

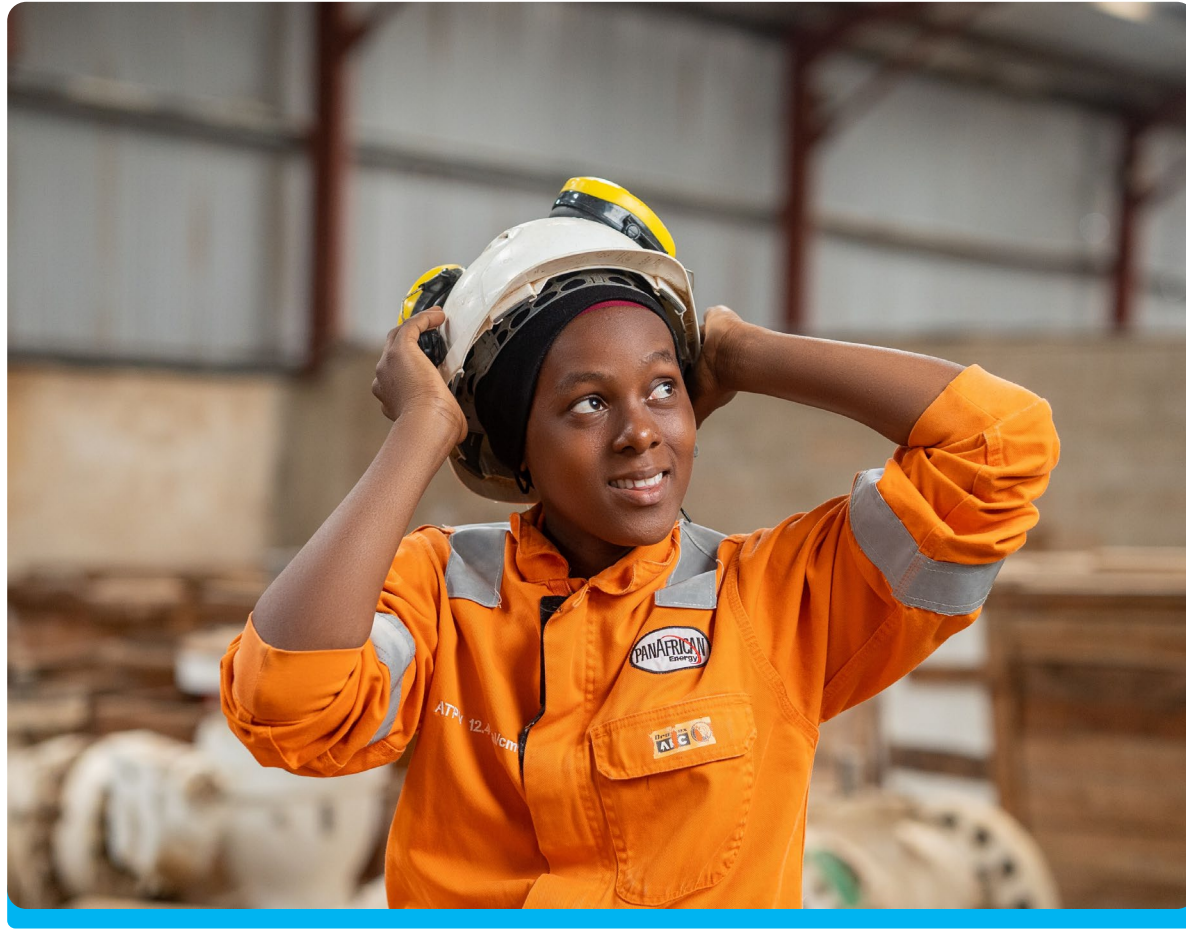
# ORCA ENERGY GROUP INC.

MAXIMIZING OUR POSITIVE CONTRIBUTION FOR ALL STAKEHOLDERS AS A LONG TERM PARTNER TO TANZANIA





## DISCLAIMER



The information in this presentation (the "Presentation"), provided as of May 2023, is not complete and does not contain all material information about Orca Energy Group Inc. ("Orca" or the "Company"), including important disclosures and risk factors associated with the Company's business. This Presentation does not take into account the particular investment objectives or financial circumstances of any specific person who may receive it and does not constitute an offer to sell or a solicitation of an offer to buy any security in Canada, the United States or any other jurisdiction. The contents of this Presentation have not been approved or disapproved by any securities commission or regulatory authority in Canada, the United States or any other jurisdiction, and Orca expressly disclaims any obligation to make disclosure or any filings with any securities commission or regulatory authority, beyond that imposed by applicable laws. See "Advisories" and other important disclosures regarding forward-looking information, oil and gas information, and other important information.

Certain other information contained in this Presentation has been prepared by third-party sources, which information has not been independently audited or verified by Orca. No representation or warranty, express or implied, is made by Orca as to the accuracy or completeness of the information contained in this Presentation and nothing contained in this Presentation is, or shall be relied upon as, a promise or representation by Orca.

# A SNAPSHOT OF ORCA

## PROUD TO SUPPORT TANZANIA AND THE COUNTRY'S GROWING ECONOMY

### Operating in Tanzania

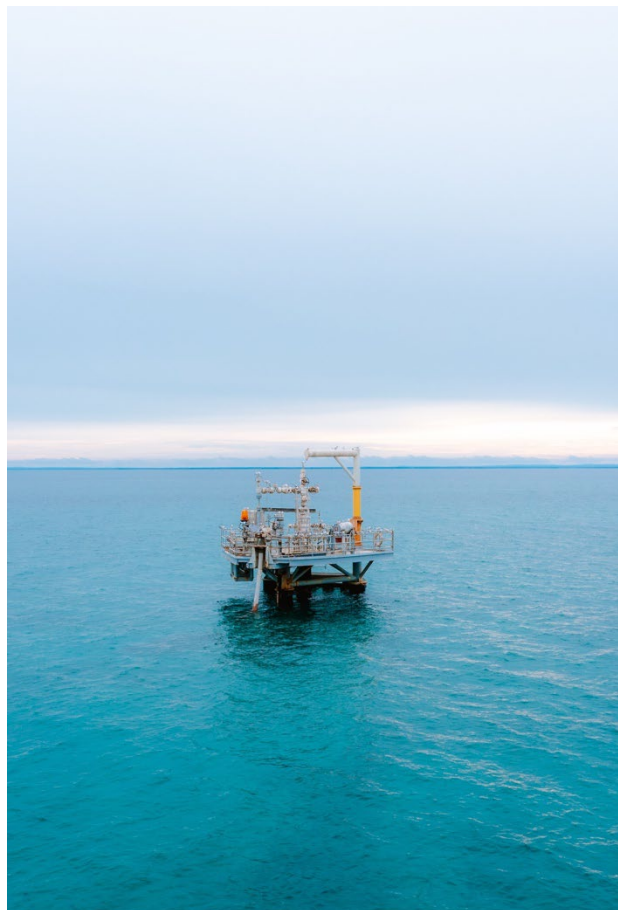
- Operator of the Songo Songo gas field offshore Tanzania
- Songo Songo has supplied >530 billion cubic feet ("BCF") of gas to Tanzania
- Actively investing in the field and has a work program in place to realize further value from the Songo Songo Gas Field
- Strong financial position and returned US\$115m to shareholders since 2018
- Aims to balance growth opportunities at Songo Songo with stakeholder returns via quarterly dividends and share buybacks
- Assisting Tanzania to develop a more diverse and robust industrialized economy
- Proud of its highly qualified and dedicated local workforce, a leading factor in the Company's operational delivery





## 2022 HIGHLIGHTS

ORCA AIMS TO ACHIEVE OPERATIONAL EXCELLENCE, DELIVERING VALUE THROUGH GROWTH OPPORTUNITIES AND STAKEHOLDER RETURNS



### Financial

2022 Revenue

**\$118.1m**

Increased 37% compared to 2021  
2021 revenue of \$86.0 million

2022 Return to shareholders:

**\$6.5m**

Quarterly dividends and Normal Course Issuer  
Bid ("NCIB")

2021: \$38.3m

Quarterly dividends, Substantial Issuer Bid  
("SIB") and NCIB

2022 Capital Expenditure

**\$22.4m**

2021 capital expenditure of \$26.6m



### Operational

2022 conventional natural gas production

**86.8 MMcfd**

61.1 MMcfd in 2021

Onshore 3 well workover program  
completed in Q2 2022 at a gross cost of

**\$31.6m**

Gas compression project successfully  
implemented in Q1 2022 at a gross cost of

**\$43.4m**

Experience operating the Songo Songo  
gas field and related infrastructure

**18 Years**

# FUELING ECONOMIC GROWTH

RESPONSIBLE FOR SUPPLYING NATURAL GAS TO APPROXIMATELY 45% OF THE TOTAL POWER GENERATION DURING 2022



## Power Sector

- Installed power generation capacity of approximately 1,600 MW gas fired and hydropower
- Power consumption averaging > 1000MW/day
- Significant expansion of power generation and distribution throughout the country

- National Power System Master Plan shows considerable increases in power demand through next 10 years
- Company continues to invest in Songo Songo to maintain current production and potentially grow additional gas supplies in the short to mid term

## Industrial Sector

- 50km low pressure distribution system constructed and operated by the Company
- 49 industrial customers connected; ongoing negotiations with several others
- Widely recognized as an affordable, clean and dependable source of energy in industry

- Improved investment environment expected to accelerate industrial expansion
- Continuous expansion of the ring main distribution system targeting industrial customers

## Compressed Natural Gas

- Transported to industries and hotels not connected to the pipeline system
- Transportation sector – supplying compressed natural gas (“CNG”) for cars
- Opportunity to supply CNG to haulage industry
- CNG presents considerable opportunity in assisting Tanzania to meet its environmental goals

- Significant demand potential beyond Dar es Salaam
- Accessible through virtual pipelines
- Growing government promotion of CNG in industry and transportation
- Increasingly recognized as an affordable, viable alternative fuel in transport sector

# KEY FINANCIAL PERFORMANCE INDICATORS

FOCUSED ON MAINTAINING A STRONG FINANCIAL POSITION, DELIVERING SUSTAINABLE SHAREHOLDER RETURNS

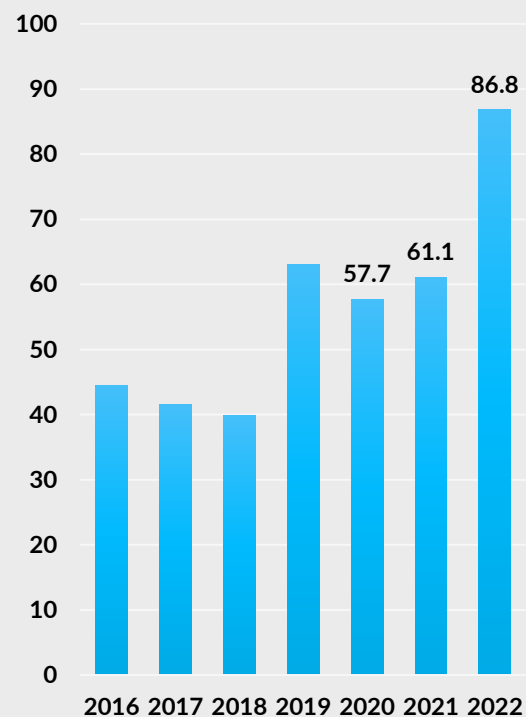
Maintaining a strong liquidity position remains a priority for the Company

Growth of daily gas production over a multi-year period has helped deliver growth in net production revenue.

Orca is fully funded for its 2023 work program.

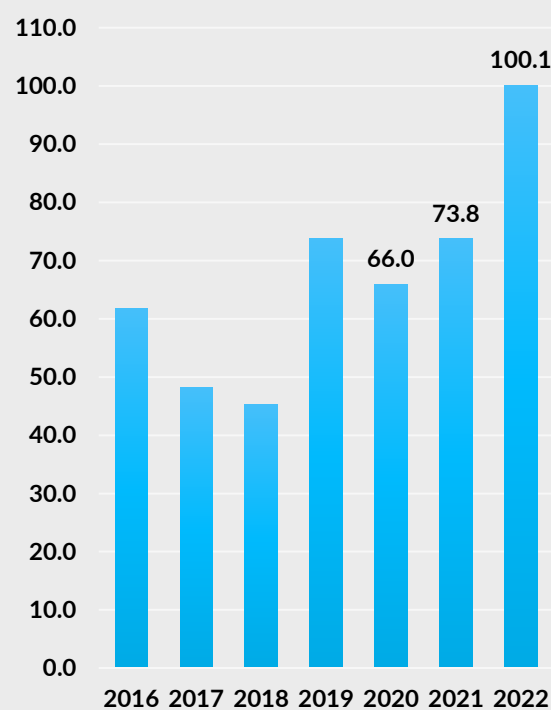
## Gross daily sales volume average

MMcfd



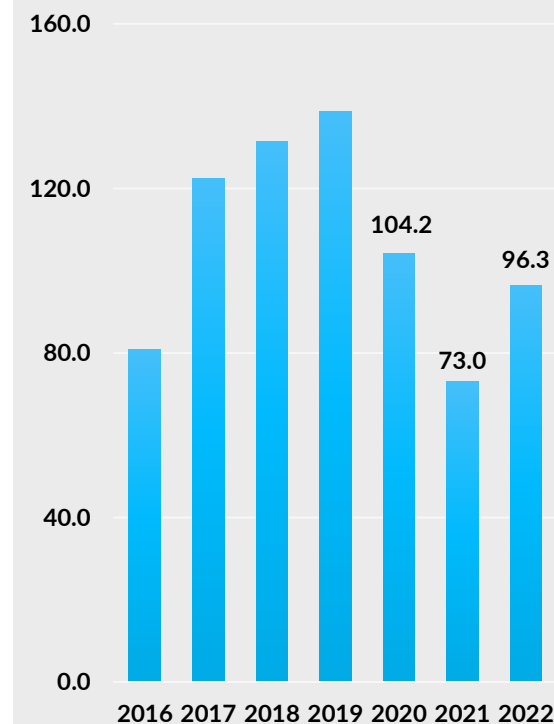
## Net production revenue

\$m



## Cash and cash equivalents

\$m



## SUSTAINABLE SHAREHOLDER RETURNS

SHAREHOLDER RETURNS CONTINUE TO BE BALANCED WITH THE NEED TO INVEST IN THE FIELD TO INCREASE PRODUCTION CAPACITY

Since 2018 Orca has distributed shareholder returns totaling US\$115.5 million

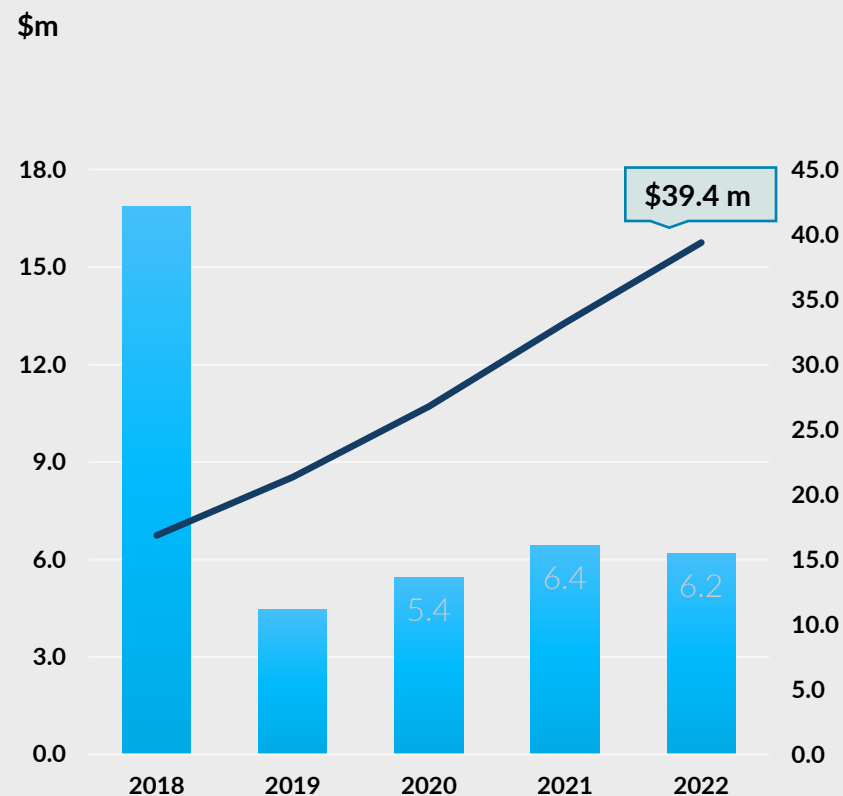
Quarterly dividends since 2018 have totaled US\$39.4 million

Dividend yield for 2022 of ca. 8%

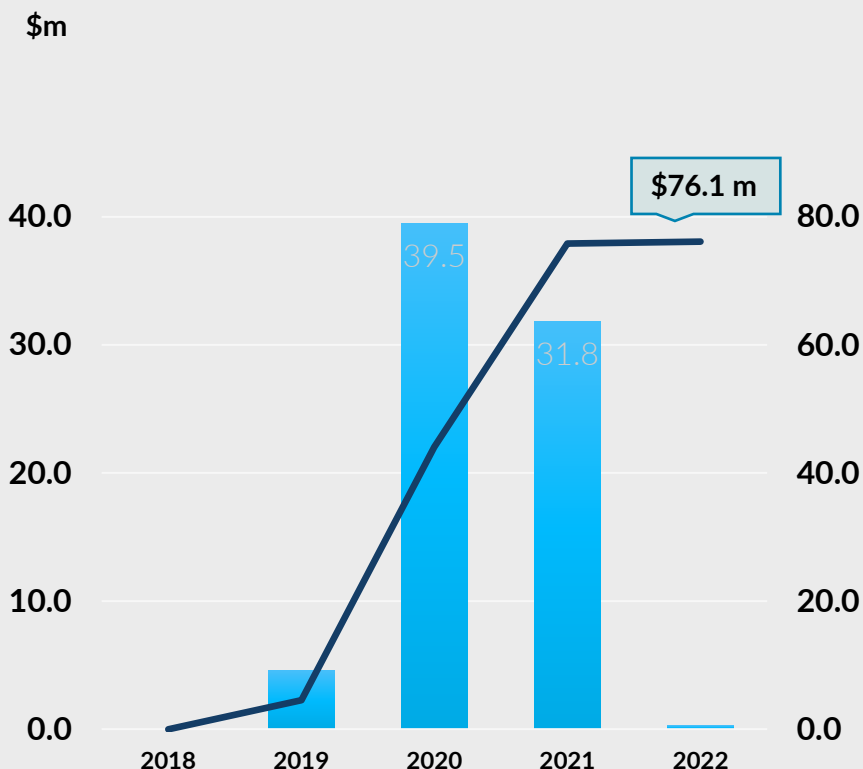
Since 2018, aggregate share buybacks of US\$76.1 million pursuant to the Company's NCIBs and SIB.

Fully funded for the 2023 work program

### Cumulative Dividends



### Cumulative Share Buy-backs



\* Calculated by dividing the total C\$ per share paid in 2022 by the closing share price at December 31, 2022.

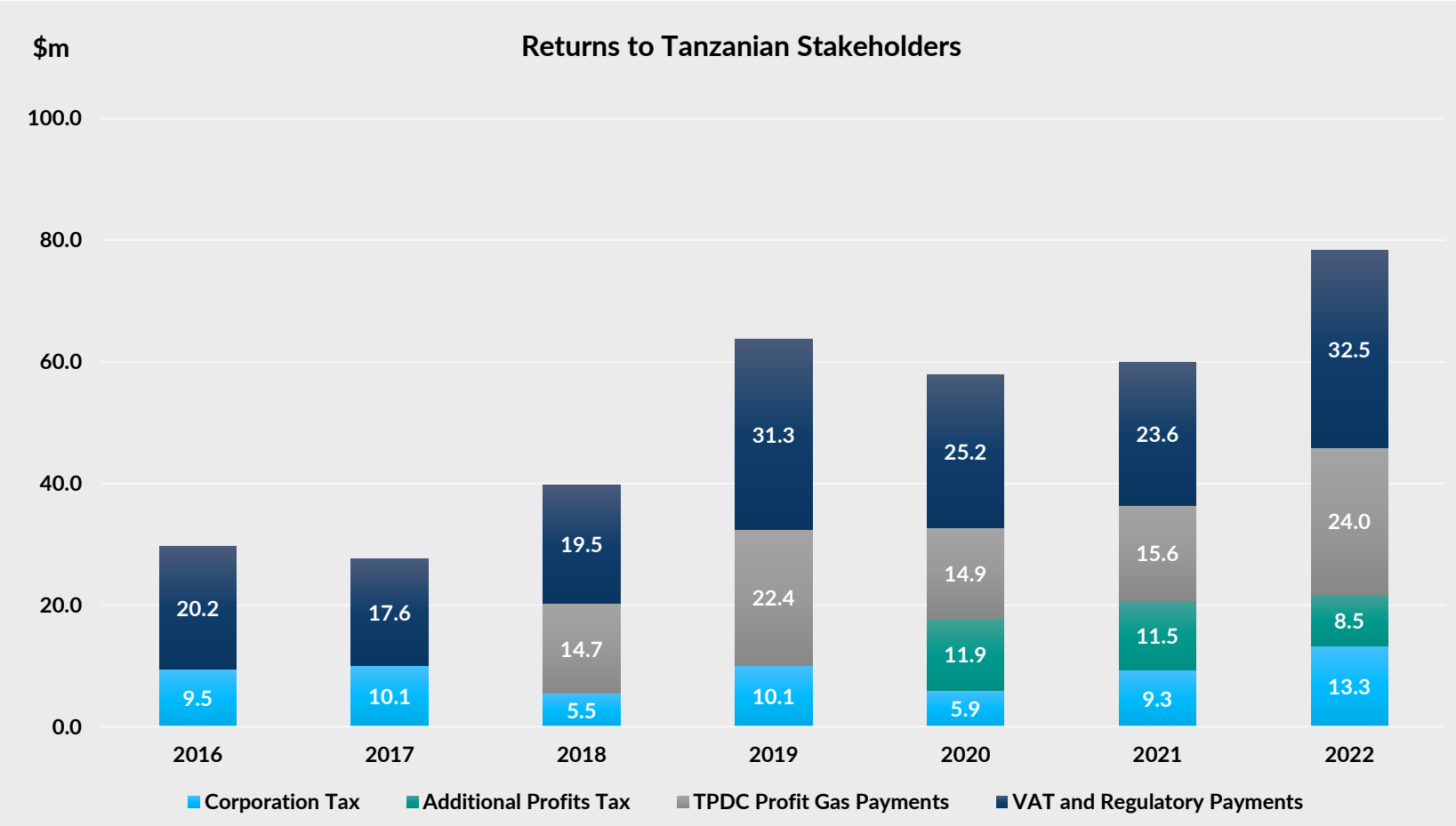
<sup>1</sup> See Non-GAAP financial measures in the advisories to this Presentation for more information

# RETURNS TO TANZANIAN STAKEHOLDERS

ORCA IS PROUD OF THE ROLE IT HAS PLAYED, GENERATING POSITIVE FINANCIAL AND EMPLOYMENT OPPORTUNITIES IN-COUNTRY

The Company has generated significant tax receipts for The Government of Tanzania since 2001

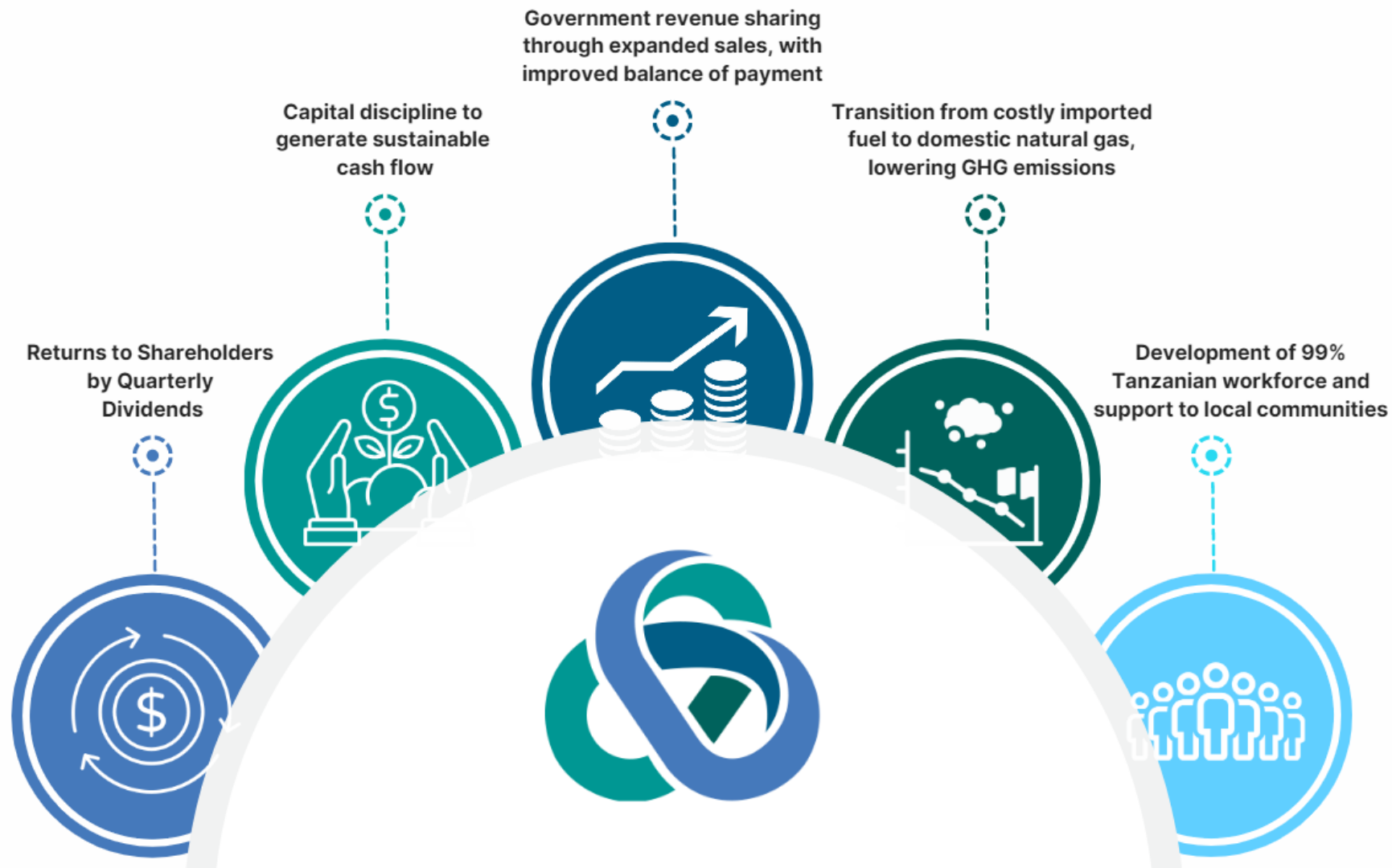
Orca remains a significant source of foreign direct investment for the country





# SUSTAINABLE RETURNS TO STAKEHOLDERS

STAKEHOLDER CONSIDERATION PLAYS A FUNDAMENTAL ROLE IN HOW WE HAVE DEVELOPED OUR BUSINESS MODEL



## OUR APPROACH TO SUSTAINABILITY



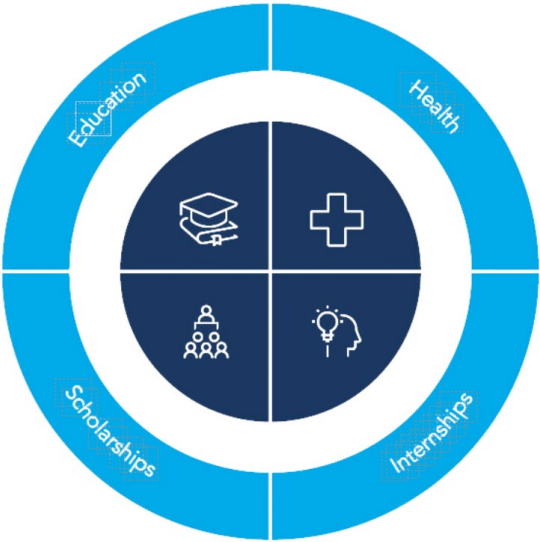
Since the beginning of our Sustainability Strategy formalization and our inaugural 2021 Sustainability Report, the Company has made progress integrating sustainability into its operations, governance and strategy.

As a natural gas operator, we are by nature a greenhouse gas emitter, and we recognize that as the business continues to operate and develop, our emissions are likely to increase. Nevertheless, we believe it is our duty to minimize our environmental impact, reduce the emissions intensity of our operations, and to significantly contribute to Tanzania's transition away from more carbon intensive sources of energy, such as coal, charcoal, and heavy fuel oil towards a lower carbon economy. We are committed to continued engagement with local regulators and stakeholders in order to ensure we are aware of and fully transparent about our contribution to global climate change and local environmental matters.

The Company remains committed to maximizing the socioeconomic potential of its asset, whilst operating it in a manner which reduces its negative environmental impact. In 2022, we hired an Environmental Officer, with the primary focus on supporting the Company to understand, manage and report on our material environmental topics.

# COMMUNITY FOCUS

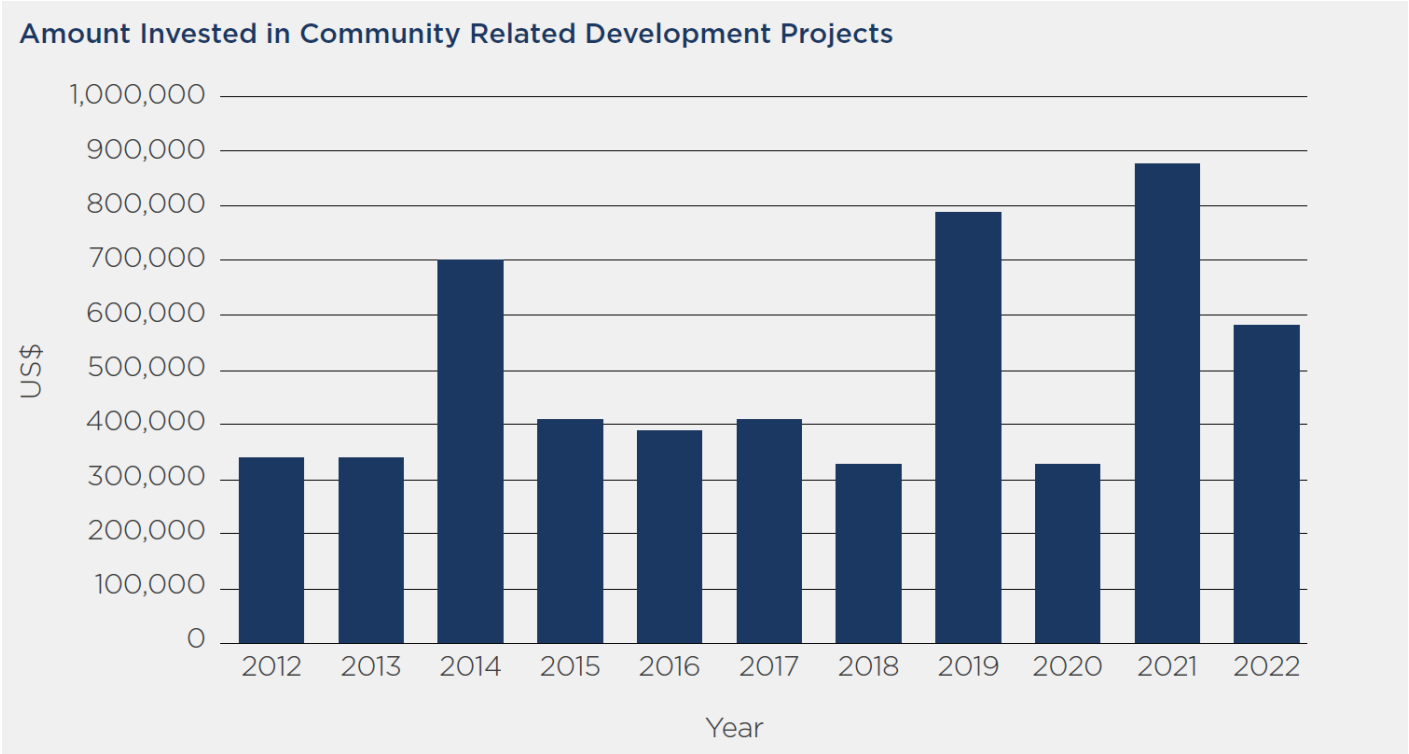
Our four focus areas



The Company continues to ensure that the benefits of its operations are not only for customers and employees, but also supporting and sharing value within the local communities where the Company operates.

Orca has made a positive contribution to these areas by direct investment, but also with employment, training and career opportunities.

Songo Songo Island and its ever-increasing community, is at the heart of the Company’s operations, with many community members fully integrated into the Company. Recognizing the importance of returning value to the Songo Songo Island community, and also their separation from many of the benefits of mainland living in Tanzania, the Company invests regularly in social projects to enhance health and education.





## INVESTMENT SUMMARY



- A proven asset with a long track record of safe and reliable operations
- Tanzanian economy is growing and as such Orca is seeing significant demand for domestic energy sources
- An active work program in place to further develop the field, that is fully funded
- Review of existing production potential versus natural field decline versus demand, to inform field development plans to sustain supply to 2026, and potentially beyond
- Significant capital to explore and develop contingent and prospective resources to increase future gas supply





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[www.orcaenergygroup.com](http://www.orcaenergygroup.com)



# APPENDIX



## DIRECTORS



**David Ross**  
Non-Executive Chair

- Extensive experience in international tax law
- Partner in the Calgary-based law firm of Burnet Duckworth & Palmer LLP
- Secretary to the Board since the Company was formed in 2004



**Jay Lyons**  
Executive Director and  
Chief Executive Officer

- Joined the Company in May 2019 as Non-Executive Director
- Took on the role of Interim Chief Executive Officer in 2020, and Chief Executive Officer in 2021
- Private investor with considerable experience in the oil and gas industries in both Canada and the United States
- Worked in a range of roles for both private and public companies in the upstream and downstream sectors



**Lisa Mitchell**  
Executive Director and Chief  
Financial Officer

- 25 years experience in senior financial management roles
- Chief Financial Officer and Executive Director for San Leon Energy plc, Lekoil Limited, Nigerian focussed Aim quoted Oil and Gas companies
- Chief Financial Officer and Executive Director for Ophir Energy plc (FTSE 250 listed).
- Fellow of the Certified Practicing Accountants (Australia)



**Dr. Frannie Leautier**  
Non-Executive Director  
Chair of ESG Committee

- Extensive global and African development, infrastructure and project finance experience
- Chief Operating Officer for the Trade and Development Bank based in Nairobi
- Infrastructure Director, World Bank
- Vice President of the World Bank Institute
- Senior Vice President at the African Development Bank
- PhD in Infrastructure and Masters degree in Transportation from the Massachusetts Institute of Technology



**Linda Beal**  
Non-Executive Director  
Chair of Audit Committee

- Extensive tax advisory and accounting experience in the natural resources sector
- Tax partner at PriceWaterhouseCoopers and Grant Thornton UK LLP for 17 years
- Non-executive director at Kropz PLC and Hurricane Energy PLC.

## EXECUTIVE MANAGEMENT



**Jay Lyons**  
Executive Director and  
Chief Executive Officer

- Joined the Company in May 2019 as Non-Executive Director
- Took on the role of Interim Chief Executive Office in 2020, and Chief Executive Officer in 2021
- Private investor with considerable experience in the oil and gas industries in both Canada and the United States
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**Lisa Mitchell**  
Executive Director and Chief  
Financial Officer

- 25 years experience in senior financial management roles
- Chief Financial Officer and Executive Director for San Leon Energy plc, Lekoil Limited, Nigerian focussed Aim quoted Oil and Gas companies
- Chief Financial Officer and Executive Director for Ophir Energy plc (FTSE 250 listed).
- Fellow of the Certified Practicing Accountants (Australia)



**Ewen Denning**  
Chief Operating Officer

- Thirty-five years of international energy industry experience
- Worked for BP, BG Group and Glencore and had assignments across five continents.
- Worked extensively in Africa on a variety of projects in Cameroon, Chad, Equatorial Guinea, Nigeria and Tunisia;
- Wide technical and commercial experience having held senior positions managing operational assets in established areas and commercialising new ventures in frontier areas.



**Andrew Hanna (MBE)**  
Managing Director, Tanzania

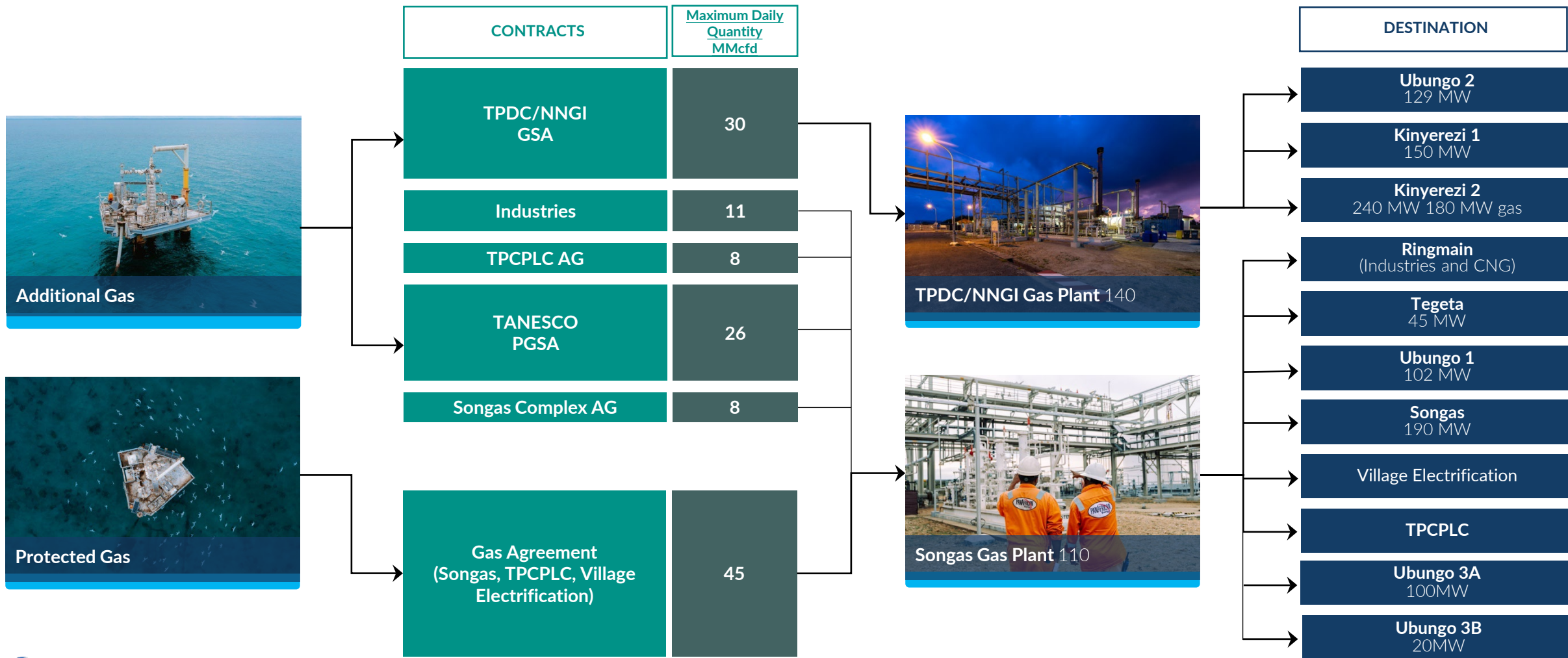
- 34 years in the public sector leading engineering, logistics and security projects around the world
- Ten years in Orca leading the development of strategic and operational development
- Masters Degree in Military Science from Cranfield University
- Fellow of the Chartered Management Institute and Member of the Institute of Royal Engineers



**Lloyd Herrick**  
Advisor to the Board and  
Management

- Four decades of international energy experience and following a 20 year career at TransGlobe Energy Corporation ("TransGlobe") where he was Vice President, Chief Operating Officer and Director.
- Prior to TransGlobe, he served as President, Chief Executive Officer and a member of the board of Moibus Resource Corporation, which was acquired by TransGlobe.
- During his time as a member of the TransGlobe executive team and board, Lloyd Herrick acquired a wealth of experience in direct government negotiations, including concession agreement amendments and extensions to achieve optimum resource development.

# OPERATIONS





# Glossary



TPDC	Tanzania Petroleum Development Corporation
GSA	Gas Sales Agreement
TPCC	Tanzania Portland Cement Company
AG	Additional Gas
PG	Protected Gas
NNGI	National Natural Gas Infrastructure
TANESCO	Tanzania Electric Supply Company
PGSA	Portfolio Gas Sales Agreement
ARGA	Amended and Restated Gas Agreement
Songas	Songas Limited
PSA	Production Sharing Agreement
YTD	Year to Date



# ADVISORIES

## Advisories

Certain information regarding Orca set forth in this Presentation contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "prospective", "project", "intend", "believe", "should", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent Orca's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, revenue and customer growth, future capital and other expenditures (including the amount, nature and sources of funding thereof), business prospects and opportunities, and the ability of Orca to drill additional wells and/or negotiate license extensions with the Tanzanian government.

More particularly, this Presentation may contain, without limitation, forward-looking statements pertaining to the following: the Company's expectations regarding the development of and future investment in the Songo Songo gas field and other resources; expectations regarding amounts and frequency of future dividends and share buy-backs; expectations regarding the Company's role in the development of a diversified and robust economy in Tanzania; expectations regarding the supply and demand of natural gas and power; the Company's belief that it is positioned to meet increases in demand; the Company's expectation regarding growth in natural gas supplies; expectations regarding industrial expansion; the Company's plans and ability to expand the ring main distribution system; the Company's ability to enter into gas sales agreements with new industrial customers; outcome of negotiations with potential customers in the industrial sector; the demand for CNG and its ability to displace the use of oil and coal; the Company's ability to expand into the CNG midstream business; the Company's belief that development of the Songo Songo field and the Company's 2023 work program can be fully funded; the Company's liquidity position and the generation of sustainable cash flow; current production potential as a result of the well workover program and installation of compression; ability to access excess gas processing downstream pipeline capacity; negotiations with the Government of Tanzania regarding licence extension beyond 2026; the size and existence of gas exploration prospects at Songo Songo West and Songo Songo North; the exploration and development of contingent and prospective resources; the Company's expectations regarding continued mobilization of the 3D seismic program for data acquisition across the Songo Songo license area; the Company's forecast for conventional natural gas production in 2023, including forecast for Additional Gas; the Company's ability to access new markets; the Company's market share of increased natural gas demand; ability to expand sales and improve balance of payment; transition to domestic natural gas; expectations regarding the Company's greenhouse gas emissions; expectations regarding contribution to the transition towards low-carbon economy, environmental matters and the realization of the socioeconomic potential of the Company's assets; expectations regarding the development of the Company's Tanzanian workforce; the Company's expectations regarding the safety and reliability of its operations; expectations regarding the Company's investment and support to Tanzanian communities and social projects; and other forward-looking statements.

In addition, statements relating to "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserve estimates of the Company's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Although management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, access to resources and infrastructure, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies.



## Advisories

These forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, and many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by the Company, including, but not limited to: the impact of general economic conditions in the areas in which the Company operates; civil unrest; the susceptibility of the areas in which the Company operates to outbreaks of disease; industry conditions including changes in laws and regulations, and changes in how they are interpreted and enforced; lack of availability of qualified personnel; risks related to obtaining required approvals of regulatory authorities; risks associated with negotiating with governments and other counterparties; fluctuations in commodity prices, foreign exchange rates and/or interest rates; stock market volatility; competition for, among other things, capital, drilling equipment and skilled personnel; failure to obtain required equipment for drilling; delays in drilling plans; failure to obtain expected results from drilling of wells; changes in laws and regulations including the adoption of new environmental laws and regulations, impact of new local content regulations and changes in how they are interpreted and enforced; imprecision in reserve estimates; changes in income tax laws or tax rates; inability to access sufficient capital from internal and external sources; liquidity and cash flow risks; failure of counterparties to perform under the terms of their contracts; reduced global economic activity as a result of the continuing impacts of COVID-19, including lower demand for natural gas and a reduction in the price of natural gas; risk of future spread of COVID-19 and potential future impact of continuing effects of COVID-19 on the health of the Company's employees, contractors, suppliers, customers and other partners and the risk that the Company and/or such persons are or may be restricted or prevented (as a result of quarantines, closures or otherwise) from conducting business activities for undetermined periods of time; the impact of actions taken by governments to reduce any potential future spread of COVID-19, including declaring states of emergency, imposing quarantines, border closures, temporary business closures for companies and industries deemed non-essential, significant travel restrictions and mandated social distancing, and the effect on the Company's operations, access to customers and suppliers, availability of employees and other resources; risk that contract counterparties are unable to perform contractual obligations; the potential negative effect on the Company's rights under the PSA and other agreements relating to its business in Tanzania as a result of the Petroleum Act and other recently enacted and future legislation, as well as the risk that such legislation will create additional costs and time connected with the Company's business in Tanzania; risks regarding the uncertainty around evolution of Tanzanian legislation; unanticipated changes to legislation; the effect on the Company's operations, including, but not limited to, the Petroleum Act and the Natural Gas Pricing Regulation; lack of development and future investment in the Songo Songo gas field and other resources; inability to declare or perform future dividends and share buy-backs as anticipated; volatility in the supply and demand of natural gas and power; inability to meet increases in demand or realize growth in gas supplies or industrial expansion; failure to expand the ring main distribution system; risk that the Company is unable to negotiate additional agreements with customers in the industrial sector; inability to expand into the CNG midstream business; the Company's sales and production in 2023 are lower than forecasted; failure to increase production volumes and capabilities; risks associated with the production and growth potential of the Company's assets; business and operation risks associated with obtaining an extension to the Songo Songo license and uncertainties surrounding the terms and timing of such an extension; failure to explore and develop contingent and prospective resources; inadequate growth or exploration prospect in contingent resources; inability to access excess gas processing downstream pipeline capacity; inability of the Company to access new markets; risk that the Company is unable to reduce its greenhouse gas emissions or contribute to the transition towards low-carbon economy, socioeconomic or environmental matters; failure to continue the 3D seismic program and other capital programs on the timelines or at the costs anticipated; and the Company is unable to fund its capital program through working capital. Readers are cautioned that the foregoing list of factors is not exhaustive.

Such forward-looking statements are based on certain assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances, including, but not limited to, that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company will have adequate funding to continue operations; the Company's ability to develop and invest in the Songo Songo gas field and other resources; frequency and amount of dividends and share buy-backs; the ability of the Company to meet demand, growth in natural gas supplies and industrial expansion; the Company's ability to expand ring main distribution system; the demand for CNG; the Company's ability to expand into the CNG midstream business; that the Company will successfully negotiate agreements; sufficient access to excess gas processing downstream pipeline capacity; receipt of required regulatory approvals; the ability of the Company to increase production at a consistent rate; infrastructure capacity; commodity prices will not further deteriorate significantly; the ability of the Company to obtain equipment and services in a timely manner to carry out exploration, development and exploitation activities; the size and existence of gas exploration prospects or contingent and prospective resources are in line with forecasts; future capital expenditures; availability of skilled labour; availability of access to new markets; timing and amount of capital expenditures; uninterrupted access to infrastructure; continued safe and reliable operations; the impact of increasing competition; conditions in general economic and financial markets; effects of regulation by governmental agencies; that the enactment of the Act and new legislation in Tanzania will not impair the Company's rights under the PSA to develop and market natural gas in Tanzania; that the Company is able to risk reduce its greenhouse gas emissions and contribute to transition towards low-carbon economy, socioeconomic or environmental matters; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; the continued mobilization of the 3D seismic program and successful acquisition of new data across the Songo Songo license area; the Company's average gross gas sales and overall production in 2023 are in line with forecasts; demand for natural gas and power in Tanzania are in line with the Company's forecasts; and other matters.

## Advisories

Additionally, the forward-looking statements regarding the Company's expectations of future Tanzanian gas demand are based on certain assumptions made by the Company as discussed above as well as additional assumptions including, but not limited to the increase in industrial and residential demand; Tanzania's continued population and GDP growth; and other matters.

The amount of future cash dividends, if any, and repurchases of shares will be subject to the discretion of the Board of Directors and may vary depending on a variety of factors and conditions existing from time-to-time, including fluctuations in commodity prices, production levels, capital expenditures, debt service requirements, operating costs and other burdens, foreign exchange rates and the satisfaction of solvency tests imposed by the applicable corporate requirements.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this Presentation in order to provide stakeholders with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. Orca'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, what benefits Orca will derive. These forward-looking statements are made as of the date of this document and Orca disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. The forward-looking statements contained in this Presentation are expressly qualified by this cautionary statement.

### Oil and Gas Information-General

The estimates of the Company's December 31, 2022 reserves set forth in this Presentation have been prepared by McDaniel & Associates Consultants Ltd. ("McDaniel"), an independent qualified reserves evaluator, in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). The preparation dates of the independent reserves evaluation (the "Reserves Report") by McDaniel were February 24, 2023 (effective as of December 31, 2022). The reserves estimates contained herein are based on McDaniel's forecast prices and costs as at December 31, 2022. Please see Orca's Form 51-101F1 – Statement of Reserves Data and Other Oil and Gas Information prepared on February 24, 2023 and effective December 31, 2022 for more information concerning the Reserves Report, available on [www.sedar.com](http://www.sedar.com). All of the references to gas production in this Presentation are to conventional natural gas production, and all references to reserves are to conventional natural gas reserves.

There are numerous uncertainties inherent in estimating quantities of proved and probable reserves, and future net revenues to be derived therefrom, including many factors beyond the Company's control. The reserves and estimated financial information with respect to certain of the Company's assets have been independently evaluated by McDaniel. These evaluations include a number of factors and assumptions made as of the date on which the evaluation is made such as geological and engineering estimates which have inherent uncertainties, the effects of regulation by governmental agencies such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, current and forecast prices of crude oil and natural gas, Orca's ability to transport its product to various markets, operating costs, abandonment and salvage values and royalties and other government levies that may be imposed over the producing life of the reserves. Many of these assumptions are subject to change and may not, over time, prove to be accurate. Actual production and cash flow derived from the Company's assets may vary from these evaluations, and such variations may be material. Estimates with respect to reserves that may be developed and produced in the future are often based upon volumetric calculations, probabilistic and deterministic methods and analogy to similar types of reserves, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, from current estimated reserves estimates may require revision based on actual production experience. Such figures have been determined based upon assumed commodity prices and operating costs. Market price fluctuations of crude oil and natural gas prices may render the recovery uneconomic.

"Proved" reserves (or 1P 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 (or 2P 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. The net present value of future net revenue attributable to the Company's reserves is stated without provision for interest costs and out of country general and corporate administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by McDaniel. In this Presentation, NPV10 represents the net present value of net income discounted at 10%. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Company's reserves estimated by McDaniel or set forth in this Presentation represents the fair market value of those reserves. Such amounts do not represent the fair market value of the Company's reserves. The recovery and reserve estimates of the Company's conventional natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

## Advisories

### Non-GAAP Financial Measures and Ratios

In this Presentation, the Company has disclosed the following non-GAAP financial measure [, **non-GAAP ratios and supplementary financial measures**]: capital expenditures.

These non-GAAP financial measures **[and ratios]** disclosed in this Presentation do not have any standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other issuers. These non-GAAP financial measures **[and ratios]** should not, therefore, be considered in isolation or as a substitute for, or superior to, measures and ratios of Company's financial performance defined or determined in accordance with IFRS. These non-GAAP financial measures **[and ratios]** are calculated on a consistent basis from period to period.

#### *Dividend Yield*

Dividend yield is a non-GAAP financial measure, which is a useful measure as it provides our dividend expressed as a percentage of the share price. The dividend yield is a financial ratio that tells you the percentage of a company's share price that it pays out in dividends each year. It is calculated by dividing the total C\$ per share paid in the year by the closing share price at December 31.

#### *Capital Expenditures*

Capital expenditures is a non-GAAP financial measure, which is a useful measure as it provides an indication of our investment activities. The most directly comparable financial measure is net cash from (used in) investing activities. A reconciliation to the most directly comparable financial measure is as follows:

	Three Months ended December 31		Year ended December 31	
\$'000	2022	2021	2022	2021
Pipelines, well workovers and infrastructure	3,604	12,494	22,125	26,596
Other capital expenditures	11	2	281	14
<b>Capital expenditures</b>	<b>3,615</b>	<b>12,496</b>	<b>22,406</b>	<b>26,610</b>
Right of use	-	-	51	-
Change in non-cash working capital	467	1,133	3,274	(1,625)
<b>Net cash used by investing activities</b>	<b>4,082</b>	<b>13,629</b>	<b>25,731</b>	<b>24,985</b>