

# A New Chapter – Saskatchewan Thermal Oil

*Long life / Low cost / Low risk*



Broadview Energy Ltd.

2019 Investor Presentation



BROADVIEW  
ENERGY LTD.

# Board and Management



Board	Experience
<b>Greg Bay</b> CEO, Cypress Capital Management Ltd.	<ul style="list-style-type: none"> <li>• 38 years of experience in private equity finance</li> <li>• Founding partner of Cypress Capital Management in 1998</li> </ul>
<b>Bob Chaisson</b> CEO and Director, Karve Energy Inc.	<ul style="list-style-type: none"> <li>• Currently CEO of Karve Energy, also director of Saguaro Resources Ltd. and Burgess Creek Exploration</li> <li>• Previously founder, director, president, and chief executive officer of Beaumont Energy and Cutpick Energy, which sold for \$587.5MM in March 2015 and \$425MM in May 2012, respectively</li> </ul>
<b>John Festival*</b> President and CEO	<ul style="list-style-type: none"> <li>• Prior President, CEO, and director of BlackPearl Resources (merged with IPC, with a deemed value \$715MM in 2018)</li> <li>• Prior President and director of BlackRock Ventures (sold to Shell for \$2.4B in 2006)</li> <li>• Career focused on value creation within heavy oil and thermal oil production</li> <li>• Chemical Engineer with 35 years of industry experience</li> </ul>
<b>Dan Polley</b> Former President Broadview Energy	<ul style="list-style-type: none"> <li>• 21 years industry experience, previously with AEC / Encana, and Breaker</li> <li>• At Breaker Energy, grew portfolio of light oil and gas projects from 0 to over 7,000 boepd at sale in 2009</li> </ul>
Management	Experience
<b>John Festival*</b> President and CEO	<ul style="list-style-type: none"> <li>• CEO and Board Member</li> </ul>
<b>Craig McClelland</b> Vice President Land	<ul style="list-style-type: none"> <li>• 30 years industry experience, previously with Petro-Canada, Renaissance, AEC / Encana, and Breaker</li> <li>• Experience with Land / A&amp;D deals with total value in excess of \$700MM</li> <li>• At Breaker Energy was responsible for all land-related functions, and led negotiations on all major acquisitions</li> </ul>
<b>Don Cook</b> VP Finance and CFO	<ul style="list-style-type: none"> <li>• Prior CFO of BlackPearl Resources (merged with IPC, with a deemed value \$715MM in 2018)</li> <li>• Prior CFO of BlackRock Ventures (sold to Shell for \$2.4B in 2006)</li> <li>• CA / CFA professional designations</li> </ul>
<b>COO - TBD</b>	

# Capitalization and Value Proposition



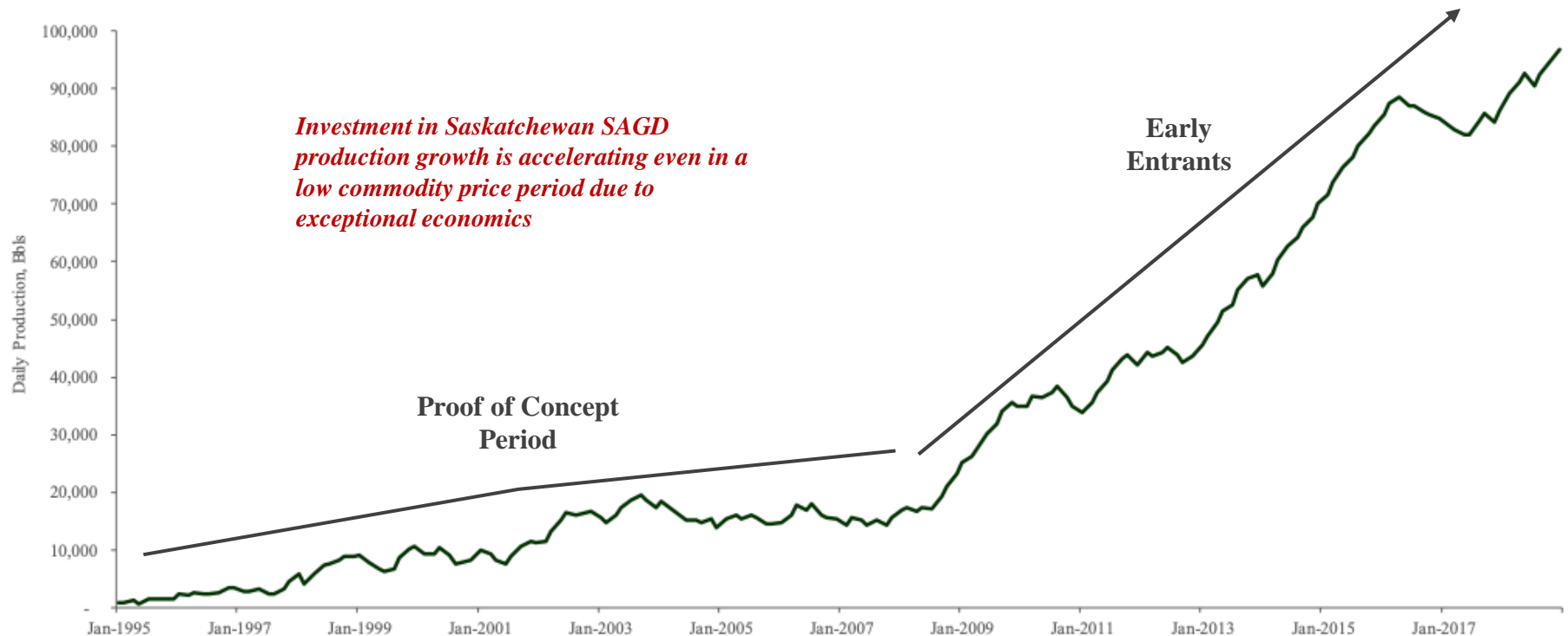
Management team have recent experience with financing, building and operating Saskatchewan thermal projects.

<u>Capital Structure</u> <i>millions except per share amounts</i>		<u>Producing Properties</u>	<u>Value</u>	<u>\$/FD shares</u>
Basic Shares Outstanding	74.7	Thermal Prospective Land	\$14.0	\$0.18
Options	7.4	Reford		
<b>Fully Diluted Shares</b>	<b>82.1</b>	<i>Asset Sale</i>	\$60.0	\$0.75
		<i>NPV, fully developed*</i>	\$175.0	\$2.20
Last Equity Raise	\$0.45	Kelfield		
<b>Implied Market Cap</b>	<b>\$33.6</b>	<i>Risked at 50%, sale</i>	\$30.0	\$0.38
		<i>Risked at 50%, developed*</i>	\$75.0	\$0.94
		Other Properties / Land	\$12.0	\$0.15
Last Equity Raise	January 2019	* does not reflect the share dilution required to fund development		
Insider Ownership - Basic	24%			
- Fully Diluted	26%			
Total Capital Raised to Date	\$64.6			
Total Capital Returned to Date	\$61.3			

# A Success Story in Heavy Oil

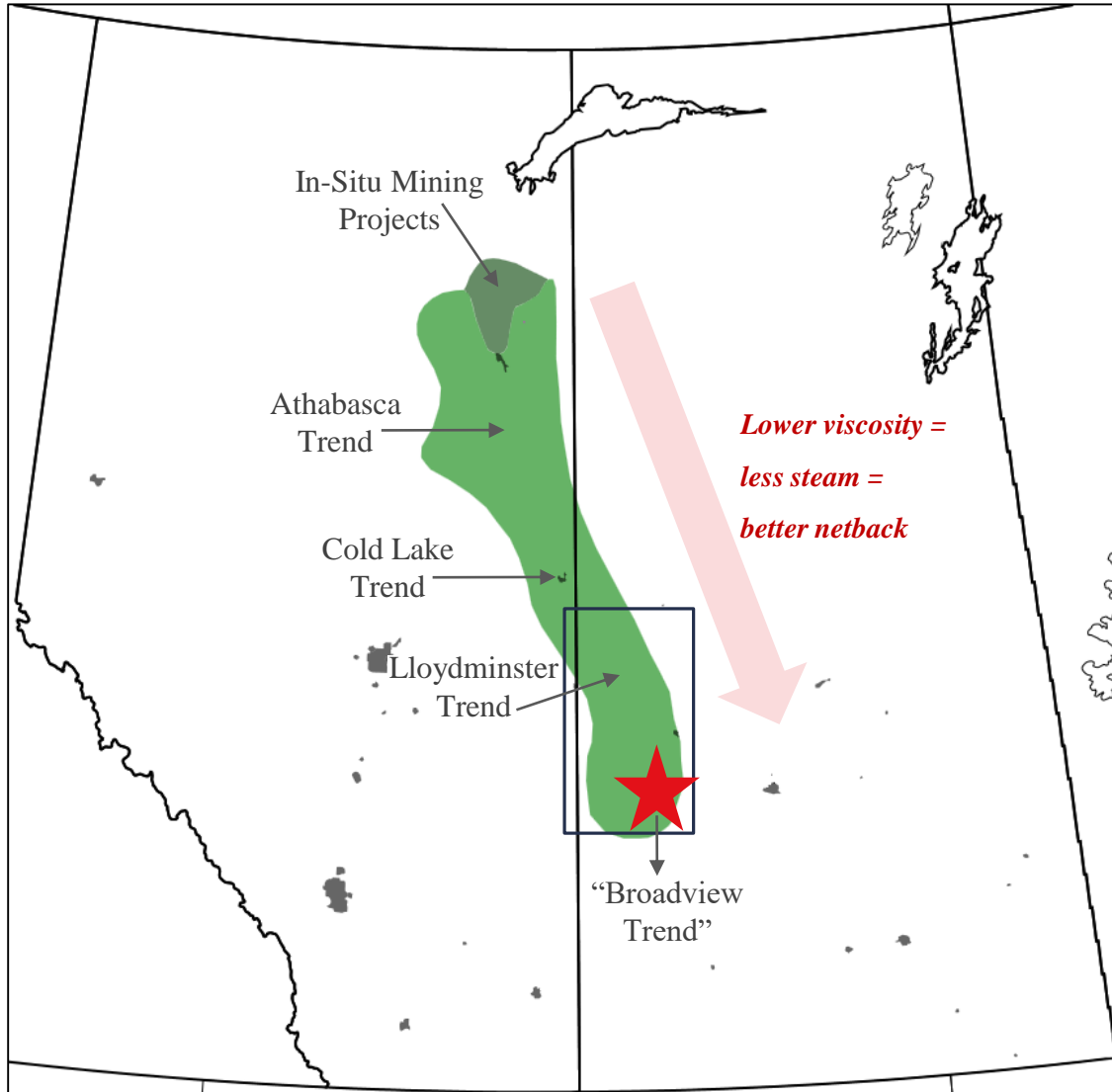
- Saskatchewan thermal (SAGD) heavy oil competes with the most economic North American oil plays. It has characteristic low royalties, low operating costs, low sustaining capital and decline rates of ~20%.
  - Broadview (along with Husky, BlackPearl and Serafina) have been early and successful participants.
- Broadview Energy holds an established position in this emerging oil fairway

## Saskatchewan SAGD Production Growth



# The Thermal Landscape in Canada

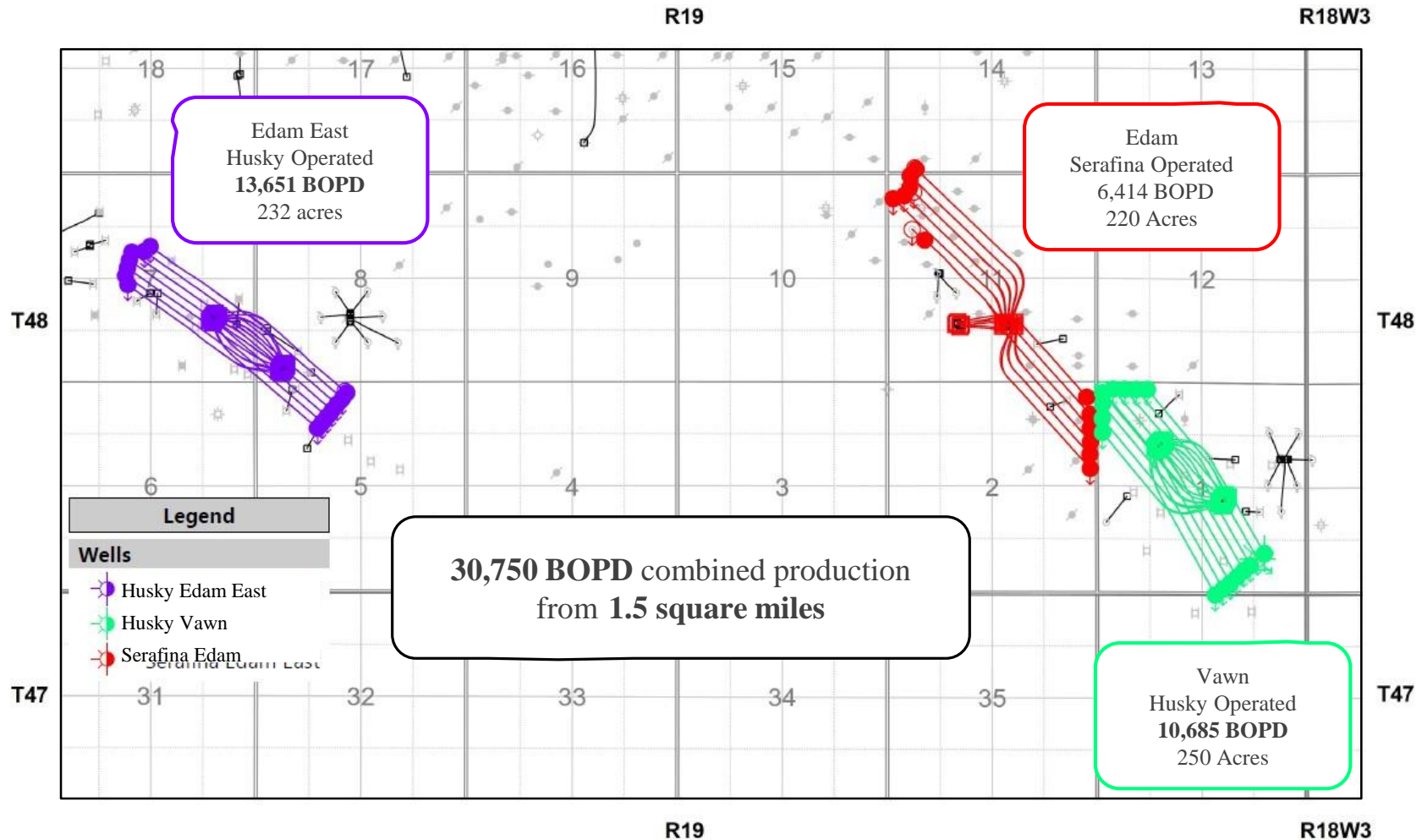
## Thermal and In-Situ Oil Fairway



- Alberta produces more than 3 Million BOPD from the oilsands region
- Saskatchewan produces approximately 100,000 BOPD from SAGD
- Saskatchewan thermal projects have a competitive advantage through:
  1. Better wellhead prices
  2. Lower infrastructure costs
  3. Lower royalties
  4. Comparable operating costs to best in class Alberta projects

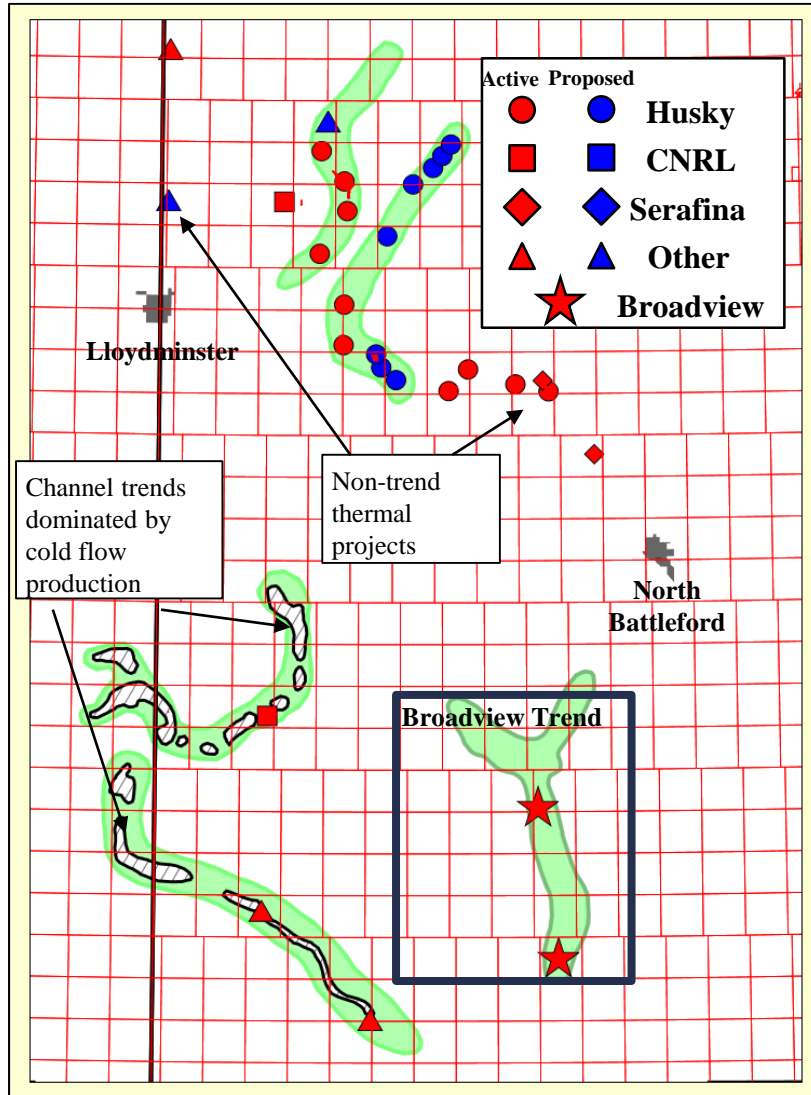
# Concentrated Development and Long Reserve Life

Large Amount of Oil Production in a Condensed Area



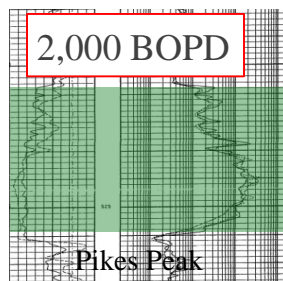
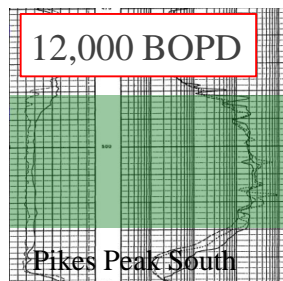
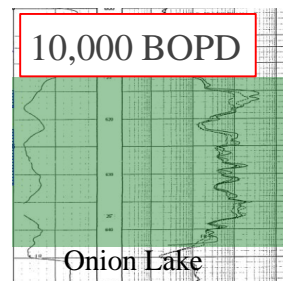
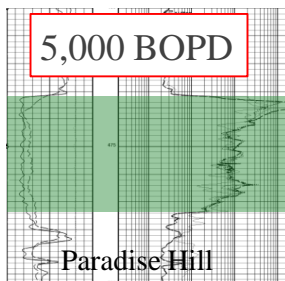
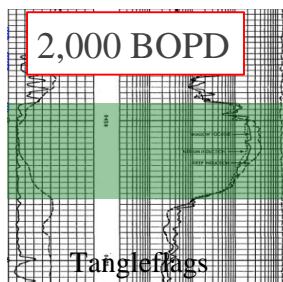
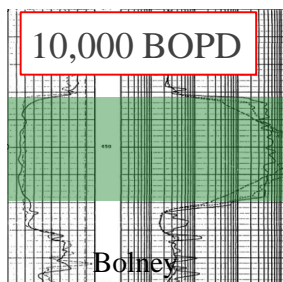
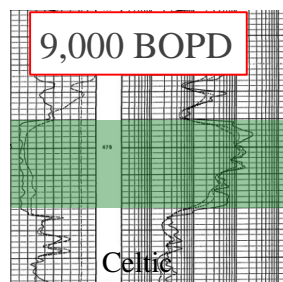
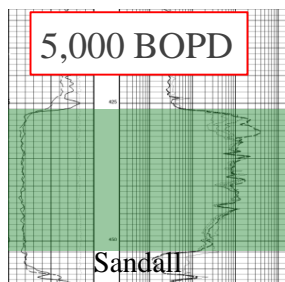
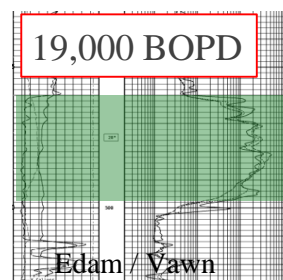
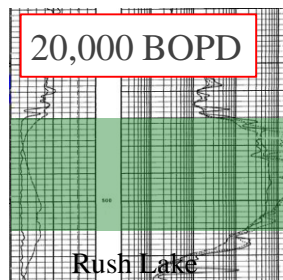
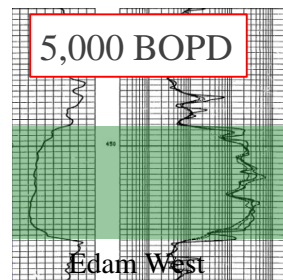
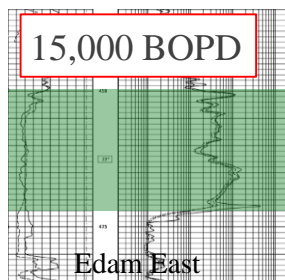
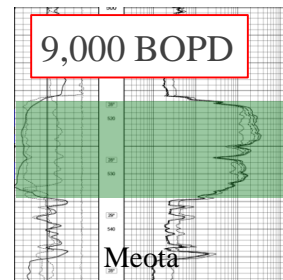
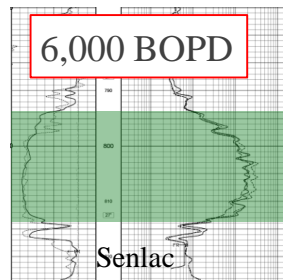
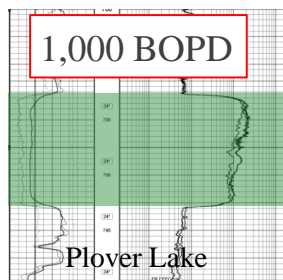
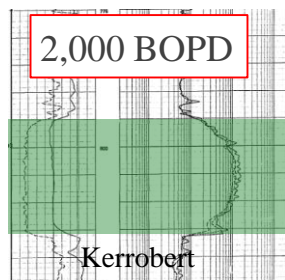
# Broadview is Poised to be the Next Significant Entrant

## Active / Proposed SAGD Thermal Projects in Saskatchewan

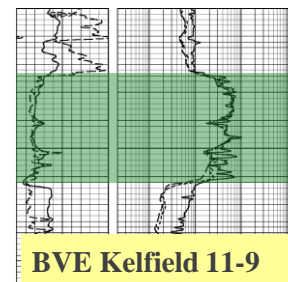
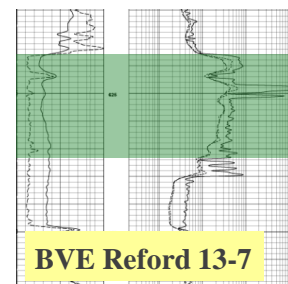
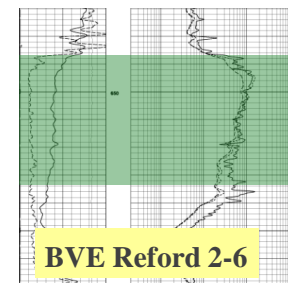


- 17 active thermal projects in Saskatchewan
  - Some legacy assets have been operating profitably for more than 30 years
- Projects often cluster along geological channel trends
- Strong oil production growth even in a low commodity price environment
- Saskatchewan has higher quality geology, better quality oil, and better infrastructure access than Alberta
- The active operators are Husky, Serafina and BlackPearl (IPC) – **100% project success rate**

# Comparison to all Active Saskatchewan SAGD Reservoirs



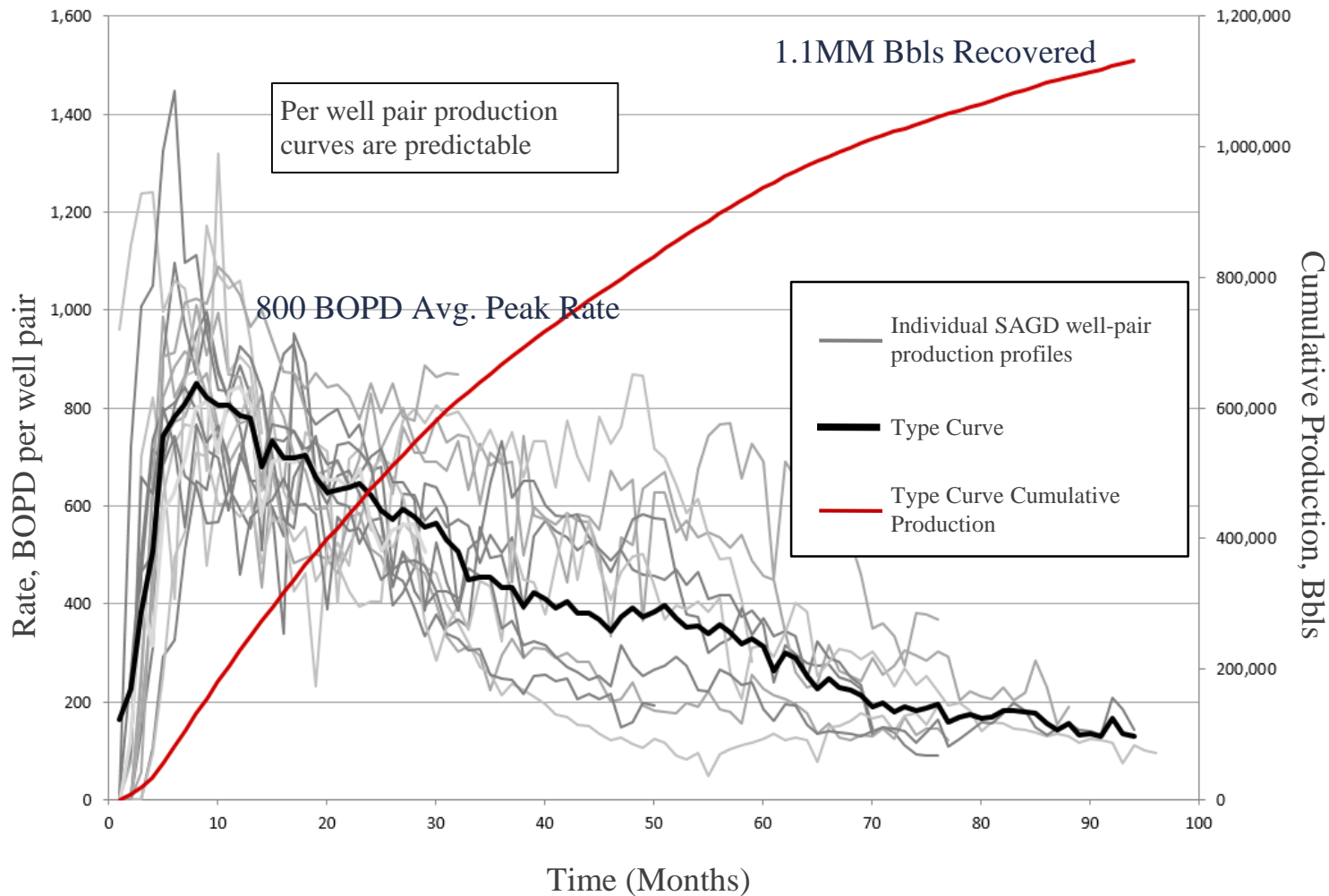
## Broadview



**Successful Projects have:**

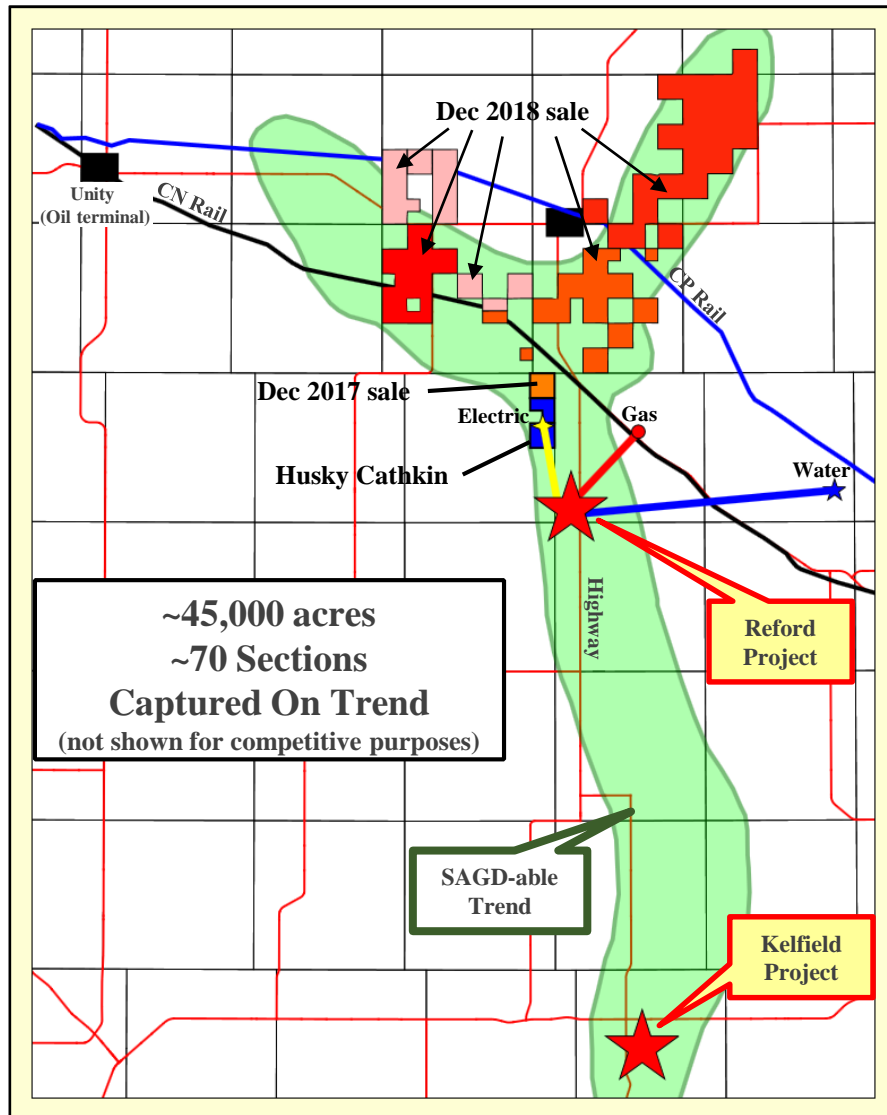
- Thick continuous sand
- 15m+ oil column
- Greater than 30 MMBls OOIP

# Type Curve for Active Saskatchewan Projects



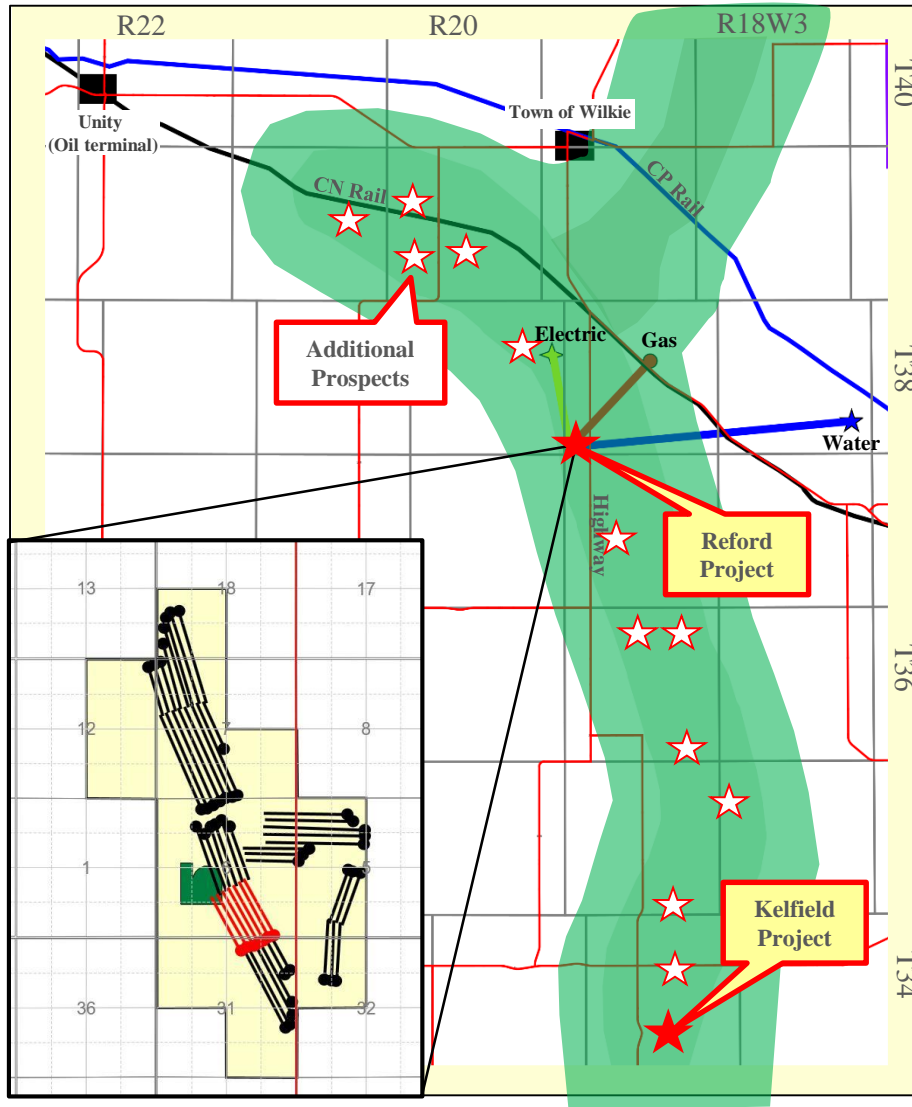
Typified by short time from initial steam to max. production and low decline rates

# The Culmination of Four Years of Prospecting



- The Trend was ignored because there was **NO** economic primary heavy oil production in the area
- Broadview captured **~70 prospective sections** along trend to date, at low prices
- **\$13.86MM** in bonus paid at December 2018 landsale
- \$1.61MM paid for single section at December 2017 Landsale
- Cathkin property acquired by Husky in Q1 2018

# The Trend is Heating Up...

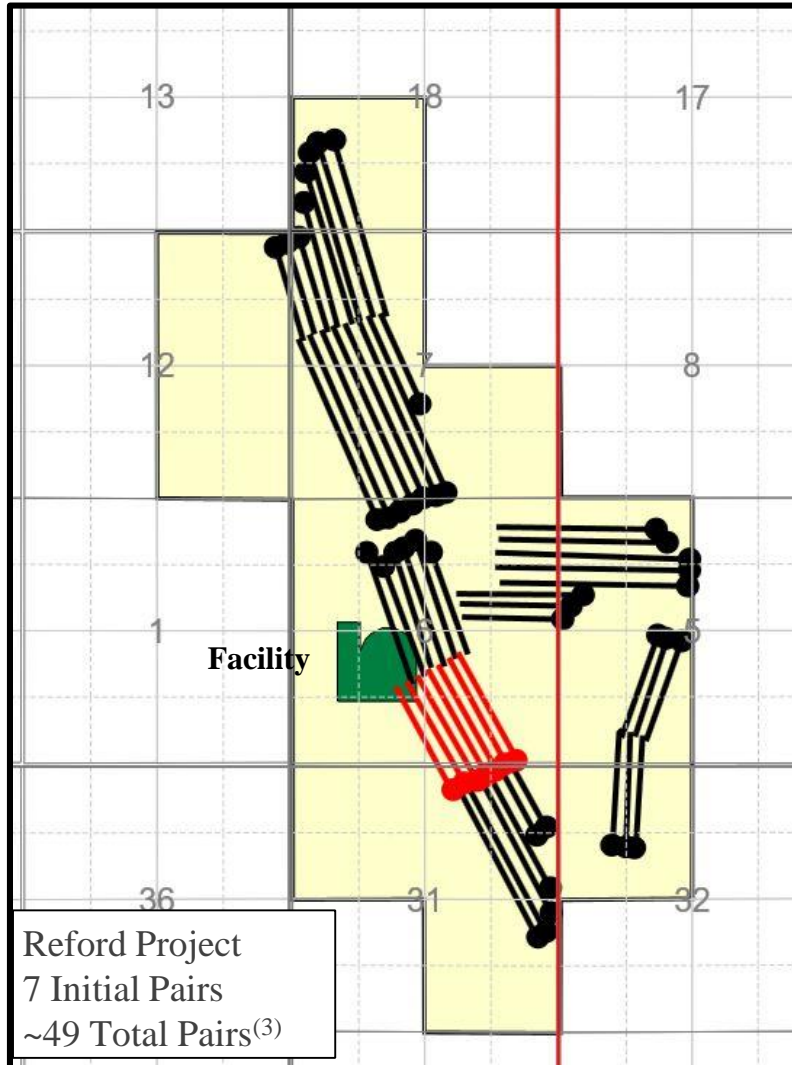


- McDaniel resource study identified 800 MMBbls exploitable along the trend<sup>(1)</sup>
- Existing wells and 2D seismic define trend and locate the prospects
- Broadview is 2-for-2 in locating commercial reservoirs on the trend
  - (3-for-3 overall success rate with the Edam Serafina project included)

1) Discovered plus undiscovered exploitable Net Oil Pay volume, prepared by McDaniel, October 2017

# Reford – Ready for Development

## Future Well Plans at Reford

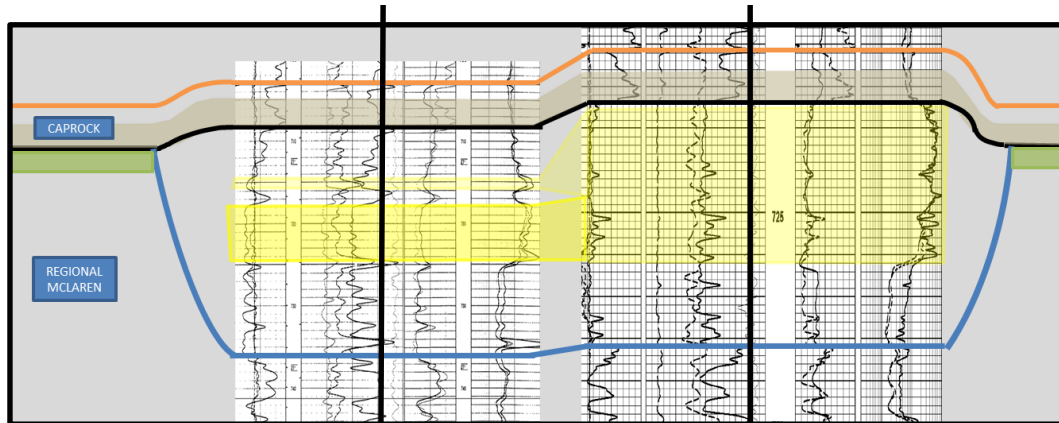


- Environmental and EOR approvals granted by the Saskatchewan Government, **the project is ready to proceed to the construction phase**
- Initial nameplate capacity of 6,000 bbls/day
- NPV<sub>10</sub> BT of \$150-200MM with 24MM bbls recoverable<sup>(1)</sup>;
- 2P OOIP 41MM Bbls<sup>(2)</sup>
- Full development costs: \$10-12/bbl,
- Initial Capital Development Cost of ~\$180MM (or \$30,000/bopd)

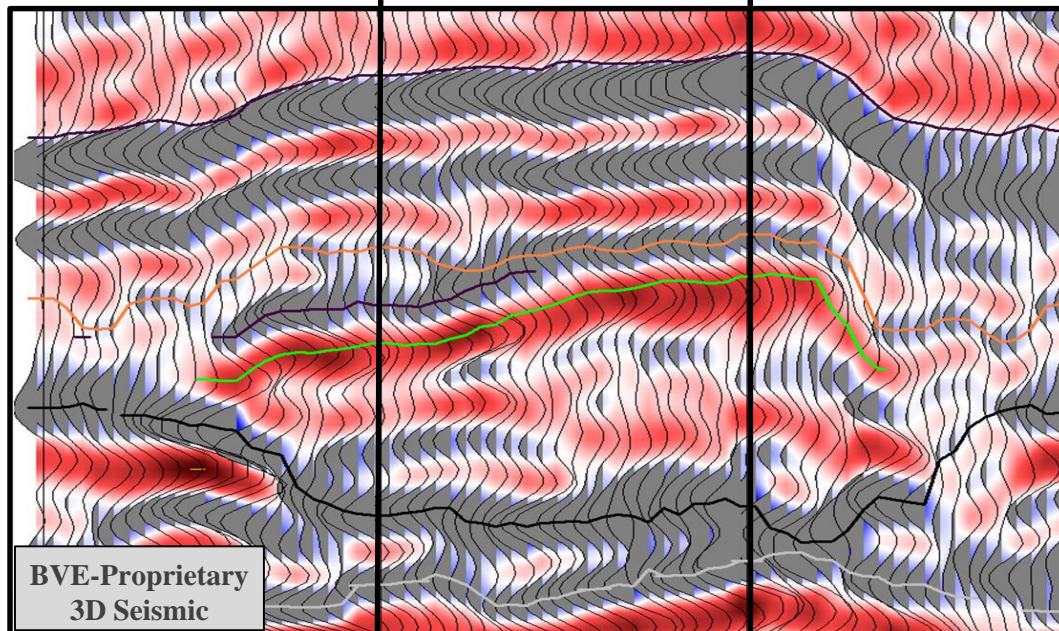
1) Internal management 2P estimate  
2) Broadview Reserve report 2017, prepared by McDaniel  
3) Based on full development of 3P resource

# Kelfield – Continuing the Momentum

Kelfield Legacy Well      BVE Kelfield 11-9



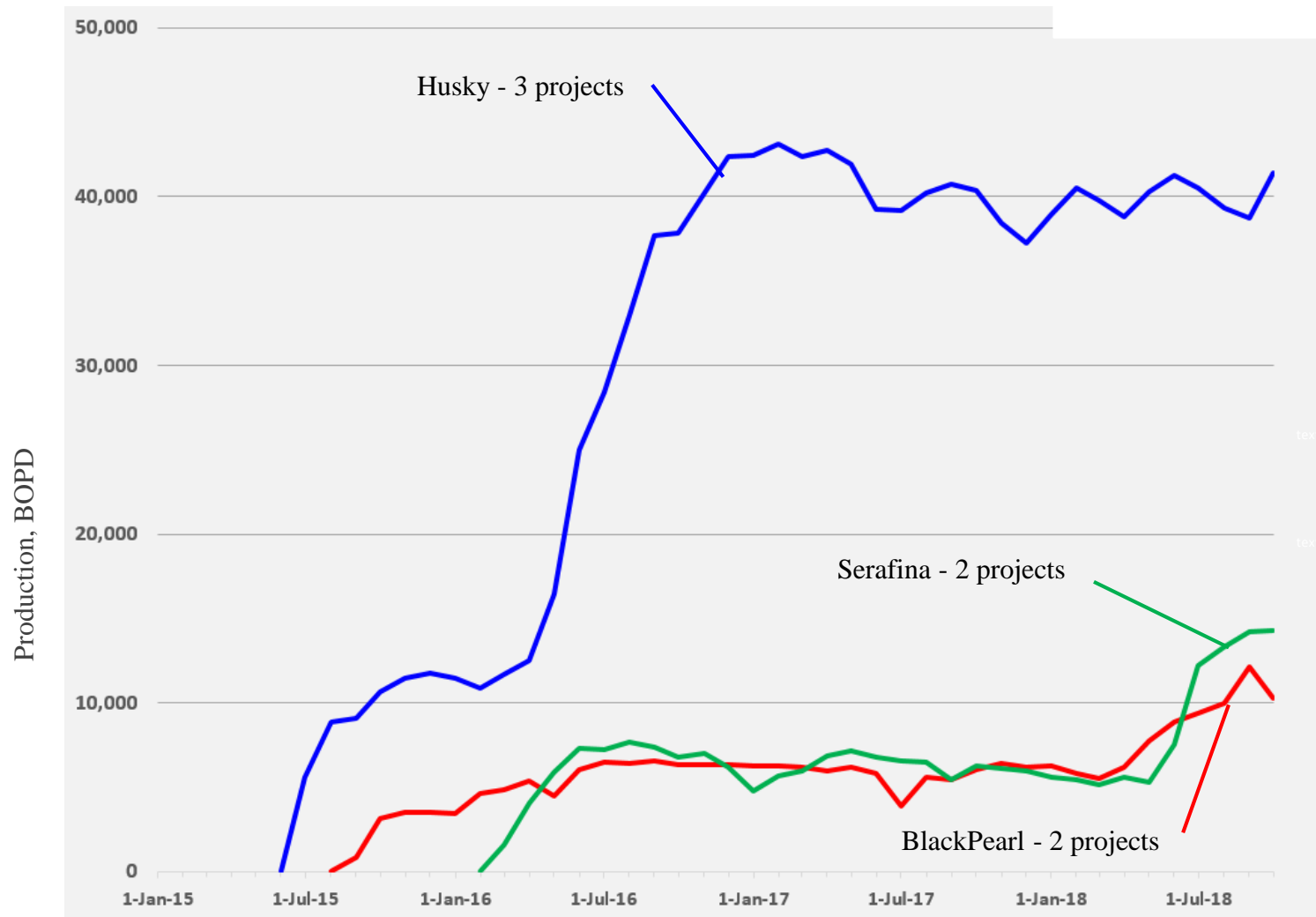
- Has all the key elements for a SAGD project
- Broadview 11-9 delineation well confirmed 19m oil column; second thickest in the entire trend to date
- Continued technical and regulatory work advancing through 2019

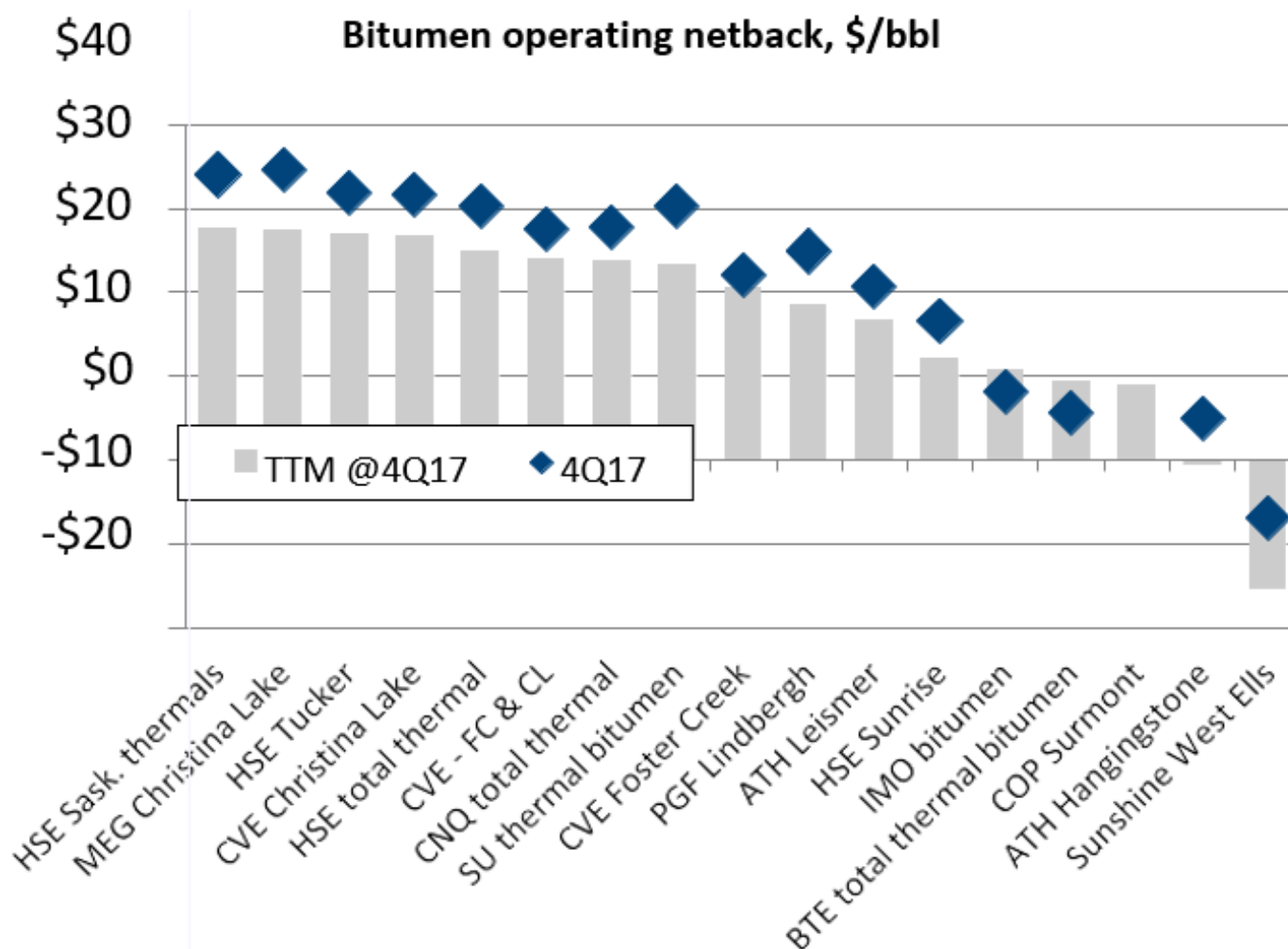


## *Key Ingredients for Success*

- Reford project is identified and delineated with regulatory approval
- One to four more prospective projects along the trend
- Financial and technical team with direct experience
- Economics are robust even in a difficult price environment
- **Long Life, Low Cost, Low Risk Oil Development**

## Production from New Saskatchewan SAGD Projects





# Statutory Rights of Action in the Event of a Misrepresentation

## Ontario

Section 130.1 of the *Securities Act* (Ontario) (the “**Ontario Act**”) provides that in the event that an Offering Memorandum, as defined in the Ontario Act, together with any amendment thereto, contains a misrepresentation, defined as an untrue statement of material fact or an omission to state a material fact that is necessary to make a statement not misleading in light of the circumstances in which it was made, an Ontario investor who purchases a security offered by an Offering Memorandum during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase of such security and such investor has a right of action for damages against the issuer selling the securities (the “**Issuer**”) or such investor may elect to exercise a right of rescission against the Issuer, in which case the investor shall have no right of action for damages against the Issuer, provided that: (a) in an action for damages or rescission, the Issuer will not be held liable if it proves that the investor purchased the securities with knowledge of the misrepresentation; (b) in an action for damages, the Issuer is not liable for all or any portion of the damages that the Issuer proves does not represent the depreciation in value of the security as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the securities were offered. The right of action conferred by section 130.1 of the Ontario Act is in addition to and without derogation from any other right the investor may have at law. No action may be commenced under section 130.1 of the Ontario Act more than: (i) in the case of an action for rescission, 180 days after the purchase of the securities by the investor; and (ii) in the case of an action for damages, the earlier of (a) 180 days after such investor first has knowledge of the facts of such misrepresentation; and (b) three years after such purchase.

## Saskatchewan

The *Securities Act* (Saskatchewan) (the “**Saskatchewan Act**”) provides that, subject to certain limitations, in the event that an Offering Memorandum, as defined in the Saskatchewan Act, together with any amendment thereto, contains a misrepresentation, a Saskatchewan investor who purchases a security offered by an Offering Memorandum during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of the purchase of such security and such investor has a right of action against (i) the Issuer of a selling issuer of the securities on behalf of which the distribution was made; (ii) the promoter; (iii) every director of the Issuer or the selling security holder, as the case may be, at the time the Offering Memorandum was sent or delivered; (iv) every person or company whose consent has been filed with this Offering Memorandum with respect to reports, opinions, or statements that have been made by them; (v) every person who signed an Offering Memorandum; and (vi) every person who or company that sells the securities offered by this Offering Memorandum. Alternatively, where the purchasers purchased securities, the purchasers may elect to exercise a right of rescission against the Issuer. The *Securities Act* (Saskatchewan) also provides that, subject to certain limitations, where any advertising or sales literature (as such terms are defined in the Saskatchewan Act) disseminated in connection with the offering contains a misrepresentation, a purchaser who purchases securities referred to in that advertising or sales literature has a right of action against the Issuer, every promoter and director of the Issuer, as the case may be, and every person who or company that sells securities by the offering with respect to which the advertising or sales literature was disseminated. In addition, subject to certain limitations, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of securities, the purchaser has a right of action for damages against the individual who made the verbal statement. The above statutory rights to sue are available whether or not a purchaser has relied on the misrepresentation. However, there are various defenses available to the persons or companies subject to liability for misrepresentation under the Saskatchewan Act. In particular, a defense is available where a purchaser had knowledge of a misrepresentation when they purchased the securities. Statutory rights of action must be exercised within the following time period: (i) an action for rescission must be commenced within 180 days from the date of the transaction that gave rise to the cause of action; and (ii) any action other than an action for rescission the earlier of: (a) one (1) year after the purchaser first had knowledge of the facts giving rise to the cause of action; and (b) six (6) years after the date of the transaction that gave rise to the cause of action.