yangarra resources ltd.

CORPORATE PRESENTATION

APRIL 2023

TSX: YGR

INTRODUCTION

- Yangarra focuses on organic growth by developing unexploited halo Cardium sands in West Central Alberta

- Unique Cardium position analogous to plays such as the Montney resource play
  - Deep inventory of undeveloped land with ~70% of land base unbooked in 2022 reserves
  - Lack of legacy vertical producers means full section recovery potential as each section can support up to 4 to 8 wells
  - Cost & technical advantages due to standardized approach to developing raw land
    - Simplified well designs, intermediate casing not required
    - Lower mud losses
    - Water injection hits rarely occur
  - Limited legacy vertical producers means limited mandated ARO spending

- Yangarra low structural operating costs a result of Yangarra's OFS group & virgin halo Cardium development
  - Long-track record of positive net income generation
  - Top decile margins throughout the commodity cycle

- **Yangarra shareholders can expect a model that generates long-term income and free-cash flow (at current commodity prices) along with organic growth**

INVESTMENT THESIS

- Compelling valuation on trailing & current year metrics
  - Q1 2023 D/FFO on forecasted guidance of <0.9X
- Sustainable organic growth model
  - In 2022, grew production 23% & reduced net debt by $62 million
  - Targeting 18% production growth in 2023
- Budget sustainable to US$65 WTI & C$2.25 AECO
  - ~$10 million change in FFO per US$5 WTI change
  - ~$8 million change in FFO per C$0.50 AECO change

	yangarra resources ltd.	Peer Group Averages	Implied Yangarra Price*
2022 EV/BOED:	$36,400	$45,600	$4.97
2022 EV/DACF	2.1X	3.1X	$3.62
P/2021 PDP NAV:	**0.94X**	1.52X	$6.14
2023 EV/BOED	$24,900	$40,000	$4.20
2023 EV/DACF	2.2X	3.5X	$4.26
P/2022 PDP NAV	**0.47X**	1.36X	$5.49

*Implied Yangarra Price calculated using Peer Group Averages, mid-point of guidance range for FFO, ~$10 million of interest costs, Q1 2023 Net Debt and basic shares outstanding

- Pathway to return of capital in sight, as Yangarra approaches absolute net debt target of $80 million
- Future potential to commodity price surge, for example at US$100 WTI, C$4.00 AECO, 13,000 boe/d (24% oil) and $112.5 million capex
  - FCF of ~$100 million ($1.05 of distributable FCF per basic share, assuming debt target achieved)
  - **15% yield would result in $7.00 share price (plus 18% production growth)**

WIDENING VALUATION GAP

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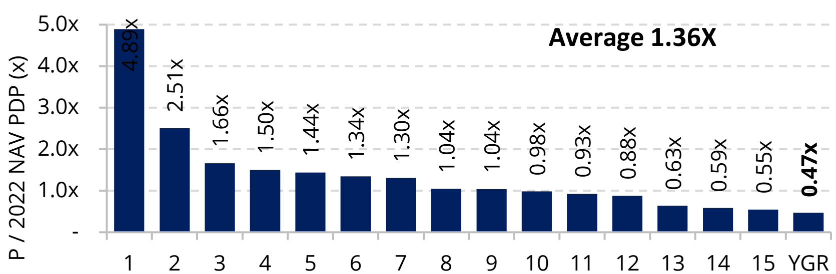
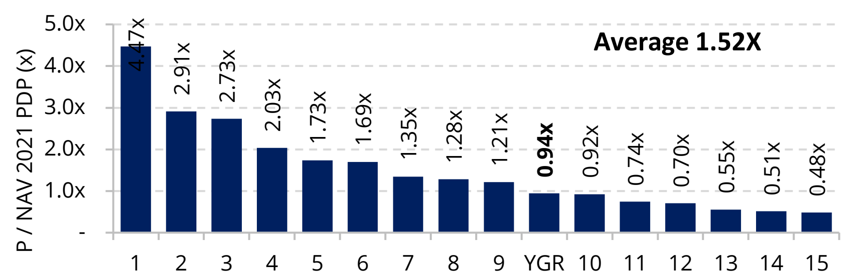
EV / NTM DACF (2016 to-date)

- Yangarra EV/NTM DACF (consensus)
  - Long-term avg: 4.0X
  - Current: 2.1X
- Peer Avg EV/NTM DACF (consensus)
  - Long-term avg: 4.6X
  - Current avg: 3.1X
- P/PDP NAV disconnect from 2022 despite stellar results from 2022 reserve report

P/PDP NAV FOR 2022 RESERVES



P/PDP NAV FOR 2021 RESERVES



See footnotes for peer group composition & sources, as of April 25, 2023.

Corporate Snapshot

Capitalization Summary

Share Price (Apr 24)	$1.86
Basic Shares	94.8
Options/RSUs	9.4
Fully Diluted	104.1
Basic Mkt. Cap.	$176.3
Q1 2023 Net Debt	$121.5
Enterprise Value	$297.8
(in millions)	

- 16% basic insider ownership (23% fully diluted)
- Average option exercise price $1.09
- Bank line $180 million, renewal in May 2023
- Q1 2023 average production of 12,412 boe/d

2023E Guidance

	2021	**2022**	**2023E**
Avg. BOE/D	8,931	11,022	13,000
CAPEX	$89	$109	$113
FFO	$91	$177	$140
Free CF	$2	$62	$28
Exit Debt	$202	$134	$91
D/CF (annual)	2.2x	0.8x	0.6x
(in millions)			

<u>Key Assumptions (2023E)</u>	
WTI (US$/bbl)	$75.00
AECO (C$/GJ)	$2.50
Ed. Par (C$/bbl)	$98.50

CORE PRINCIPLES

OWNER MODEL

- Insiders own 16% of basic shares & 23% on a fully diluted basis
- ~60% of new RSUs allocated to non-executives
- G&A per BOE of ~$1-1.50/boe

WEST CENTRAL ALBERTA

- Geographically focused
- Resource play
- Ample facility capacity on owned gathering infrastructure
- No take or pay contracts

EARNINGS DRIVEN

- Focus on profitability
- 2022 EPS of $1.16
- Share capital of $192.7mm
- Cumulative retained earnings of $280mm

LOW COST

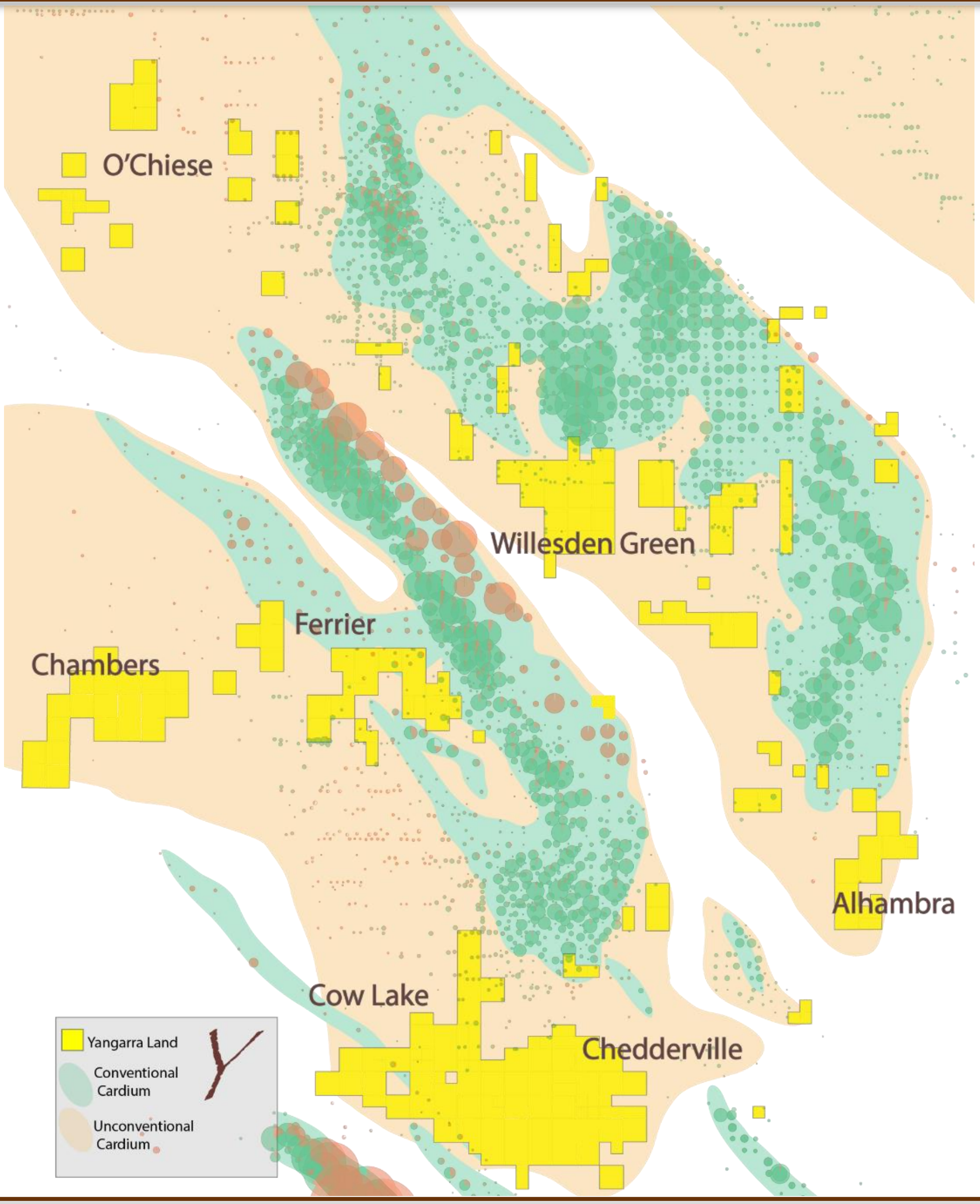
- Operating costs of ~ $8/boe
- Trucking division avoids over-capitalizing pads for emulsion delivery
- Vertical integration of oilfield services will provide hedge against inflationary pricing in oilfield services
- Oil "blending" at internal truck terminals increases oil price received by $3-4/bbl vs. offsetting operators

RETURN FOCUSED

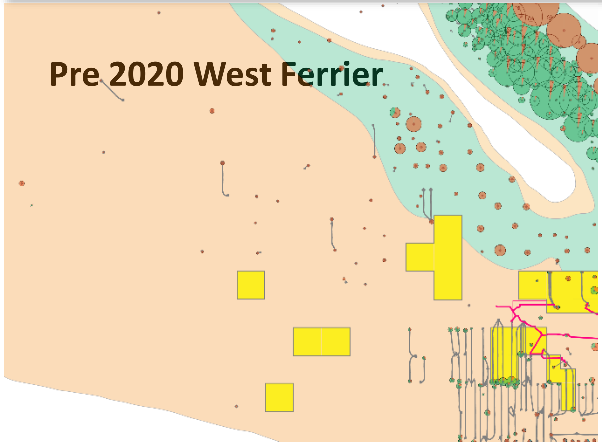
- Economic returns drive capital decisions
- Infrastructure & integrated services improve costs, which improves returns
- 2022 ROCE of 20.4%
- Q1 2023 annualized 12%

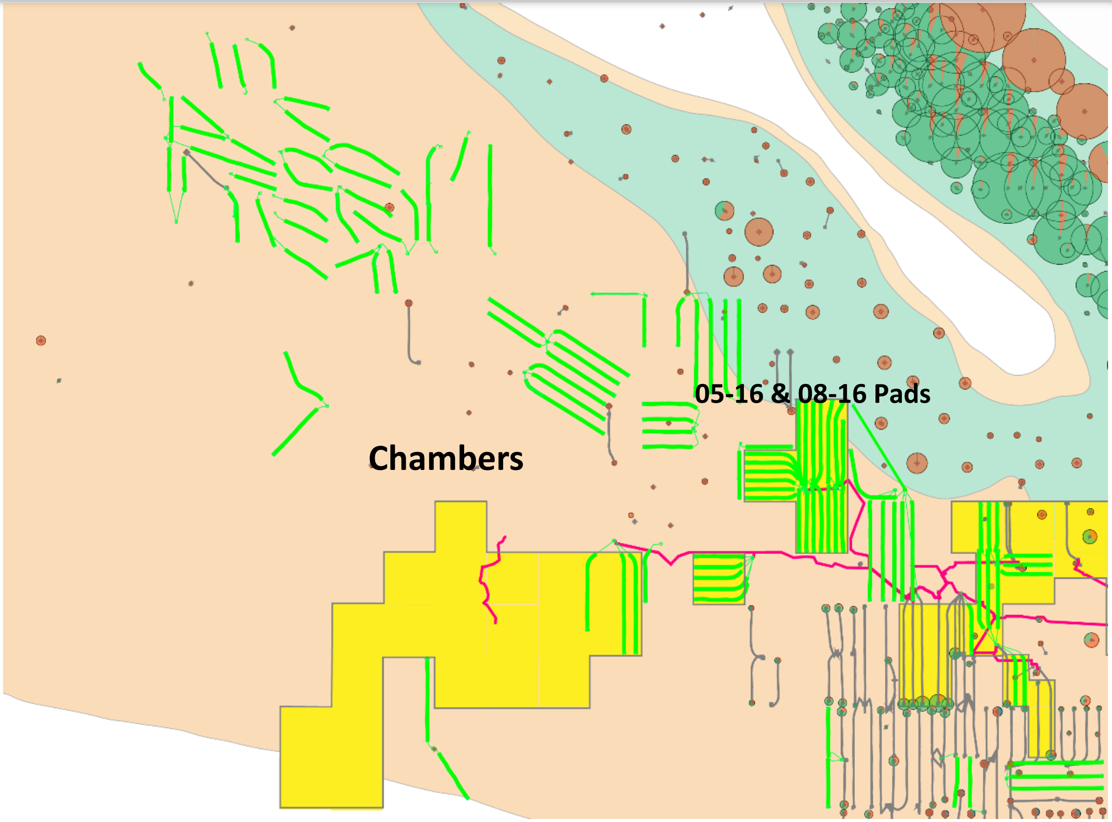
EXPANDING HALO CARDIUM

- Halo Cardium initially unlocked with the development of multi-stage fracked horizontal wells
- Recent developments show that the halo Cardium is much larger in aerial extent than just a thin edge around conventional Cardium pools
- Virgin halo Cardium can be developed optimally as a true resource play, unlike conventional pools with existing vertical producers
- Recent success at Chambers highlights boundaries of halo Cardium keep getting pushed out
- Longer term, Yangarra expects to develop each land block analogous to our 05-16 & 08-16 pads, depending upon commodity prices



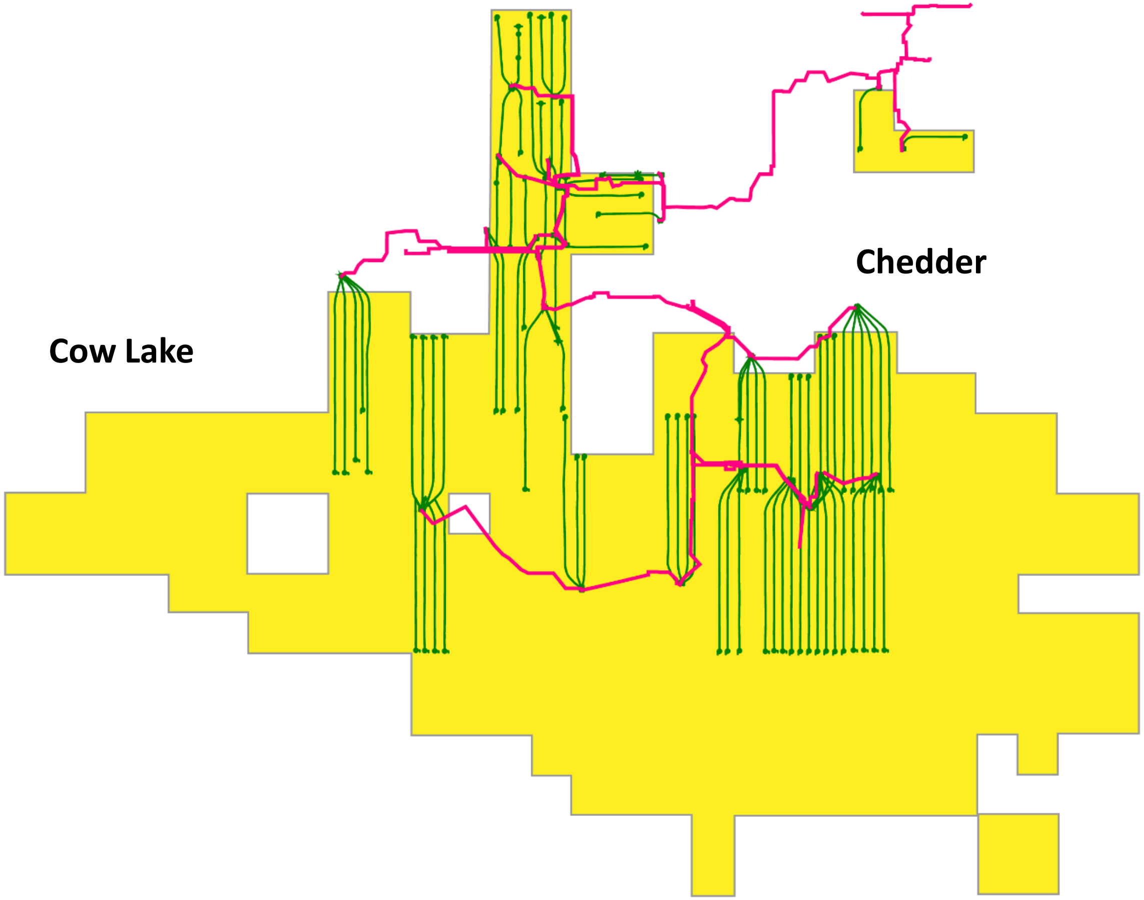
WEST FERRIER & NEW CHAMBERS AREA





- Pace of industry activity increased since 2020, active large producers in the area include:
  - Peyto, TAQA, Westbrick
- Yangarra built Chambers position and recently drilled 3 wells to test acreage
- Both West Ferrier & Chambers serve as a prime example of Yangarra's long-term strategy; incremental growth into new areas as the Cardium halo boundaries keep getting pushed out
- West Ferrier is characterized by variable well results, prolific IPs and higher GORs; Chambers is currently in the test phase
- **05-16 & 08-16 pad developments will serve as template to asset development across all our acreage**

COW LAKE & CHEDDER



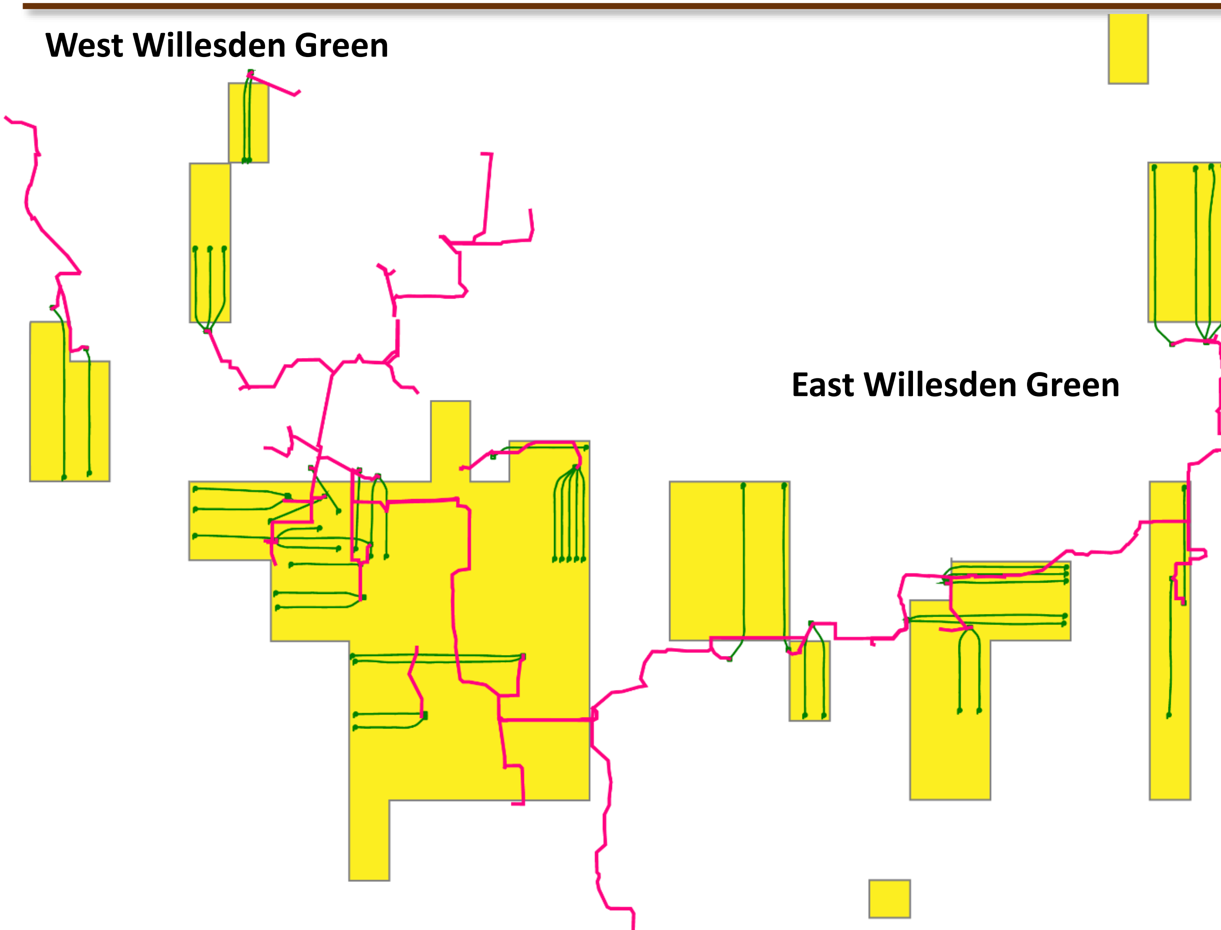
Chedder

- ➢ Lower rate wells but sustained by shallower liquids decline profile
- ➢ Yangarra recently hired a 3rd party to conduct study on ideal well-spacing & frack stage count

Cow Lake

- ➢ Significant runway of inventory development
- ➢ Recent results with completions changes suggests shallower decline profiles

Willesden Green



East Willesden Green

- Typically higher IP rates than West Willesden Green
- Plenty of infill opportunities
- Limited ability to grow land base

West Willesden Green

- Lower gas drive but higher oil cuts, resulting in lower IPs
- Yangarra expects to selectively develop area with higher oil prices

RESERVES & INVENTORY

- As at YE 2022, the Company had
  - $522 million in PDP NPV10 reserves, PDP RLI 6.1 years
  - $1.4 billion in total proved NPV10 reserves, total proved RLI 20.2 years
  - $2.0 billion in 2P NPV10 reserves, 2P RLI 33.9 years

- Reserve bookings for total proved and 2P reserves a result of Yangarra's strategic virgin land position

- Of the 32 wells drilled in 2022, only 18 wells were in the 2021 reserve report
  - Over 40% of 2022 capital program was used to expand reserve base by drilling new lands
  - Unlike conventional Cardium, a new well results in full booking of PUDs & probables

- ~70% of land base remains unexploited
  - Meanwhile Yangarra and the industry continue to push the envelope of the halo Cardium
  - Added 2.4 locations for every location drilled in 2022

- Long-term, every section Yangarra land could see a similar development as 05-16 & 08-16 pads, depending upon commodity price environment

Environment

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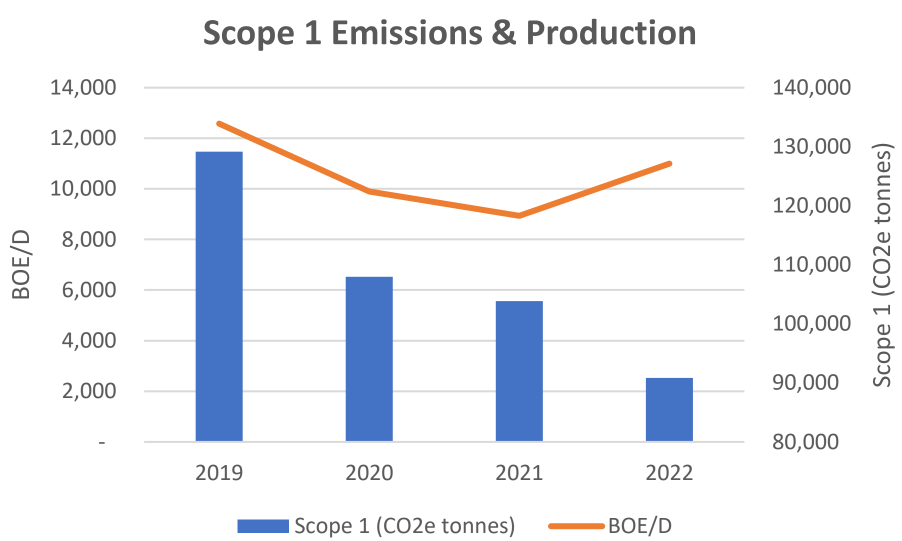
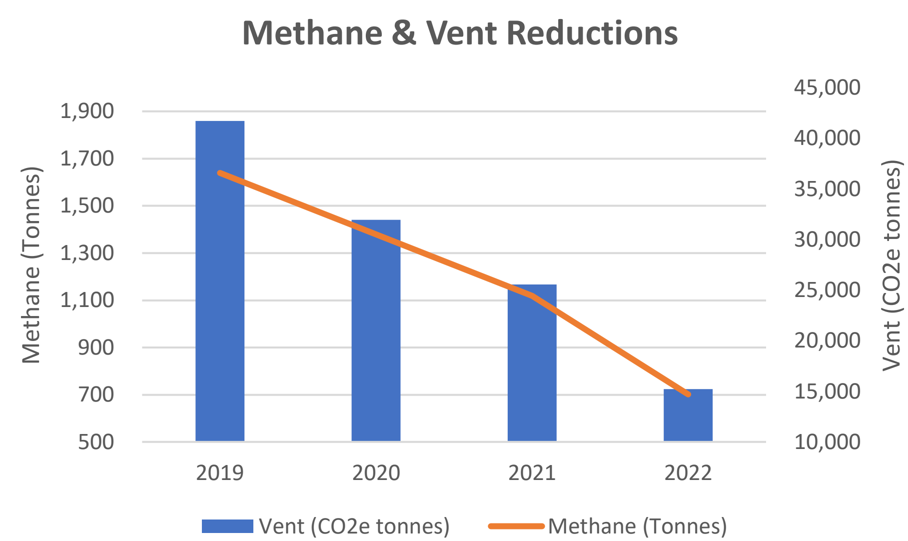




Report Card – Yangarra aggressively started addressing carbon emissions in 2020

- Yangarra has reduced total Scope 1 emissions by 12.5% YOY in 2022
  - Reduced total emissions by 29.6% since 2019
- Methane emissions reduced by 37% YOY in 2022
  - Reduced by 57.2% since 2019
- Vent emissions reduced by 40.5% YOY in 2022
  - Reduced by 63.5% since 2019

2022 Performance Metrics

- Scope 1 emissions intensity
  - Reduced intensity by 29.6% in 2022 to 0.0226 per boe produced
- Increased recycling of water by 23.6% in 2022
- Reduced freshwater usage 10.3% YOY

SOCIAL

Employee Statistics

- Total full-time staff of 71 increased by 6 from 2021
  - Corporate staff at 13 in 2022; 15 currently in 2023
  - Increased field staff by 6 employees
- 31% of corporate staff is female
- 14% of the Board is female

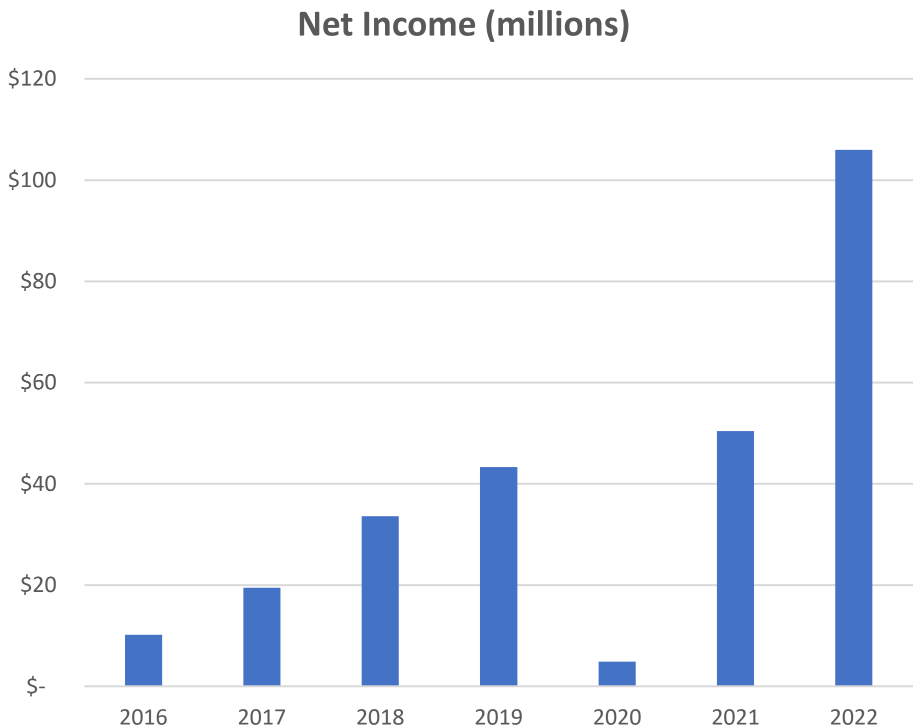
Report Card – Social Statistics

- The total recordable injury frequency ("TRIF") statistic measures exposure hours for all employees & contractors
  - Yangarra only counts exposure hours direct employees, such as truckers
- TRIF decreased by 8% in 2022 YOY
  - Two low-impact occupational injuries comprised 100% of Yangarra's TRIF metric

Compensation Structure

- In 2022, the Board approved a compensation structure that is in-line with the peer group and includes performance metrics that include an ESG component
- Compensation structure includes cash bonus & long-term incentive program (RSUs) designed to improve employee retention
  - 60% of RSUs allocated to non-executives

GOVERNANCE



- Generated $106 million of net income in 2022
    - $1.16 EPS
- Return on capital employed of 20.4% YTD 2022

- Organic growth
- Environmentally responsible
- Diverse set of views
- Shareholder & stakeholder focus
- Decision-making based on economic rate of return

OIL FIELD SERVICES ("OFS") GROUP

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- Yangarra's internally owned & operated OFS group works exclusively on Yangarra projects
  - Yangarra took advantage of low-pricing during 2020 to buy equipment
  - OFS group will help offset inflationary pressures
- Reduced costs by
  - 50% for pipeline costs compared to previous 3rd party sources
  - 30 % for facility install costs compared to previous 3rd party sources
  - 60% for lease building costs compared to previous 3rd party sources
- Company grader has doubled life of operating trucks, reduced towing by 90% and reduced friction with landowners & county
- Chemical and De-Wax work
  - Pressure pumping trucks & wireline allows Yangarra to improve run time and reduce costs by 70% when compared to 3rd party providers
- Significant oil storage capacity
  - Beneficial during volatile commodity cycles
- The OFS group creates a sustainable competitive advantage for Yangarra shareholders in terms of operating costs per boe and on D&C costs for new drills

LEADERSHIP

MANAGEMENT TEAM

Jim Evaskevich* *CEO*	- 30+ years of extensive executive experience - Strong field & drilling operational background
Gurdeep Gill, CFA* *President*	- 20+ years of experience in capital markets - Previously head of investment banking at AltaCorp Capital Inc.
Trish Olynyk* *Executive VP*	- 20+ years of experience in oil & gas - Previously Controller at Yangarra since 2005
James Glessing, CA* *Chief Financial Officer*	- 20+ years of oil & gas accounting experience - Ex-controller & CFO at various energy firms - Articled at Deloitte
Brett Booth* *VP Land*	- 12+ years of experience in oil & gas - Significant experience in Central Alberta

**Management Committee*

BOARD OF DIRECTORS

Gordon Bowerman *Chairman*	- President of Cove Resources Ltd. - 50+ years of oil & gas experience
Neil Mackenzie	- Director at various public companies - Recent Partner at Blackstone Fluids
Robert Weir	- President of Weir Resource Management Ltd.
Ted Morton	- Former Albertan & Canadian politician; Held Energy, Finance, Enterprise, and Sustainable Resources Minister positions
Penny Payne	- President of Vercatis Consulting Ltd. - Former CFO, Yangarra. Previously manager at MNP LLP & PWC
Dale Miller	- President of Dark Horse Energy Consultants - COO of Hillcrest Petroleum
Jim Evaskevich	- See bio in management team.

APPENDIX

RISK MANAGEMENT, ANALYST COVERAGE, PRESENTATION FOOTNOTES & FORWARD LOOKING STATEMENTS

ANALYST COVERAGE

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PRESENTATION FOOTNOTES

APRIL 2023

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- Slide 3: For FFO see definition on presentation footnotes; Sensitivities and upside scenario assumes US$2.00 differential, USD/CAD F/X of 1.35, and production composition of 24% oil, 55% natural gas and balance NGLs. FCF calculation is based on using mid-point of production guidance and mid-point of capital expenditure guidance. FCF potential assumes the Company achieves debt target of $80 million; Assumed $8.00 per boe of operating & transportation costs, 10% royalty rate, 8% interest rate on bank debt, $1.25 per boe of G&A costs
- Slides 3, 4: Peer group comprised of ATH, BNE, CJ, CR, GXE, HWX, IPO, JOY, LOU.V, OBE, PRQ, PNE, PIPE, SGY & TVE (all list on the TSX or TSX Venture). Data provided by ATB Capital Markets & Factset
- Slide 6: ROCE: Trailing 12-month EBIT divided by (Total Assets less Current Liabilities) for trailing years
- Slide 3, 11: NAV = NPV10 Reserve Value less adjusted Net Debt and excludes undeveloped land value, effective as at December 31, 2022 based on the reserve report prepared by Deloitte LLP, independent petroleum engineers (the “Reserves Report”). Per share calculation based on basic shares outstanding; See February 6, 2023 press release for F&D and NAV calculations

Additional Information/Terminology:

- Gas converted at 6 mcf : 1 barrel of equivalent basis (BOE)
- OOIP: original oil in place; OBOEIP: original barrels of equivalent in place

Non–IFRS and Additional IFRS Measures

This document contains "funds flow from (used in) operations", which is an additional IFRS measure. The Company uses funds flow generated from (used in) operations as a key measure to demonstrate the Company's ability to generate funds to repay debt and fund future capital investment. This document also contains the terms "net debt or adjusted working capital (deficit)" and "netbacks", which are non-IFRS financial measures. The Company uses these measures to help evaluate its performance. These non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

Funds flow from operations

Yangarra's determination of funds flow from operations and funds flow from operations per share may not be comparable to that reported by other companies. Management uses funds flow from operations to analyze operating performance and leverage and considers funds flow from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investments and to repay debt, if applicable. Funds flow from operations is calculated using cash from operating activities before changes in non-cash working capital and decommissioning costs incurred. Yangarra presents funds flow from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of income per share.

Netbacks

The Company considers corporate netbacks to be a key measure as they demonstrate Yangarra's profitability relative to current commodity prices. Corporate netbacks are comprised of operating, field operating, funds flow from operations and net income / (loss) netbacks. Operating netback is calculated as the average sales price of its commodities (including realized gains on financial instruments) and then subtracts royalties, operating costs and transportation expenses. Field operating netback subtracts the realized gains on financial instruments, Funds flow from operations netback starts with the operating netback and further deducts general and administrative costs, finance expense and adds finance income. To calculate the net income (loss) netback, Yangarra takes the funds flow netback and deducts share-based compensation expense as well as depletion and depreciation charges, accretion expense, unrealized gains on financial instruments, any impairment or exploration and evaluation expense and deferred income taxes. There is no IFRS measure that is reasonably comparable to netbacks.

Funds flow from operations margins and Operating margins

Are calculated as the ratio of Funds flow from operations netbacks to sales price and operating netback to sales price.

Adjusted Net debt

Adjusted net debt, which represent current assets less current liabilities, excluding current derivative financial instruments, are used to assess efficiency, liquidity and the general financial strength of the Company. There is no IFRS measure that is reasonably comparable to net debt or adjusted working capital (deficit).

Adjusted earnings before interest, taxes, depletion & depreciation, amortization

Adjusted earnings before interest, taxes, depletion & depreciation, amortization ("Adjusted EBITDA") which represents EBITDA, excluding changes in derivative financial instruments are used to assess efficiency, liquidity and the general financial strength of the Company.

Working Capital deficit (surplus)

Working capital deficit (surplus) is the total of current assets less the total of current liabilities and is used to assess efficiency, liquidity and the general financial strength of the Company

Reconciliations for the above Non–IFRS and Additional IFRS Measures are presented in the Company's latest MD&A

FORWARD LOOKING STATEMENTS

This presentation contains a summary of management's assessment of results and should be read in conjunction with the Consolidated Financial Statements and related Management's Discussion and Analysis for the year ended December 31, 2022, as filed on the SEDAR profile of Yangarra Resources Ltd. (the "Company"). This presentation contains certain forward-looking statements, which include assumptions with respect to (i) drilling success; (ii) commodity prices; (iii) production; (iv) reserves; (v) future capital expenditures; (vi) future operating costs; (vii) cash flow; and (viii) potential markets for the Company's production. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect.

Certain information regarding the Company set forth in this presentation, including statements regarding management's assessment of the Company's future plans and operations, the planning and development of certain prospects, the 2023 Capital Program and the Company's proposed exploration and development activities and the timing thereof, including the amount and allocation of capital expenditures, the number and types of wells to be drilled and brought on production and the timing thereof, estimates of total and net capital expenditures, and the focus of, the objectives of and the anticipated results from the 2023 Capital Program, production estimates, reserve estimates, productive capacity and economics of new wells, undeveloped land holdings and values, capital expenditures and the timing and allocation thereof (including the number, location and costs of planned wells), the total future capital required to bring undeveloped proved and probable reserves onto production, and expected production growth, may constitute forward-looking statements under applicable securities laws and necessarily involve substantial known and unknown risks and uncertainties. With respect to the Company’s 2023 production guidance, the key assumptions are that: the 2023 Capital Program will be carried out as currently contemplated; no unexpected outages occur in the infrastructure that the Company relies on to produce its wells and that any transportation service curtailments or unplanned outages that occur will be short in duration or otherwise insignificant; existing wells continue to meet production expectations; and future wells scheduled to come on production meet timing, production and capital expenditure expectations. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, failure of foreign markets to become accessible, the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, environmental risks, competition, the lack of availability of qualified personnel or management, inability to obtain drilling rigs or other services, capital expenditure costs, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, stock market volatility, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, fluctuations in foreign exchange or interest rates and market valuations of companies with respect to announced transactions and the final valuations thereof. Readers are cautioned that the foregoing list of factors is not exhaustive. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or the Company's website (www.yangarra.ca), including the Company's MD&A for the year ended December 31, 2022.

FORWARD LOOKING STATEMENTS
(CONT.)

The forward-looking statements contained in this presentation are made as of the date on the front page and the Company assumes no obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Certain information contained herein is based on, or derived from, information provided by independent third-party sources. The Company believes that such information is accurate and that the sources from which it has been obtained are reliable. The Company cannot guarantee the accuracy of such information, however, and has not independently verified the assumptions on which such information is based. The Company does not assume any responsibility for the accuracy or completeness of such information.

This presentation also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about prospective results of operations, cash flow, capital expenditures, net debt and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this presentation was made as of the date of this presentation and was provided for the purpose of providing information about management's current expectations and plans relating to the future, including with respect to the Company's ability to fund its expenditures. The Company disclaims any intention or obligation to update or revise any forward-looking statements or FOFI contained in this presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities law. Readers are cautioned that the forward-looking statements and FOFI contained in this presentation should not be used for purposes other than for which it is disclosed herein. The forward-looking statements and FOFI contained in this presentation are expressly qualified by this cautionary statement.

Forward Looking Statements

Non-GAAP Measures & Analogous Information

This presentation contains references to measures used in the oil and natural gas industry such as “netback”, “net debt” and “cash flow”. These measures do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”) and therefore should not be considered in isolation. These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used they should be given careful consideration by the reader. These measures have been described and presented in this presentation in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Netback denotes petroleum and natural gas revenue and realized gains or losses on financial instruments less royalty expenses, operating expenses and transportation and marketing expenses calculated on a per boe basis. Cash flow should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net earnings as determined in accordance with IFRS, as an indicator of the Company's performance or liquidity. Cash flow is used by the Company to evaluate operating results and the Company's ability to generate cash flow to fund capital expenditures and repay debt. Included in this presentation are estimates of the Company’s 2023 cash flow which are based on various assumptions as to production levels, commodity prices and other assumptions, are provided for illustration only and are based on budgets and forecasts that have not been finalized and are subject to a variety of contingencies including prior years' results. To the extent such estimates constitute a financial outlook, they were approved by management of the Company and are included to provide readers with an understanding of the Company's anticipated cash flow based on the capital expenditures and other assumptions described and readers are cautioned that the information may not be appropriate for other purposes. The Company uses net debt as a measure to assess its financial position. Net debt includes current liabilities (including the Company's credit facility and excluding the current portion of decommissioning obligations) less current assets (excluding property, plant and equipment, held for sale and risk management contracts).

Certain information provided in this news release may constitute "analogous information" under applicable securities legislation, such as reserve and resource estimates or the reserves and resources present on the Company's lands, and nearby lands, total production and production-rates from wells drilled by the Company or other industry participants located in geographical proximity to lands held by the Company. This information is derived from publicly available information sources (as at the date of this news release) that the Company believes are predominantly independent in nature. The Company believes this information is relevant as it helps to define the reservoir characteristics in which the Company may have an interest. The Company is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor or in accordance with the Canadian Oil and Gas Evaluation Handbook and therefore, the reader is cautioned that the data relied upon by the Company may be in error, may not be analogous to the Company's land holdings and/or may not be representative of actual results of wells anticipated to be drilled or completed by the Company in the future.

Natural gas has been converted to a barrel of oil equivalent (Boe) using 6,000 cubic feet (6 Mcf) of natural gas equal to one barrel of oil (6:1), unless otherwise stated. The Boe conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method and does not represent a value equivalency; therefore Boe's may be misleading if used in isolation. References to natural gas liquids ("NGLs") in this presentation include condensate, propane, butane and ethane and one barrel of NGLs is considered to be equivalent to one barrel of crude oil equivalent (Boe). One ("BCF") equals one billion cubic feet of natural gas. One ("Mmcf") equals one million cubic feet of natural gas.

Reserve Definitions:
"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.
"**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 plus probable reserves.
"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.
"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.
"Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, 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.
The **Net Present Value (NPV**) is based on Deloitte AJM Forecast Pricing and costs. The estimated NPV does not necessarily represent the fair market value of our reserves. There is no assurance that forecast prices and costs assumed in the Deloitte AJM evaluations will be attained, and variances could be material.

This presentation contains references to measures used in the oil and natural gas industry such as “netback”. These measures do not have standardized meanings prescribed by GAAP and therefore should not be considered in isolation. These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used they should be given careful consideration by the reader. These measures have been described and presented in this presentation in order to provide shareholders and potential investors with additional information regarding the Corporation's liquidity and its ability to generate funds to finance its operations. Netback denotes petroleum and natural gas revenue and realized gains or losses on financial instruments less royalty expenses, operating expenses and transportation and marketing expenses calculated on a per boe basis.