

# Oak Point Energy Ltd.

## Information Memorandum – Receivership Process



### Oil Sands Opportunity with Proprietary Thermal Technology

Alvarez & Marsal Canada Inc. ("A&M"), in its capacity as Court appointed Receiver and Manager of Oak Point Energy Ltd. ("Oak Point"), is seeking offers to purchase the assets of Oak Point and has retained Peters & Co. Limited ("Peters & Co.") as its exclusive financial advisor to assist in this process. Confidential information will be made available to parties who execute a confidentiality agreement. Offers to purchase the assets will be due on August 17, 2017. Any asset sale will be completed on an "as is, where is" basis and subject to approval of the Court.

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#### UPSTREAM OPPORTUNITY

- **Location:** Oak Point holds a 100% working interest in 17 sections of oil sands leases in the Lewis, Great Divide, Duncan and Chelsea areas across the greater Athabasca region.
- **Delineation:** The leases in the Lewis area have been delineated with 3D seismic as well as 24 cored wells and are surrounded by highly delineated land blocks including Imperial's Aspen and Suncor's Lewis developments.
- **Booked Reserves and Resource:** Recoverable Bitumen (2P+2C) in the Lewis area of 282 MMBbls using a 46% RF and CSOR of 2.7 (GLJ May 2014).
- **Infrastructure Access:** The Lewis project is proximal to both the Enbridge Woodland (Heavy Blend) and the InterPipe Corridor (Heavy Blend/Diluent) system as well as the Norlite pipeline (Diluent)

#### TECHNOLOGY OPPORTUNITY

- **Thermal Technology:** Oak Point has developed a scalable, modular facility design that allows front end development costs associated with SAGD projects to be greatly reduced.

OAK POINT OIL SANDS LAND		
Area	Net Sections	Earliest Expiry
Chelsea	2	09/07/2024
Great Divide	6	11/30/2024
Lewis	5	05/31/2025
Lewis SW	2	10/18/2025
Duncan	2	01/10/2026

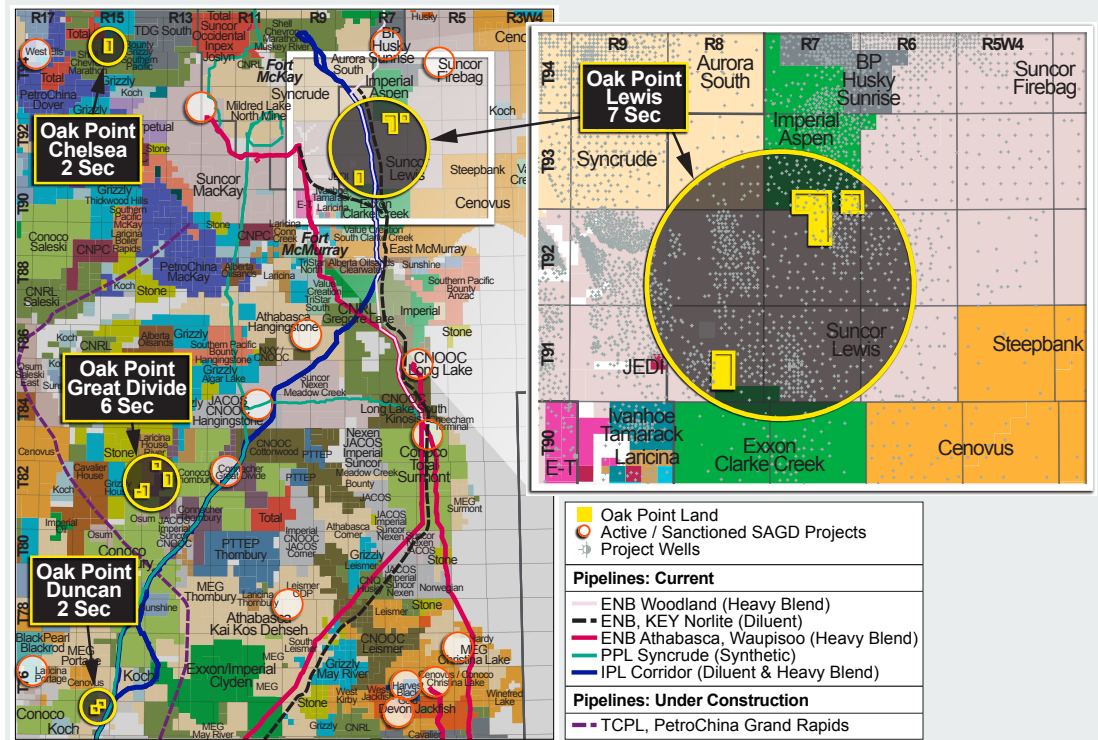
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#### OAK POINT OIL SANDS LAND

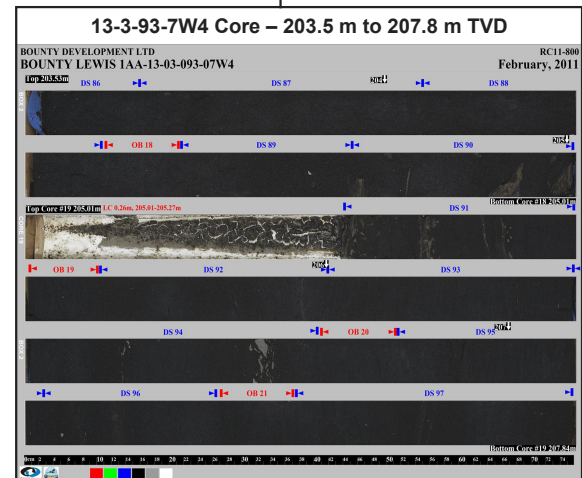
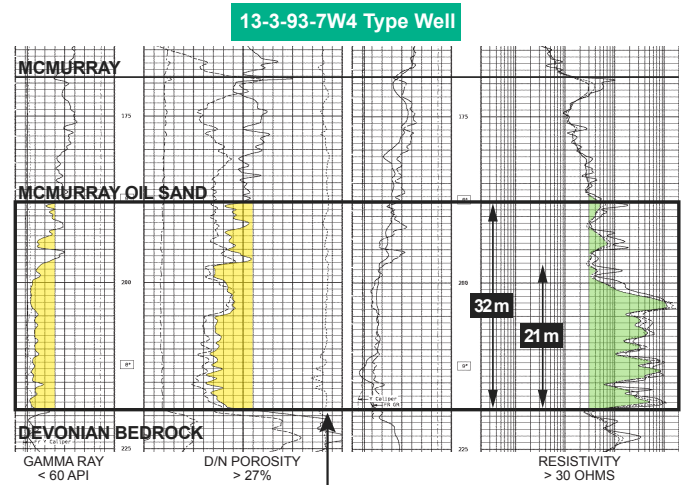
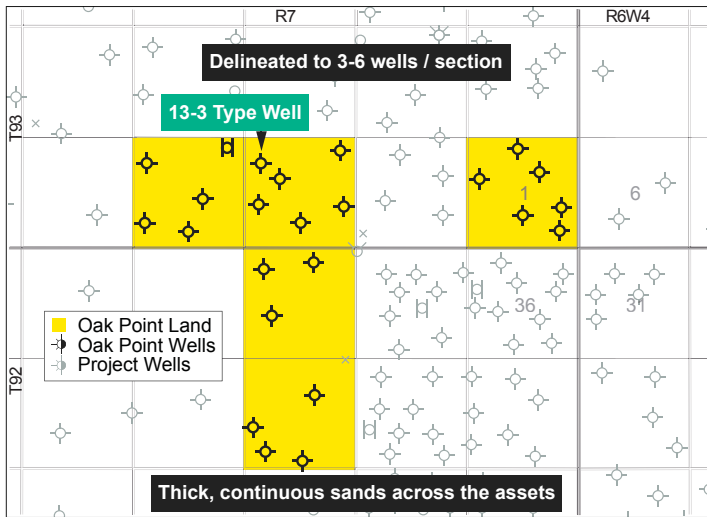


*This Information Memorandum is prepared solely for the use of certain qualified Interested Parties to provide information only. The information contained herein, while obtained from sources that we believe to be reliable, is not guaranteed as to its accuracy or completeness. This Information Memorandum is for information purposes only and does not constitute an offer to sell or a solicitation to buy securities of Oak Point Energy Ltd.*

# Lewis Oil Sands Project



## OAK POINT LEWIS OIL SANDS LAND



## LEWIS RESERVOIR CHARACTERISTICS

Area	1,280 Ha
Average Pay	24.4 m
Porosity	32%
Permeability	4.6 Darcies
Sw	20%
BIIP (2P+2C)*	610 MMBbbls
Projected RF *	46%
ROIP (2P+2C) *	282 MMBbbls
Projected CSOR *	2.7

\* Based on GLJ assessment

- **Opportunity:** The McMurray is a thick, continuous sand with high oil porosity, high bitumen saturation and minimal shale breaks across the lease. The Lewis lands are highly delineated with proximal access to offtake infrastructure and surrounded by developments by major operators including Imperial and Suncor. The overlying cap rock is ~70 m thick.
- **Regulatory Approval:** The ERCB has approved a pilot project on the Lewis lands.
- **Tenure:** The Lewis oil sands leases do not face expiry until May 2025.
- **Delineation:** In addition to 3D seismic across the lands, the Lewis oil sands leases have been delineated with 24 wells, all of which have been cored to establish the underlying resource.
- **Reservoir Characteristics:** The McMurray zone lies at ~160 m TVD with average oil sands pay of ~24 m with permeability of 4.6 darcies, porosity of 32% and a 46% recovery factor result in an estimated 282 MMBbbls of recoverable bitumen.
- **Proposed Development:** An illustrative development profile for the Lewis project was prepared by GLJ, resulting in production in excess of 50 MBbbls/d for over a decade.

## RESERVES (GLJ Petroleum Consultants as at March 31, 2014)

### Summary of Oil and Natural Gas Reserves & Resources

Category	Bitumen (MBbbls)	Natural Gas (MMcf)	Total (MBOE)
Probable Undeveloped (2P)	19,283	-	19,283
Possible Undeveloped (3P)	2,716	-	2,716
<b>Total Reserves</b>	<b>21,999</b>	<b>-</b>	<b>21,999</b>
Best Estimate Contingent Resources (2C)	262,684	-	262,684
<b>2P + 2C</b>	<b>281,967</b>	<b>-</b>	<b>281,967</b>
<b>Net Present Values (\$M)</b>			
Category	8%	10%	12%
Probable Undeveloped (2P)	\$52,048	\$25,643	\$8,125
Possible Undeveloped (3P)	48,032	41,426	36,725
<b>Total Reserves</b>	<b>\$100,080</b>	<b>\$67,069</b>	<b>\$44,850</b>
Best Estimate Contingent Resources (2C)	2,114,000	1,621,000	1,237,000
<b>2P + 2C</b>	<b>\$2,166,048</b>	<b>\$1,646,643</b>	<b>\$1,245,125</b>



## Thermal Technology

### OAK POINT THERMAL TECHNOLOGY

- Oak Point has created an innovative technological solution related to the development of steam facilities for SAGD operations.
- These facilities can be assembled or dismantled in 30 days addressing many industry challenges:
  - Modularization shifts facility construction to low-cost/high-productivity centers
  - Allows construction to start ahead of regulatory approval since fabrication occurs off site
  - Facilities can be redeployed if the resource doesn't respond as required
  - Facilities can be installed to optimize capital efficiency growth and redeploy as production declines
- Small unit scale reduces costs through mass production efficiencies.
- Standardized design of three configurations suitable for a broad range of oil sands applications (UltraLite, 1<sup>st</sup>Site and MultiSite)
- Intellectual property is owned by Oak Point
  - Five US and Canadian patents awarded to date
  - Eleven international patents awarded to date

- 1<sup>st</sup>Site SAGD Plant (Commercial Production Model)
  - Oil capacity of 8,600 Bbls/d matched to full well pad production (8-12 well pairs)
  - Well suited to commercial development of smaller assets (non-contiguous) or where ability to stage the ramp up of production is desired
- MultiSite SAGD Plant (Multiple Well Pad Facility)
  - Oil capacity of 26,000 Bbls/d suitable for production from 2-4 well pads
  - Combines capital and operational economies of scale and complete portability
  - Full equipment modularity allows steam capacity to be easily scaled up or down over resource life cycle of large contiguous resource

*Note: Oil capacities are based on 2.5 SOR*

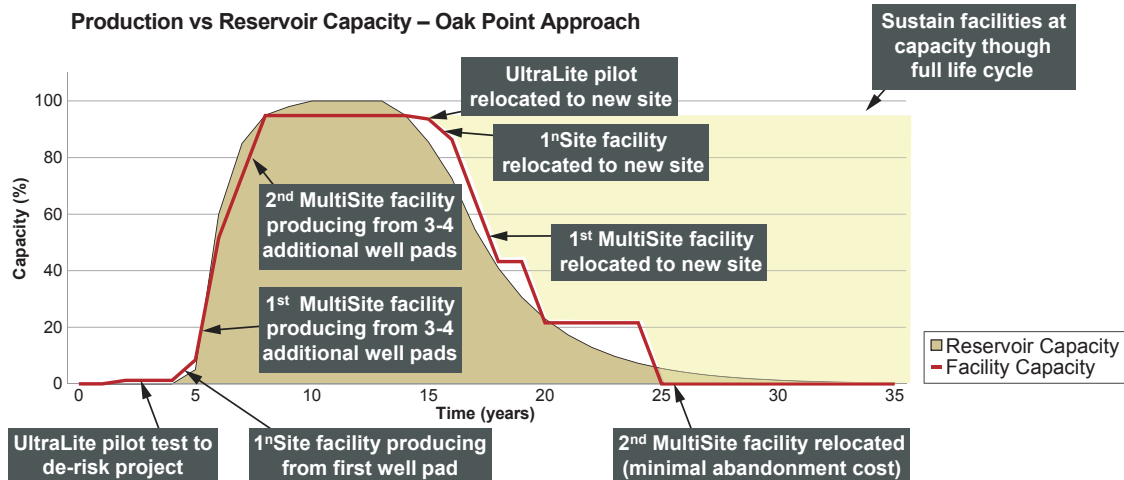
### SUCCESSFUL DEPLOYMENT

- An early version of the 1<sup>st</sup>Site configuration was deployed by Grizzly Oil Sands at Algar Lake in January 2014.
- The plant achieved reliability in excess of 94% in the first year of operation, outpacing the industry average of 85%.
- Subsequent to this deployment, improvements to the facility configurations have been made, including the evaporator design and piperack design, which is critical to achieving facility portability objectives.

### OAK POINT SAGD FACILITY DESIGN

- UltraLite SAGD Plant (Portable Exploration Model)
  - Oil capacity of 1,500 Bbls/d with production from 1-2 well pairs
  - Fully functional and economic at smaller scale
  - Well suited as a commercial pilot facility or for exploitation in small pod or thin pay reservoirs and pre-heat well pads prior to commercial development

### OAK POINT STAGED FACILITY INSTALLATION



## Process and Contacts



Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as Court appointed Receiver and Manager of Oak Point Energy Ltd. ("**Oak Point**" or the "**Company**"), is seeking offers to purchase the assets of Oak Point and has retained Peters & Co. Limited ("**Peters & Co.**") as its exclusive financial advisor to coordinate all aspects of this process and Peters & Co. will act as the sole contact for all parties who have expressed an interest in acquiring the assets of Oak Point ("**Interested Parties**"). An online virtual data room has been established, which provides a description of Oak Point's assets, as well as operational information.

A&M reserves the right at any time to amend or terminate these sale procedures, to decline an Interested Party the ability to participate in the process, to terminate discussions with any or all Interested Parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

Offers to purchase the assets are subject to the terms and conditions outlined in the Court approved Sales Process and will be due on August 17, 2017. Any asset sale will be completed on an "as is, where is" basis and subject to approval of the Court.

### CONTACTS

**Peters & Co. will act as the sole contact for all Interested Parties.** All communications and inquiries from Interested Parties should be directed to one of the representatives listed below:

**J.G. (Jeff) Lawson**  
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## Disclaimer



This Information Memorandum is based on information provided by Oak Point from its own records and from other sources. The Information Memorandum is being distributed, on behalf of Oak Point and A&M, by Peters & Co., A&M's financial advisor, solely for the use by certain qualified Interested Parties. The sole purpose of the Information Memorandum is to assist Interested Parties in determining whether or not to proceed with further investigation of the potential purchase of the Company or the assets of the Company ("**Transaction**").

The information contained herein (the "**Information**") has been prepared in good faith to assist Interested Parties in completing their own independent evaluation of the assets, but does not purport to be all inclusive or to contain all of the information that an Interested Party may desire or that may be required by an Interested Party to properly evaluate the assets. In all cases, the Interested Parties should conduct their own independent investigation and analysis of the assets and the data set forth in this Information Memorandum.

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The Interested Party will conduct its own independent evaluation and analysis of the Information and satisfy itself as to the quality, accuracy, completeness and materiality of the same. The Interested Party will rely solely on its own independent evaluation and analysis of the Information when deciding whether or not to submit a bid, enter into a definitive purchase agreement and consummate a Transaction.

This Information Memorandum may include certain statements, estimates, forecasts and projections provided by the Company and with respect to the anticipated future performance of the assets. Such statements, estimates, forecasts and projections reflect various assumptions made by the Company, A&M and / or Peters & Co. concerning anticipated results, which may or may not prove to be correct. No representations or warranties are made as to the accuracy of such statements, estimates, forecasts or projections. The only Information that will have any legal effect will be that specifically represented or warranted in a definitive purchase agreement, when, as and if executed, with respect to a possible Transaction and executed on behalf of the Company and the purchaser or investor.

**NEITHER THIS INFORMATION MEMORANDUM NOR ITS DELIVERY TO AN INTERESTED PARTY SHALL CONSTITUTE OR BE CONSTRUED TO BE AN OFFER TO SELL ANY SECURITIES OF THE COMPANY. THIS INFORMATION MEMORANDUM SHALL NOT BE DEEMED AN INDICATION OF THE STATE OF AFFAIRS OF THE COMPANY NOR CONSTITUTE ANY INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.**