



TRIMBLE
energy group

Property Divestiture

September 2023

**Bid Deadline: October 25, 2023
4:00 PM MST**

Bering Exploration Company, ULC

475 boe/d (55% Liquids)

\$5.5 million NOI

Low Decline Rate of 7%

741 Mboe of PDP Reserves, 2.0 MMboe of TP Reserves
and 3.05 MMboe of 2P Reserves

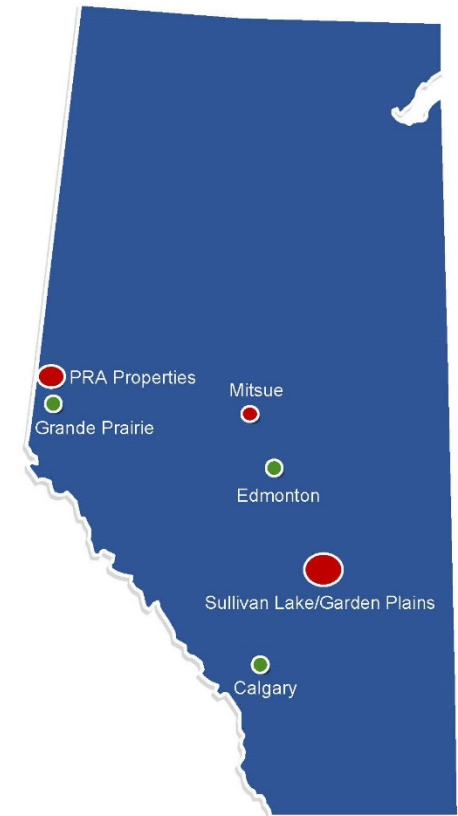
Drilling and Operational Upside



Bering Exploration Company, ULC (“Bering”, or the “Company”) has retained Trimble Energy Group as its exclusive financial advisor and agent to assist with the marketing of its oil & natural gas properties located in the Sullivan Lake/Garden Plains area of east central Alberta, the Valhalla, Pouce Coupe South, and Mirage areas on the Peace River Arch and in Mitsue area of northern Alberta (the “Properties”).

Disposition Overview

- Recent production of 475 boe/d, consisting of 252 bbl/d of oil & condensate, 10 bbl/d of natural gas liquids and 1.3 MMcf/d of natural gas. In addition, at Sullivan Lake/Garden Plains, Bering has 334 boe/d (92 bbl/d of oil and 1.45 MMcf/d of natural gas) of completed volumes moving to production. At Pouce Coupe South, there is immediate reactivation and workover potential to bring online 2.26 MMcf/d of natural gas and 14 bbl/d of liquids or 391 boe/d net to Bering for estimated net capital costs of \$475,000 or \$1,214/boe/d.
- The majority of the production is attributed to Bering’s oil-weighted property in the Sullivan Lake/Garden Plains area with additional production, cash flow and reserves coming from its properties in Valhalla, Mirage-Gordondale and Pouce Coupe South on the Peace River Arch and its oil-weighted property at Mistue.
- High netback oil production, royalty revenues and road use income yielding net operating income of approximately \$5.5 million over the last twelve months.
- Estimated PDP reserves of 741 Mboe, TP reserves of 2.0 MMboe and 2P reserves of 3.05 MMboe with before-tax NPVs of \$18.4 million, \$31.5 million and \$45.0 million respectively at a 10% discount rate as of December 31, 2022, based on the estimates and price forecast of Deloitte LLP.
- Initial estimates of recovery factors at Bering’s Sullivan Lake property indicate primary recoveries of 22% via decline rate analysis and modelling with analogies. Use of these recovery factors would significantly increase Bering’s primary ultimate recoverable oil reserves.
- Strong LLR of 3.21 with a Net Deemed Asset value of \$9.6 million.
- Booked and unbooked drilling upside in the Banff, Wabamun and Glauconitic formations on Bering’s Sullivan Lake/Garden Plains property, drilling upside and waterflood potential in the Doe Creek at Valhalla, and Dunvegan and Triassic drilling upside at Pouce Coupe South.
- Stable, low-decline production with a corporate operated oil decline rate of only 7%.



Property	Current Estimated (August 2023) Production					Annualized NOI ⁽¹⁾	Reserves ⁽²⁾			NPV (BT @10%) ⁽²⁾			Reserve Life Index ⁽³⁾			LLR	
	Oil & Condensate (bbl/d)	Natural Gas (Mcf/d)	NGLs (bbl/d)	Total (boe/d)	Liquids (%)	(\$)	PDP (Mboe)	TP (Mboe)	2P (Mboe)	PDP (\$000s)	TP (\$000s)	2P (\$000s)	PDP	TP	2P	Net Deemed Value	Ratio
Sullivan Lake/Garden Plains	175	1,237	10	391	47%	\$3,408,106	545	982	1,482	11,663	15,298	21,677	3.8	6.9	10.4	\$9,216,580	8.10
Valhalla	68	0	0	68	100%	\$1,794,527	171	416	582	5,856	10,846	14,359	6.9	16.7	23.3	\$1,764,125	2.30
Pouce Coupe South	391 boe/d from Reactivations and Work Overs				4%	(\$6,449)	0	531	845	666	4,699	7,301	N/A	N/A	N/A	(\$1,371,819)	0.00
Mirage Royalty	4	33	0	10	47%	\$251,355	15	15	20	Included in Pouce Coupe South			4.0	4.0	5.4	N/A	N/A
Mitsue	5	0	0	5	100%	\$85,847	9	46	119	182	643	1,667	5.6	27.3	71.4	(\$43,827)	0.85
Corporate Total	252	1,270	10	475	55%	\$5,533,387	741	1,990	3,049	18,367	31,486	45,004	4.3	11.5	17.6	\$9,565,059	3.21

(1) Twelve months July 2022-June 2023
(2) Deloitte LLP as at December 31, 2022
(3) Based on current production

Property Overview

Peace River Arch Properties

Valhalla Working Interests (Oil)

Twp. 75-77 Rge. 7-10W6

Production: 68 bbl/d (100% oil)

Develop Doe Creek "B" sand at new pool discovery and adjoining land

Waterflood Reactivation and Development Potential

NOI: \$1.8 Million

Steady Road Use Income: > \$122,000 (in total)

LLR: 2.30

Pouce Coupe

Working Interests (Gas)

Twp. 77-78 Rge. 11-13W6

Production: 0 boe/d

Reactivation and Workover Potential: (2.23 MMcf/d & 14 bbl/d of liquids)

Net Capital Costs:
~\$475,000

Steady Road Use Income:
~\$3,100/month

Mirage - Gordondale

Royalty Interests (Oil/Gas)

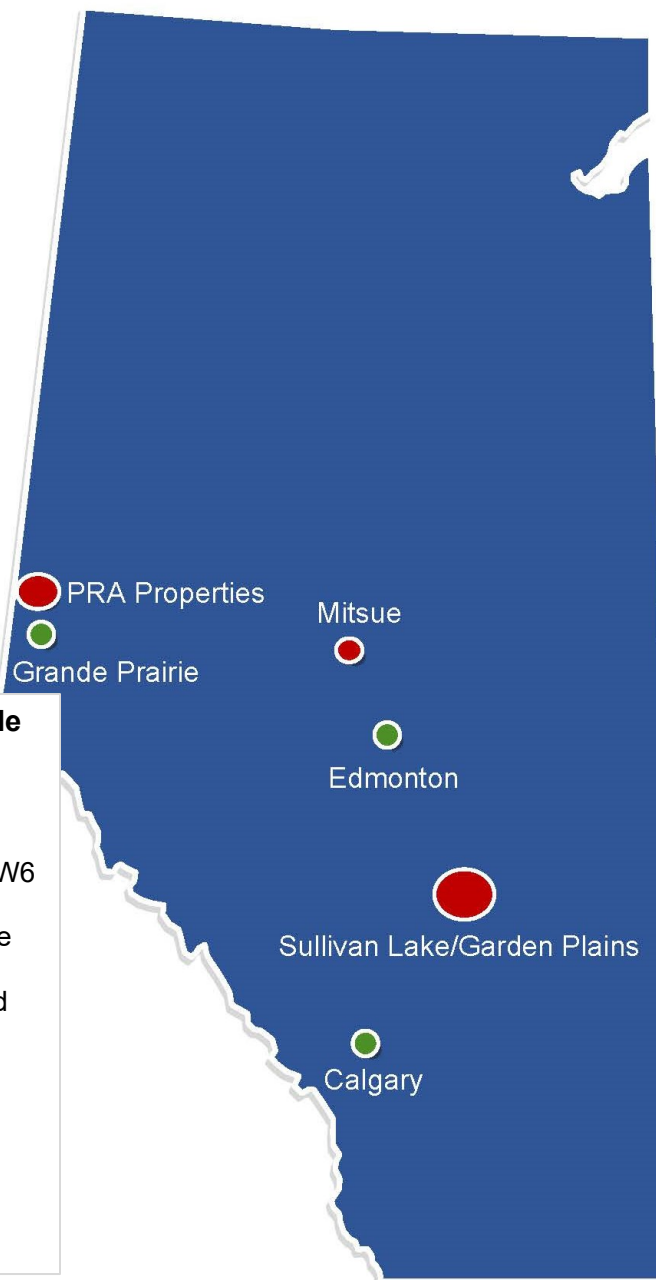
Twp. 79-80 Rge. 8-10W6

Operator: Tourmaline

Production: 10 boe/d
(47% liquids)

Royalty Revenue:
\$250,000

2.5% GORR



Northern Alberta Property

Mitsue Working Interests (Oil)

Twp. 73 Rge. 3-4W5

Production: 5 bbl/d (100% oil)

NOI: \$85,000

East Central Alberta Property

Sullivan Lake/Garden Plains Working Interests (Oil/Gas)

Twp. 33-34 Rge. 13W4

Curent Production: 391 boe/d (47% liquids)
Additional 334 boe/d of completed volumes moving to production

100% Working Interest

Develop Upper Banff and additional Banff, Wabamun, Glauconitic and Colony Drilling and Workover Potential

NOI: \$3.4 Million

LLR: 8.10

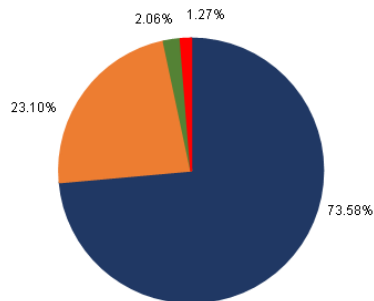
Reserves Breakdown

As at December 31, 2022, the Properties had aggregate PDP reserves of 741 Mboe, 2.0 MMboe on a total proved basis and 3.05 MMboe in 2P reserves with before-tax net present values of \$18.4 million, \$31.5 million and \$45.0 million respectively at a 10% discount rate, based on the estimates and price forecast of Deloitte LLP. The NPV includes the road use income that Bering receives at Valhalla and Pouce Coupe South.

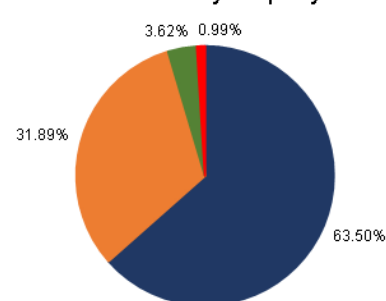
Initial estimates of recovery factors at Bering's Sullivan Lake property indicate primary recoveries of 22% via decline rate analysis and modelling with analogies. Use of these recovery factors would significantly increase Bering's primary ultimate recoverable oil reserves.

Estimated Remaining Reserves MMboe	Sullivan Lake/Garden Plains	Valhalla	Pouce Coupe South/Mirage	Mitsue	Total
Proved Developed Producing	545.1	171.1	15.2	9.4	740.8
Proved Developed Non-Producing	396.9	30.7	364.2	8.5	800.3
Proved Undeveloped	39.8	213.5	167.4	27.7	448.4
Total Proved	981.7	415.3	546.9	45.6	1,989.5
Total Probable	500.2	166.7	318.9	73.7	1,059.4
Total Proved + Probable	1,481.9	582.0	865.7	119.3	3,048.9
BT Net Present Values @ 10% (\$000s)					
Proved Developed Producing	11,663.0	5,856.4	665.7	181.9	18,367.0
Proved Developed Non-Producing	2,968.1	433.2	3,196.9	140.2	6,738.4
Proved Undeveloped	666.6	4,556.3	835.9	321.3	6,380.1
Total Proved	15,297.7	10,845.9	4,698.5	643.4	31,485.5
Total Probable	6,379.5	3,513.2	2,602.1	1,023.7	13,518.5
Total Proved + Probable	21,677.3	14,359.1	7,300.6	1,667.0	45,004.0
Estimated 2023 Production (boe/d)					
Proved Developed Producing	291.3	65.2	N/A	4.4	360.9
Current Production	390.8	68.3	10.3	4.6	474.0
Current Production to PDP Forecast	34.2%	4.8%	N/A	4.0%	31.3%

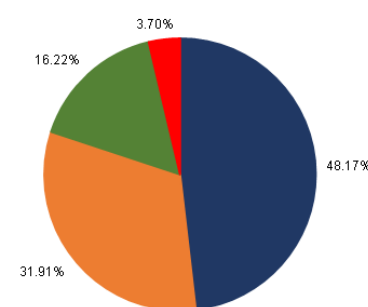
PDP Reserves by Property



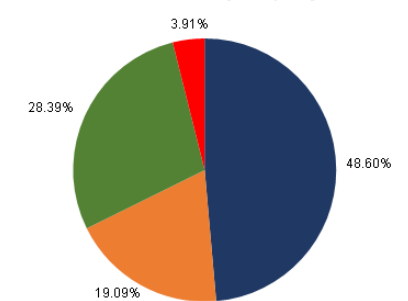
PDP NPV by Property



2P NPV by Property



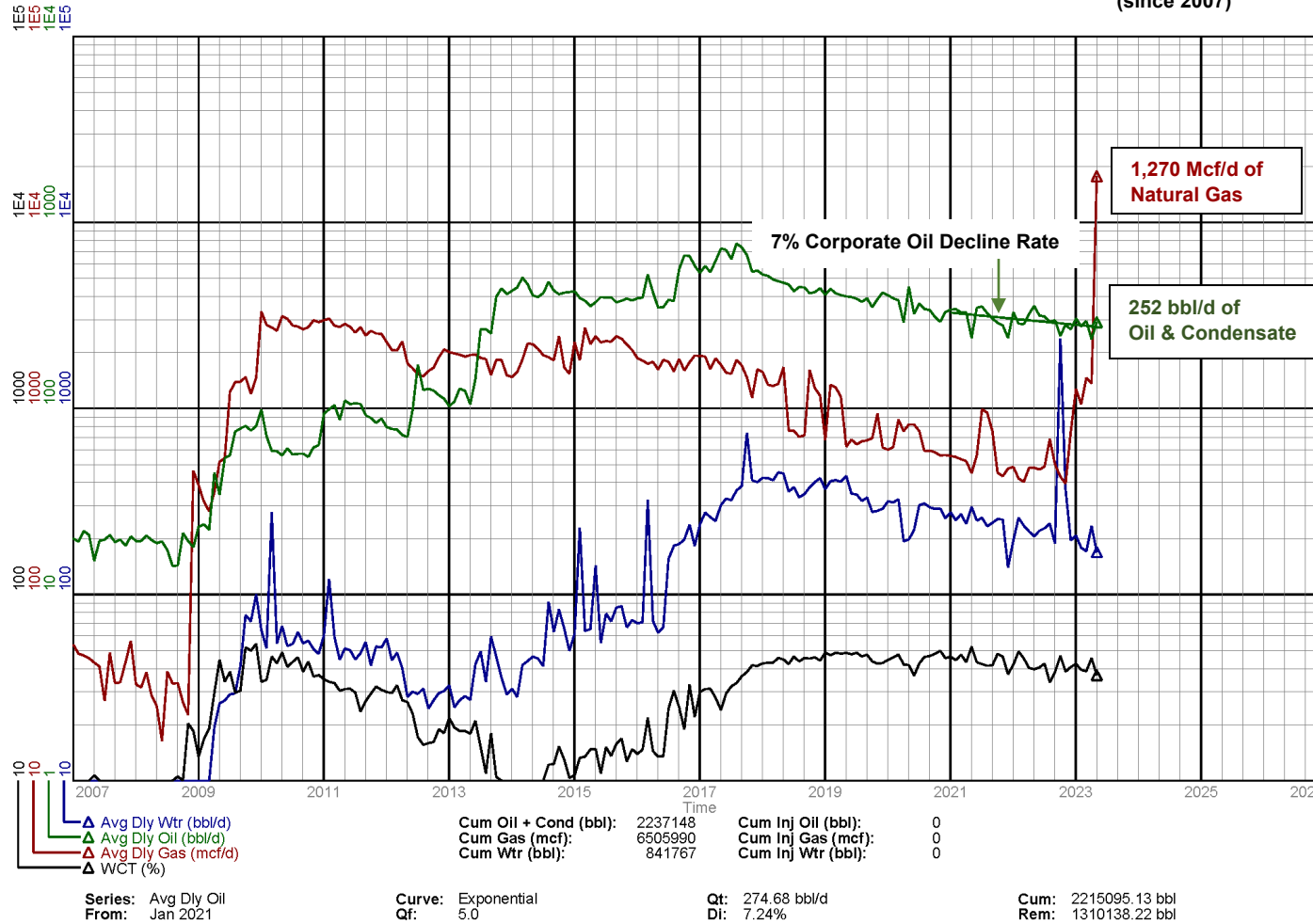
2P Reserves by Property



■ Sullivan Lake ■ Valhalla ■ Pouce Coupe/Mirage ■ Mitsue

Corporate Production Profile

Bering Operated Production (since 2007)



102/5-21 Sullivan Lake well went down with a broken rod, it is now back on production.



Bering Exploration Company ULC Monthly Production Profile

	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	2022-07	2022-08	2022-09	2022-10	2022-11	2022-12	2023-01	2023-02	2023-03	2023-04	2023-05	2023-06	August 2023
Oil & Condensate (bbl/d)	193	261	267	241	310	355	323	259	291	246	257	233	281	260	282	231	281	215	252
Natural Gas (Mcf/d)	334	327	306	339	364	347	329	267	351	293	283	321	866	891	1,265	1,031	795	743	1,270
NGLs (bbl/d)	2	2	3	0	0	0	14	3	1	4	6	1	8	6	12	9	15	5	10
Boe/d	251	318	321	298	371	413	392	307	350	299	311	287	433	415	504	412	429	344	475

Net Operating and Royalty Income Breakdown

During the twelve months ended June 2023, the Properties had combined net operating income of approximately \$5.5 million, as outlined below.

As previously mentioned, Bering's Sullivan Lake well at 102/05-21-034-13W4/02 well went down with a broken rod, impacting production and cash flow from the property in June and July 2023; production has been reinstated.

The Sullivan Lake/Garden Plains property had net operating income of \$3.4 million, the Valhalla property had \$1.8 million in net operating income while the Mirage royalty generated royalty income of approximately \$250,000 and the Mitsue property had net operating income of \$85,000. The Pouce Coupe South property had a marginal annual cost of approximately \$6,500.

102/5-21 Sullivan Lake well went down with a broken rod. it is now back on production

2022 and 2023 Year to Date Net Operating & Royalty Income

	2022-07	2022-08	2022-09	2022-10	2022-11	2022-12	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	June 2022 -July 2023
Sullivan Lake/Garden Plains Property:													
Net Operating Income	\$463,342	\$297,519	\$342,161	\$301,002	\$279,024	\$218,742	\$271,244	\$235,592	\$304,733	\$271,234	\$255,531	\$167,983	\$3,408,106
Quarterly	\$1,103,022			\$798,767			\$811,570			\$694,748			
Valhalla Property:													
Net Operating Income	\$284,844	\$154,588	\$138,674	\$159,252	\$135,154	\$108,179	\$131,037	\$99,713	\$153,377	\$84,749	\$142,530	\$80,046	\$1,672,142
Road Use Income	\$8,401	\$24,736	\$8,620	\$8,610	\$10,425	\$10,425	\$8,519	\$8,519	\$8,519	\$8,519	\$8,549	\$8,539	\$122,385
Combined	\$293,245	\$179,324	\$147,294	\$167,862	\$145,579	\$118,604	\$139,556	\$108,233	\$161,896	\$93,268	\$151,079	\$88,585	\$1,794,527
Quarterly	\$619,864			\$432,045			\$409,686			\$332,933			
Pouce Coupe South Property:													
Net Operating Income	(\$4,317)	(\$4,093)	(\$4,725)	(\$3,382)	(\$3,342)	(\$3,515)	(\$3,878)	(\$4,334)	(\$3,869)	(\$4,056)	(\$3,080)	(\$3,152)	(\$45,741)
Road Use Income	\$2,986	\$2,986	\$3,277	\$5,352	\$3,102	\$3,051	\$3,099	\$3,099	\$3,094	\$3,099	\$3,095	\$3,051	\$39,292
Combined	(\$1,330)	(\$1,106)	(\$1,448)	\$1,971	(\$239)	(\$464)	(\$779)	(\$1,235)	(\$774)	(\$957)	\$15	(\$101)	(\$6,449)
Quarterly	(\$3,885)			\$1,267			(\$2,789)			(\$1,043)			
Mirage Property:													
Royalty Income	\$36,525	\$25,256	\$21,867	\$23,121	\$25,383	\$24,084	\$19,758	\$16,094	\$17,470	\$18,262	\$12,743	\$10,790	\$251,355
Quarterly	\$83,649			\$72,588			\$53,323			\$41,795			
Mitsue Property:													
Net Operating Income	\$16,603	\$16,723	\$2,498	\$3,731	\$7,549	\$7,016	\$3,045	\$5,654	\$8,694	(\$4,260)	\$16,293	2,301.08	\$85,847
Quarterly	\$35,824			\$18,297			\$17,393			\$14,333			
Combined Monthly													
Quarterly	\$808,385	\$517,716	\$512,373	\$497,686	\$457,296	\$367,982	\$432,825	\$364,337	\$492,020	\$377,547	\$435,661	\$269,558	\$5,533,387
Quarterly	\$1,838,474			\$1,322,964			\$1,289,183			\$1,082,766			

LLR Overview

The combined LLR of the Properties is 3.21, consisting of \$13,894,842 deemed asset value and \$4,329,783 deemed liability value resulting in a net deemed asset value of \$9,565,059.

Bering believes that the LLR, the deemed asset value and the net deemed value at Pouce Coupe South could be increased substantially if certain operated reactivations and workovers, at a net capital cost of approximately \$350,000, are completed. It is estimated that the LLR for Pouce Coupe South would increase to 5.18 with an incremental deemed asset value of \$6,396,026. This would result in a LLR of 4.69 and a net deemed value of \$15,961,085 for the Properties as outlined below.

Bering Exploration Company, ULC August 2023 LLR				
	Deemed Asset Value	Deemed Liability Value	Net Deemed Value	LLR Ratio
Sullivan Lake Area	\$10,514,946	\$1,298,366	\$9,216,580	8.10
Valhalla	\$3,124,105	\$1,359,980	\$1,764,125	2.30
Pouce Coupe South	\$0	\$1,235,819	(\$1,235,819)	0.00
Gordondale	\$0	\$136,000	(\$136,000)	0.00
Mirage Royalty	N/A	N/A	N/A	N/A
Mitsue	\$255,791	\$299,618	(\$43,827)	0.85
Total	\$13,894,842	\$4,329,783	\$9,565,059	3.21
Pouce Coupe South (After Reactivations)	\$6,396,026	\$0	\$6,396,026	5.18
Total - After PCS Reactivations	\$20,290,868	\$4,329,783	\$15,961,085	4.69

Bering will provide detailed information relating to its LLR and calculations that support for the Pouce Coupe South deemed asset value after reactivations in the VDR.

Drilling Upside, Reactivations, Work-Overs Overview

Sullivan Lake/Garden Plains Property

Bering has 334 boe/d (92 bbl/d and 1.45 MMcf/d of natural gas) of completed volumes moving to production at its 100/08-28-034-13W4/0, 15-28-034-13W4/0 and 15-31-033-13W4/0 wells. Additionally, there are workover/tie-in opportunities at 102/05-21-034-13W4/02, 103/06-20-034-13W4/0 and 14-20-034-13W4 which could add an additional 252 boe/d of production.

Bering has identified 3 near term drilling locations targeting the Banff & Wabamun and Glauconitic formations that it believes could increase production by approximately 308 boe/d, consisting of 275 bbl/d of oil and 200 Mcf/d of natural gas.

Valhalla Property

Bering drilled a new pool discovery in the Doe Creek "B" sand at 12-02-076-10W6 in the first half of 2022 which is currently producing steadily at 25 bopd. Bering owns the offsetting acreage for the development of this new pool.

Bering has identified additional drilling locations and workovers on its other land at Valhalla.

In addition to the drilling and workover upside, Bering believes there is potential for waterflood development on its Doe Creek lands in Twp. 76,77 Rge. 7,8W6 as well as production upside from the potential reactivation of the M Pool waterflood operated by Longshore Resources Ltd.

Pouce Coupe South Property

Bering has identified a number of reactivations & workovers that can be completed for net capital costs estimated at \$475,000 at its Pouce Coupe South property. Of the total, approximately \$350,000 net capital costs are attributed to projects in which Bering is the operator. The operated projects include reactivating the compressor at 4-1-078-12W6, reactivating the 02-02-078-12W6 well and workovers of two wells (01-02-078-12W6 & 03/10-31-077-11W6) which are expected to yield net production of 332 boe/d (1.9 MMcf/d of natural gas and 11.5 bbl/d of oil). Recent reactivation analogies offset Bering wells, supporting estimated production figures.

The remaining (non-operated) reactivations/workovers have estimated net capital costs of \$121,360; the production increase is estimated to be 58 boe/d, consisting of 336 Mcf/d of natural gas and ~2 bbl/d of liquids.

The capital efficiencies of the full \$475,000 reactivation and work over program is \$1,214/boe/d.

At Pouce Coupe South, in addition to the reactivation and workover potential, the company has identified two drilling locations, both with stacked targets on its land. One location targets multiple sands in the Dunvegan Formation and the other in the Baldonnel/Boundary Lake/Braeburn formations for additional production of 285 boe/d at a net capital cost of \$1.45 million.

Total Production Increase without Drilling Wells

Bering estimates that production from the Properties could increase to nearly 1,500 boe/d in the near term without the need to drill additional wells.

Bid Process Notes

The Property Divestiture is for all of Bering's assets and is being marketed through a broad marketing process.

During the marketing process, we may provide additional information and we will provide bidding instructions prior to the bid deadline.

Maps, cross-sections and other detailed information will be available following the execution of a confidentiality agreement.

Show and tell presentations to outline the drilling upside, reactivations and workovers identified by Bering will be held from October 2 to 4, 2023.

Preference will be given to offers which are for all of the properties in one transaction.

The effective date of the transaction shall be November 1, 2023.

If you have any questions, please contact Trimble Energy Group.

Trimble Energy Group Main Contact for the Divestiture:

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