontal drilling target
- » Stacked channels with 18+ metres of pay
- » OGIP ~ 12.5 bcf per section
- » NGL yield ~ 40 bbls/mmcf
- » Gas gathering and processing infrastructure nearby



### Taber Prospect Lands shown in Yellow

