



**April 2016  
Update**



# Forward Looking Statement Advisories

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Certain information contained in this presentation constitutes forward-looking information within the meaning of applicable securities laws. This information relates to future events or the Company's future performance. All information other than information of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. This information speaks only as of the date of this presentation or, if applicable, as of the date specified in those documents specifically referenced herein. In addition, this presentation may contain forward-looking information attributed to third-party sources.

Without limitation of the foregoing, this presentation contains forward-looking information pertaining to the following: the reserve potential of the Company's assets; the anticipated production from the Company's assets and anticipated future cash flows from such assets; the Company's growth strategy and opportunities; the Company's capital exploration and development programs and future capital requirements; the estimated quantity and value of the Company's proved and probable reserves; expectations regarding the ability to raise capital and to continually add to reserves; the Company's estimates of future interest and foreign exchange rates; the Company's environmental considerations; the Company's assumptions regarding commodity prices; the Company's expectations regarding reduction in its operating costs; the timing of commencement of certain of the Company's operations and the level of production anticipated by the Company; the potential for production disruption and constraints; supply and demand fundamentals for crude oil and natural gas; the Company's access to adequate pipeline capacity; the Company's access to third-party infrastructure; the Company's drilling and recompletion plans; the Company's expected capital expenditures; expected debt levels and credit facilities; industry conditions pertaining to the oil and gas industry; the Company's plans for, and results of, exploration and development activities; the planned construction of the Company's gathering, transportation and processing facilities and related infrastructure; the timing for receipt of regulatory approvals; the Company's treatment under governmental regulatory regimes and tax laws; the Company's future general and administrative expenses; and the Company's expectations regarding having adequate human resource staffing.

# Westbrick Snapshot



**PRIVATE ENERGY COMPANY – 79% owned by KKR, 21% owned by management**

## External Financing

- \$290MM Equity, \$63MM Debt

## Current Production 11,000 BOEPD

- 2016 effective decline rate - 0% with no drilling required
- Producing at 60% of current productive capacity

## Pembina Deep Basin Land Position

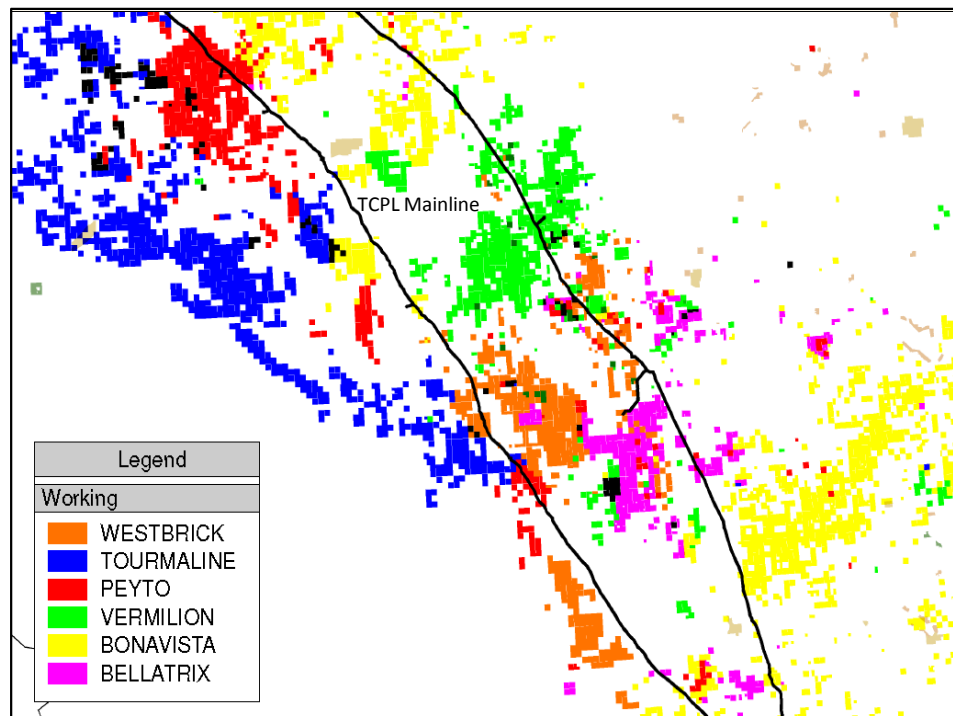
- Total land – 527 sections (Avg. W.I. 77%)
- Most rights from base Cardium to base Rock Creek
- Two key plays – Deep basin Manville Gas and Light Oil Rock Creek
- Current drilling inventory competes with the lowest cost gas and oil deliverability in North America
- Drilling inventory - Over 500 net locations (<15% booked)

## 2015 Highlights

- Acquired \$70MM of new lands
- Closed two financings: Feb \$75MM at \$12.00 per share and Dec \$25MM at \$11.50 per share
- Completed efforts to capture a large inventory of high deliverability liquid rich gas and light oil development

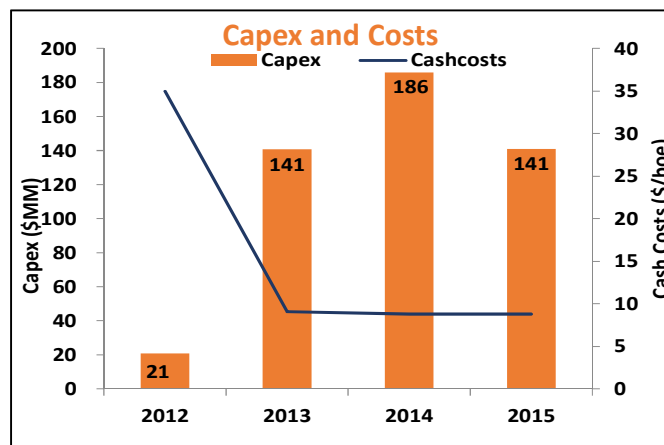
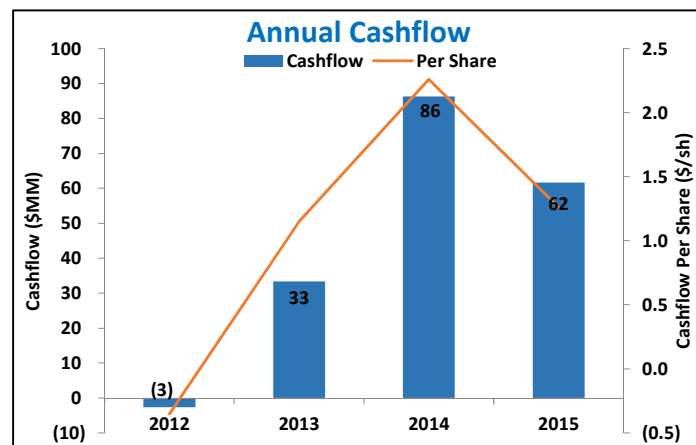
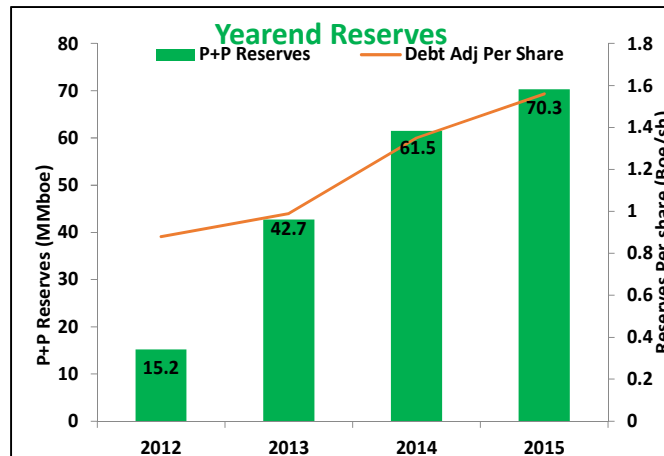
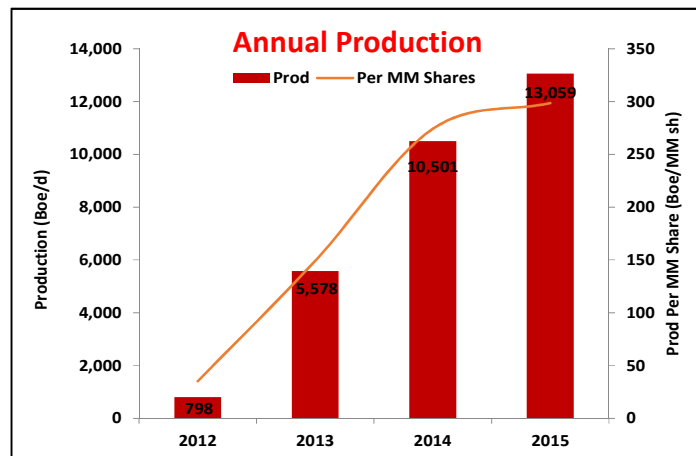
## 2015 YE Reserves

- P+P 70.3 MMboe (25% liquids)
- 17.5 year P+P RLI at 11,000 boe/d



Southern end of Deep Basin trend  
All major industry players are present

# Performance Track Record



- Rate of return focus
- Target per share growth
- Almost all production through drill bit
- Utilize mid- stream facilities
- Metrics comparable to top tier public companies

# 2015 Actual Results



	Year Ended December		YOY	YOY	Comments
	2014	2015	Change	% Change	
<b>Revenue</b>					<ul style="list-style-type: none"> <li>Selected financial information from audited 2015 &amp; 2014 financial statements</li> </ul>
Oil	\$ 13,967	\$ 11,580			
Natural gas	85,713	41,976			
Liquids	37,106	45,912			
Other income	(1,676)	5,221			
<b>Revenue</b>	135,110	104,689	\$ (30,421)		<b>Cashflow</b> <ul style="list-style-type: none"> <li>Lower revenue in 2015 on higher volumes but lower prices</li> <li>Reduced royalties due to royalty incentives and GCA benefits</li> <li>Higher opex with increased volumes but per unit opex has decreased from 2014. Currently below \$7/boe</li> <li>Higher G&amp;A in 2015 due to increase in staff and new office lease however net G&amp;A per unit comparable to 2014.</li> </ul>
<b>Royalties</b>	15,400	1,415	(13,985)		
	119,710	103,274	(16,436)	-14%	
<b>Operating expenses</b>	28,218	34,023	5,805	21%	
<b>Field Cash Flow</b>	91,492	69,251	(22,241)		
<b>G&amp;A</b>	3,932	4,584	652	17%	
<b>Interest &amp; finance costs</b>	1,185	2,936	1,751	148%	
<b>Net Corporate Cashflow</b>	86,375	61,731	(24,644)		
<b>Capital expenditures</b>	184,048	135,598	(48,450)	-26%	
<b>Net</b>	<u>\$ (97,673)</u>	<u>\$ (73,867)</u>	<u>\$ 23,806</u>		
<b>Net Debt</b>	<u>(84,502)</u>	<u>(62,910)</u>	<u>21,592</u>	-26%	<b>Capex</b> <ul style="list-style-type: none"> <li>Approximately 50/50 land and drilling</li> </ul> <b>Exit 2015 Debt</b> <ul style="list-style-type: none"> <li>1.0:1 debt to trailing 12 months cash flow</li> </ul>

# 2015 Actual Results (cont'd)



		Year Ended December		YOY	YOY	Comments
		2014	2015	Change	% Change	
Production						
Oil	MBbls	154	215	61	40%	<ul style="list-style-type: none"><li>H2 2015 production was curtailed by TCPL restrictions.</li><li>IT TCPL transportation opened in mid December</li></ul>
Gas	MMcf	18,588	23,315	4,727	25%	
NGLs	MBbls	581	702	121	21%	
MBOE		3,833	4,803	970		
Average Production - BOEPD		10,502	13,160	2,658	25%	<ul style="list-style-type: none"><li>Westbrick is now downstream of the TCPL restrictions and has access to IT capacity.</li><li>60% of op costs are midstream costs with a short term commitment</li></ul>
Price/unit - Unhedged						
Oil	\$	90.64	\$ 53.74	\$ (36.90)	-41%	
Gas		4.61	1.80	(2.81)	-61%	
NGL's		63.87	65.39	1.53	2%	<ul style="list-style-type: none"><li>G&amp;A recoveries are lower in 2015 due to reduced activity</li><li>Weighted number of shares reflects 6.3 mm shares issued in Q1 2015 and 2.3 mm shares issued in December 2015</li></ul>
Per BOE		35.69	20.71	(14.98)	-42%	
Price/boe - With other income						
Royalties as a % of Revenue		11.3%	1.4%	-9.8%	-87%	
Opex/BOE	\$	7.36	\$ 7.08	\$ (0.28)	-4%	<ul style="list-style-type: none"><li>Total number of issued common shares – 46.8 mm; 4.2 mm time vested options issued</li></ul>
Field Netback/BOE	\$	23.87	\$ 14.42	\$ (9.45)	-40%	
G&A/BOE before recoveries	\$	2.27	\$ 1.61	\$ (0.66)		
Recoveries		(1.24)	(0.65)	0.59		
Net G&A per boe	\$	1.03	\$ 0.96	\$ (0.07)	-7%	
Weighted average basic common						
shares outstanding		38,186,273	43,748,333	5,562,060		
Net corporate cashflow per share	\$	2.26	\$ 1.41	\$ (0.85)		

# 2016 Business Plan: Wait and See Strategy

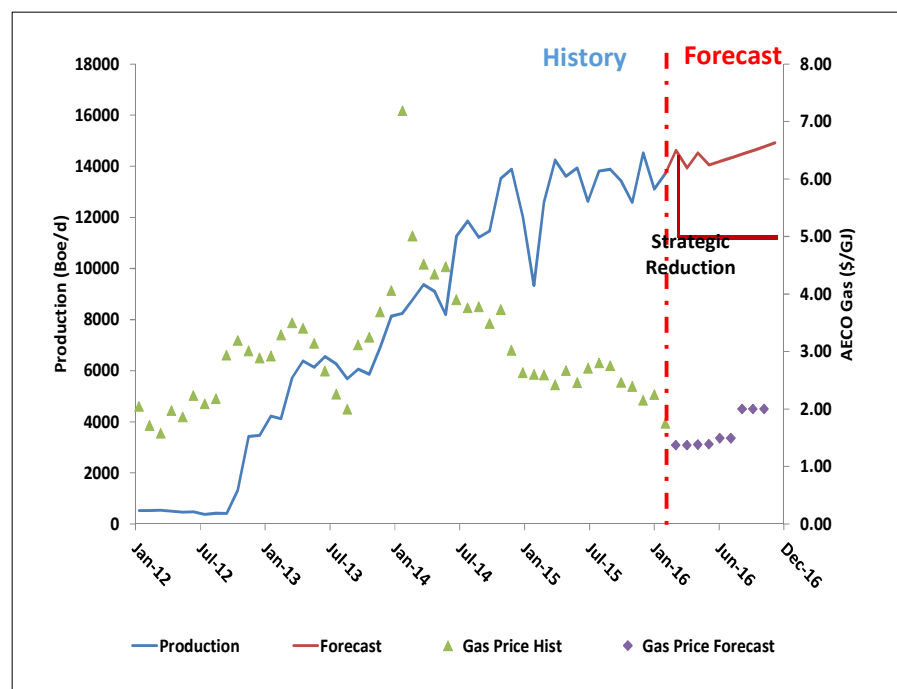


## Westbrick Objectives

- Maintain financial health
- Continue cost reduction initiatives
- Remain focused on capital efficiency
- Close strategic land acquisitions
- Evaluate step change transactions

## Key Attributes

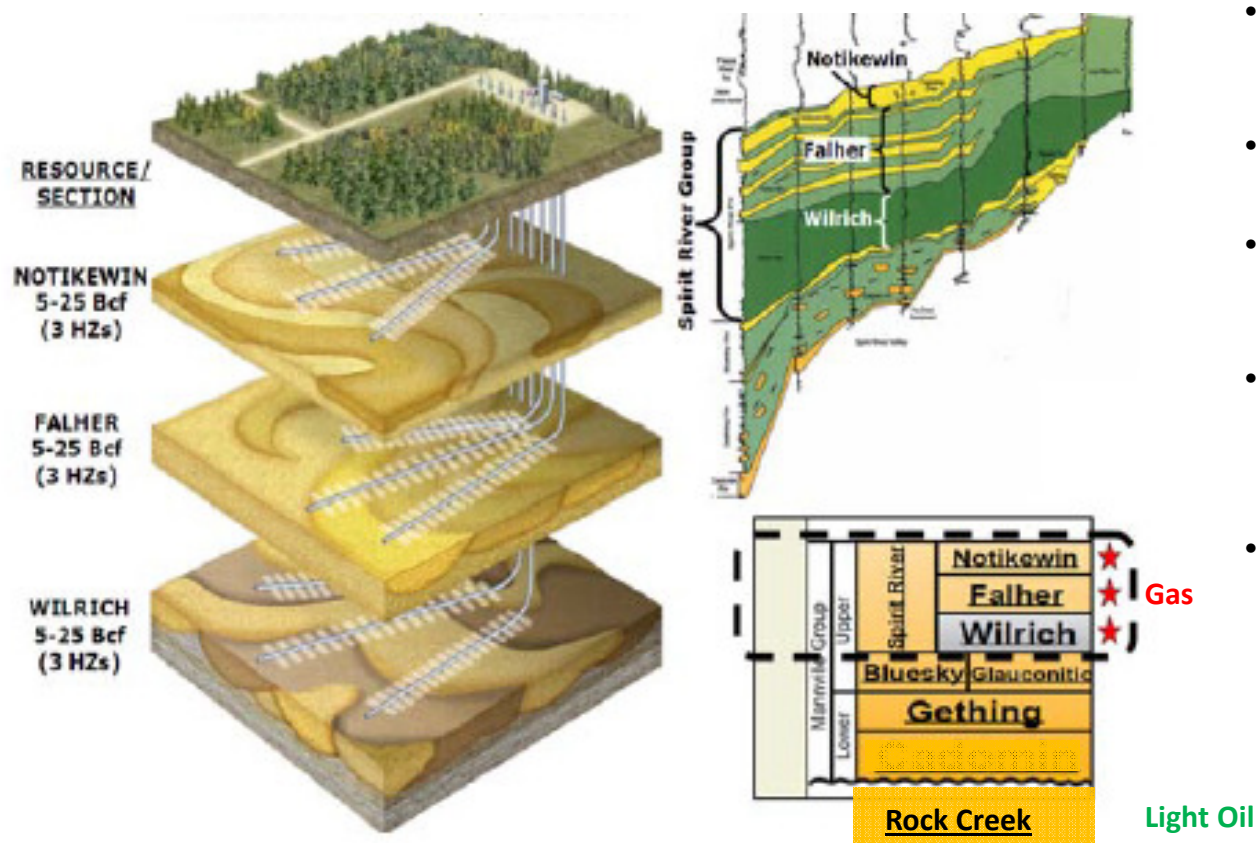
- Flexibility (commodity prices, production, debt, opportunities, no commitments)
- Able to grow production with cash flow
- Production Range – 11,000 to 15,000 BOEPD
- Cash flow – \$30 to 45 MM
- Debt Level – flat to \$70MM
- Capital Investment – approximately match cash flow



# Why Deep Basin? Stacked Multi-Zone Sequence



Good Rock + Technology = Great Wells

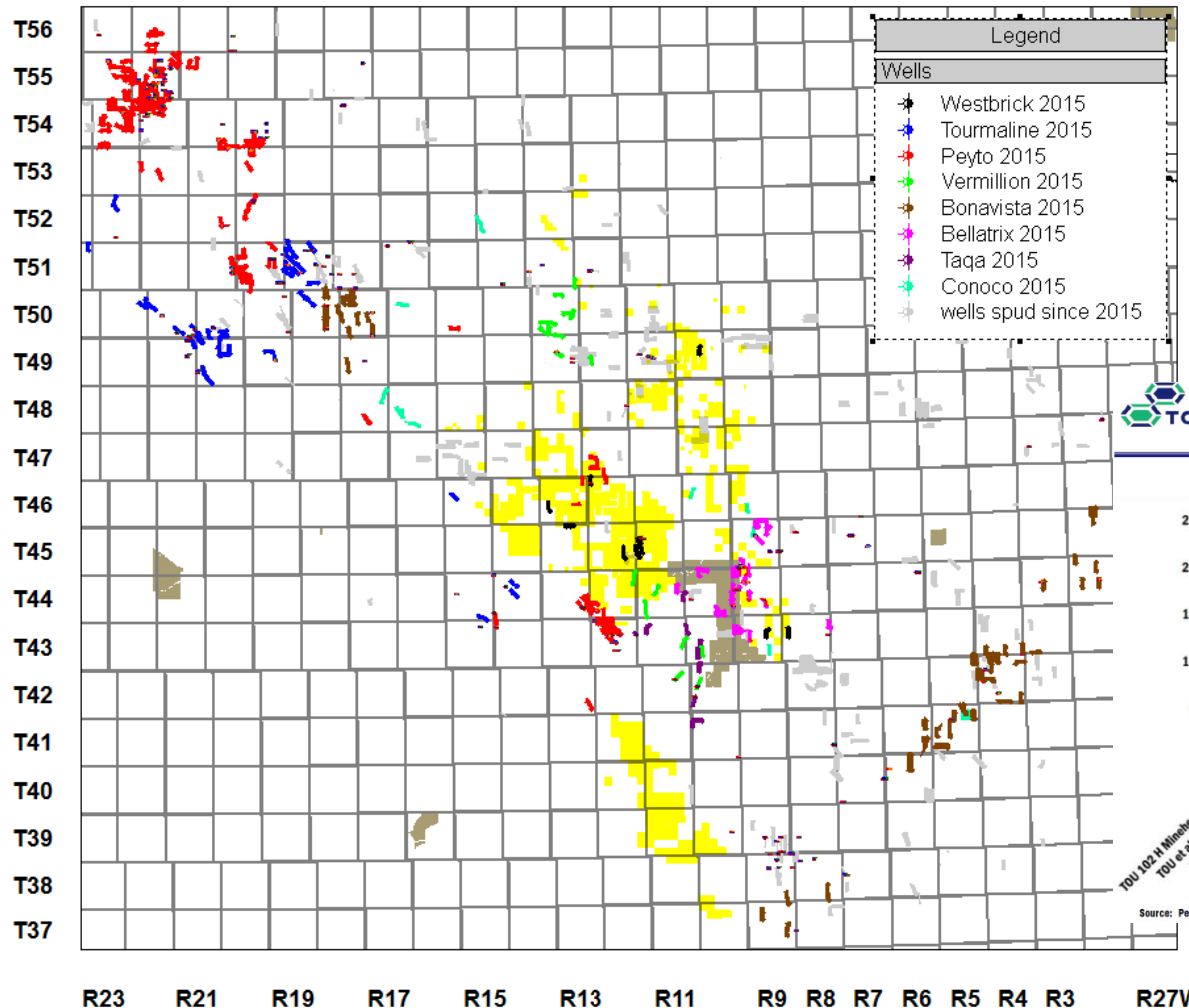


- **Effectively a resource play** – single section can have numerous locations
- **Conventional plays** – vertical well control
- **Performance governed by sand quality** – mapping can find higher productivity
- **Complex stratigraphy** – multi-stacked sands, numerous opportunities to acquire drilling inventory
- **Local Strengths** – midstream gas plant capacity options

Source: Company reports, Canadian Discovery Digest, and CIBC World Markets Inc.



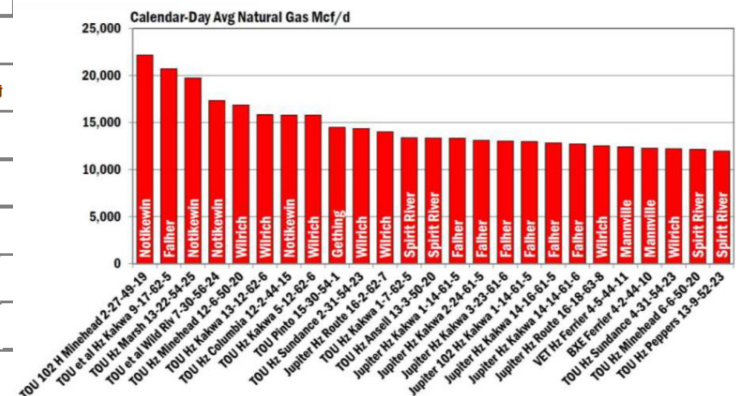
# Deep Basin 2015 Drilling Activity



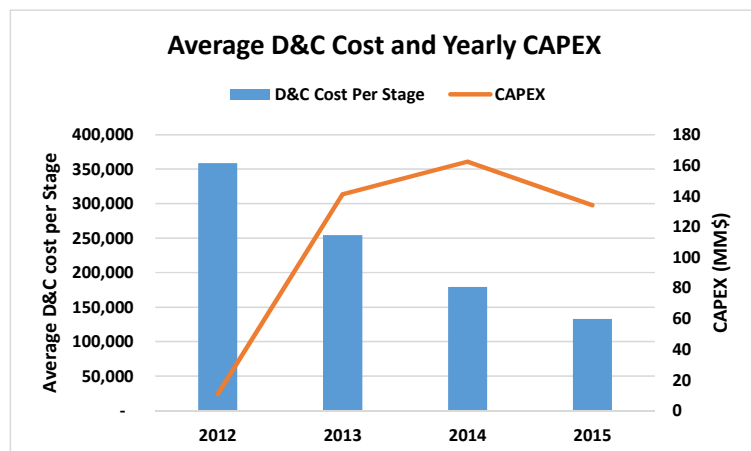
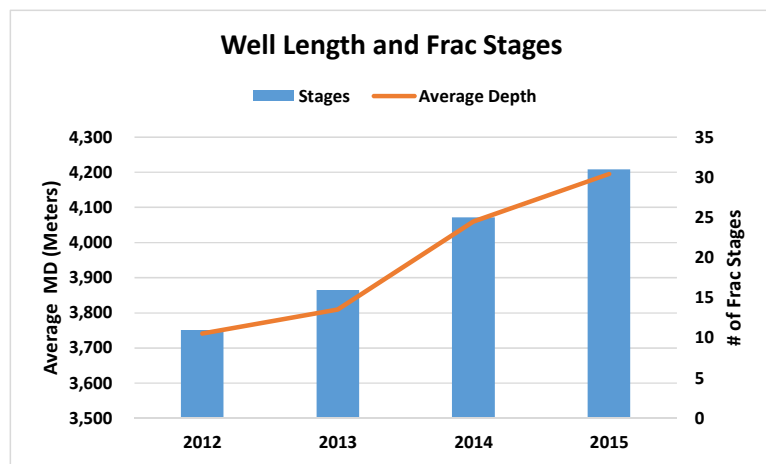
- Very active drilling area
- Best Alberta gas wells being drilled along trend



**Top Gas Wells Drilled in Alberta in 2015**

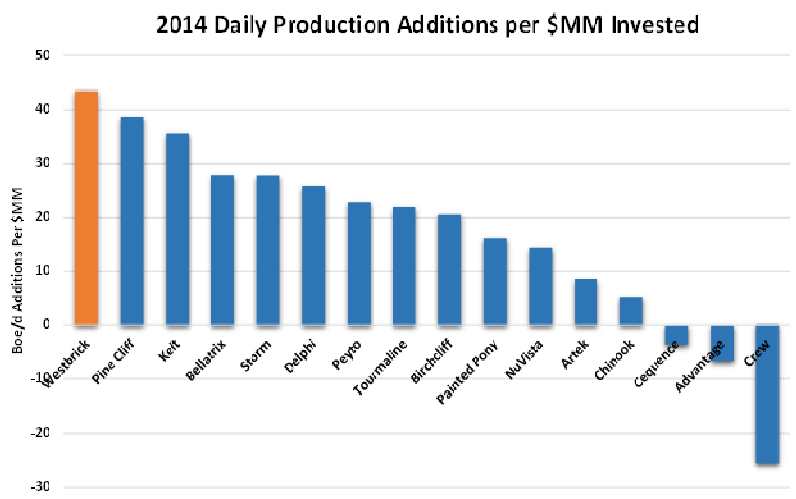
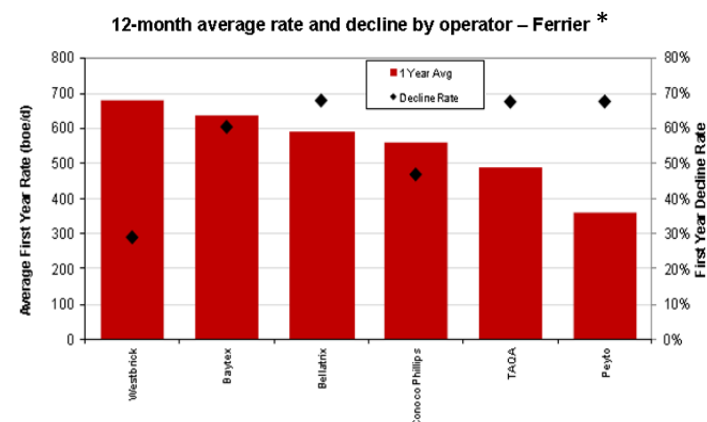
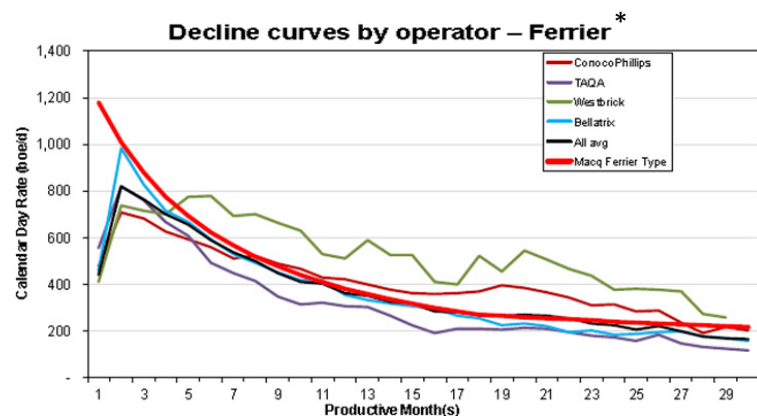


# Efficient Shareholder Returns    Never Ending Objective



- Execution design and optimization drives cost structure and improves well performance
- Highly predictable geology leads to highly predictable execution and costs
- Concentrated land base allows us to leverage continuous operational learnings
- D&C&T costs have declined overall by about 20%
- Well performance has improved because of more stages but per stage costs have been reduced by over 60%
- Drilling to date has focused on resource delineation. Further cost reductions expected with pad drilling

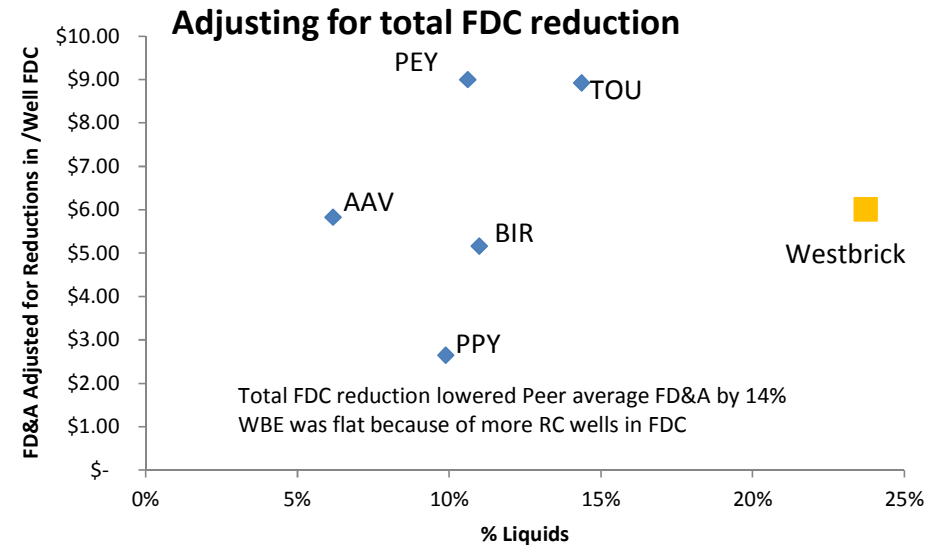
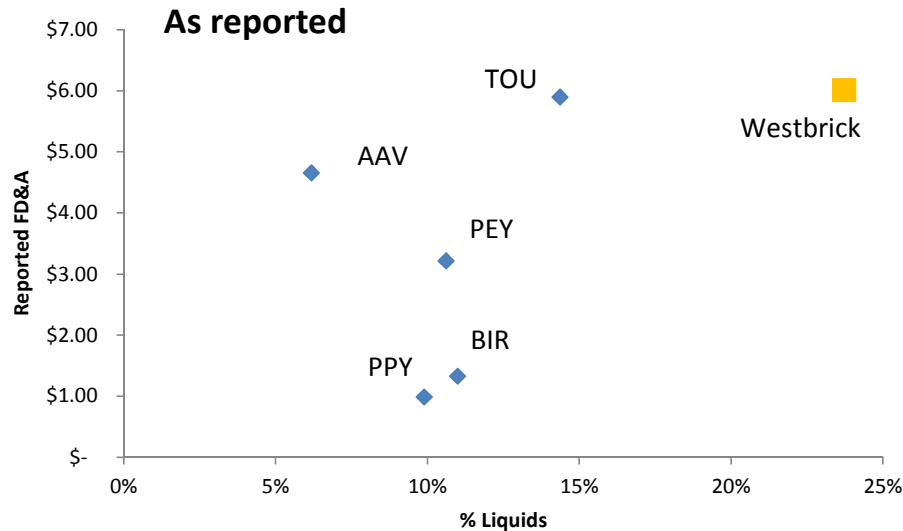
# A Different Approach = Better Returns



\*Smells like teen Spirit River: Macquarie Capital, Aug 4, 2015

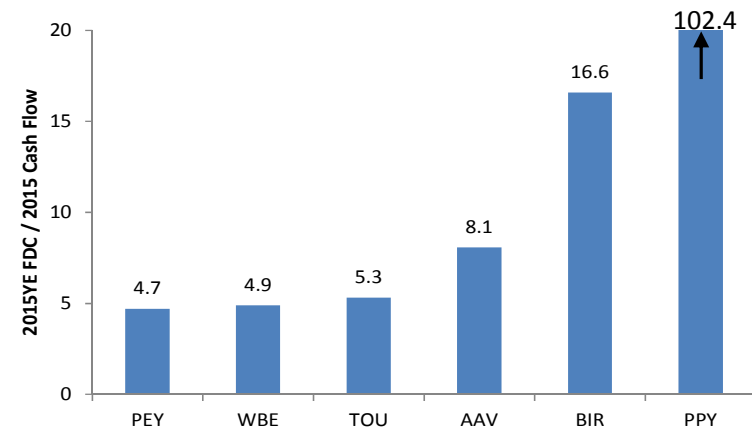
- Wells are choked to manage capital efficiency and well performance
- Infrastructure is built for sustainable growth and optimized returns, not highest IP rates
- Lower decline rates and higher flowing pressures require less sustainability capital
- Operating strategy improves production addition per unit capital which is a direct analog for returns.

# 2015 Yearend Reserves Analysis – 2P FD&A



How does Westbrick compare to its public peers?

- Top decile performance
- WBE has highest liquid % of Peer group
- PDP 21.4% of 2P: Industry average
- FD&A since inception - \$8.81/Boe
- Approximately 10% of total drilling inventory booked in the reserve report



# Westbrick is ready for the next step



- 1. Strong capital efficiency history**
  - Proven resource and execution program
  - Low supply cost resource relative to basin and North America
  - Strong balance sheet, no commitments, and great shareholder support
- 2. Very focused and operated land base**
  - Captured 2 high quality plays in 4 major land blocks
  - Over 25 years of development drilling inventory
  - Large gas and light oil drilling inventory
- 3. Sustainable production base**
  - All components are in place (play, lands, facilities, markets)
  - Ability to hold production with current cash flow
  - Can quickly grow production through drill bit
- 4. Possible alternatives to create shareholder value**
  - Stand alone: growth or dividend model
  - Roll-in to an existing entity
  - Combination to form a larger entity



Westbrick Drilling Operation : 1-19-43-08W5

# Corporate Information

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## **Westbrick Energy Ltd.**

Suite 2500 255 – 5<sup>th</sup> Ave SW

Calgary Alberta

T2P 3G6

### **Contacts**

Ken McCagherty – President & CEO

(587) 293 4660

[mccagherty@westbrick.ca](mailto:mccagherty@westbrick.ca)

Fax: (403) 232 8815

Lloyd Heine – VP Finance & CFO

(587) 293 4679

[lheine@westbrick.ca](mailto:lheine@westbrick.ca)

Fax: (403) 232 8815

### **Corporate Information**

Bankers - National Bank of Canada, TD & HSBC

Evaluation Engineers - GLJ Petroleum Consultants

Legal Counsel - McCarthy Tetrault LLP

Auditors - KPMG LLP

