Investor Presentation

12 January 2021

PetroTal

Ticker TSXV: TAL AIM: PTAL

Investment highlights

Large producing oil-field with robust cash-flow	▪ 100% WI in the Bretaña field in Peru with 2P reserves[1] of 47.7mmbbl (1P of 21.5mmbbl) ▪ 12,000 bopd of run rate production generates annual EBITDA of USD ~74m[2] at Brent USD 45/bbl ▪ Resilient to oil price volatility - operating break-even[3] Brent price of USD ~27/bbl including G&A and active hedging program to reduce downside
Management and technical team with proven track-record	▪ First oil in H1 2018 reached five months ahead of time and significantly below budget ▪ Increased Bretaña production from 1,000 bopd to 13,300 bopd in 18 months from mid-2018 at industry leading capital efficiencies ▪ Drilled six wells on budget and on time, with better than expected performance
Conservative 2P bookings with low-risk production growth ahead	▪ Drilling of eight wells expected to lift production to ~20,000 bopd by September 2022 ▪ Horizontal wells with initial production capacity of > 5,000 bopd ▪ Conservative 2P bookings vs. analogous surrounding fields, indicate potential to double 2P reserves
Solid balance sheet and fully discretionary capex program	▪ Solid balance sheet with only USD 54m[4] of pro forma YE 2020 net debt post the proposed bond financing ▪ Operatorship provides high flexibility to pace investments as needed – very limited financial commitments ▪ Proven access to equity markets, including USD 18m raised in June 2020

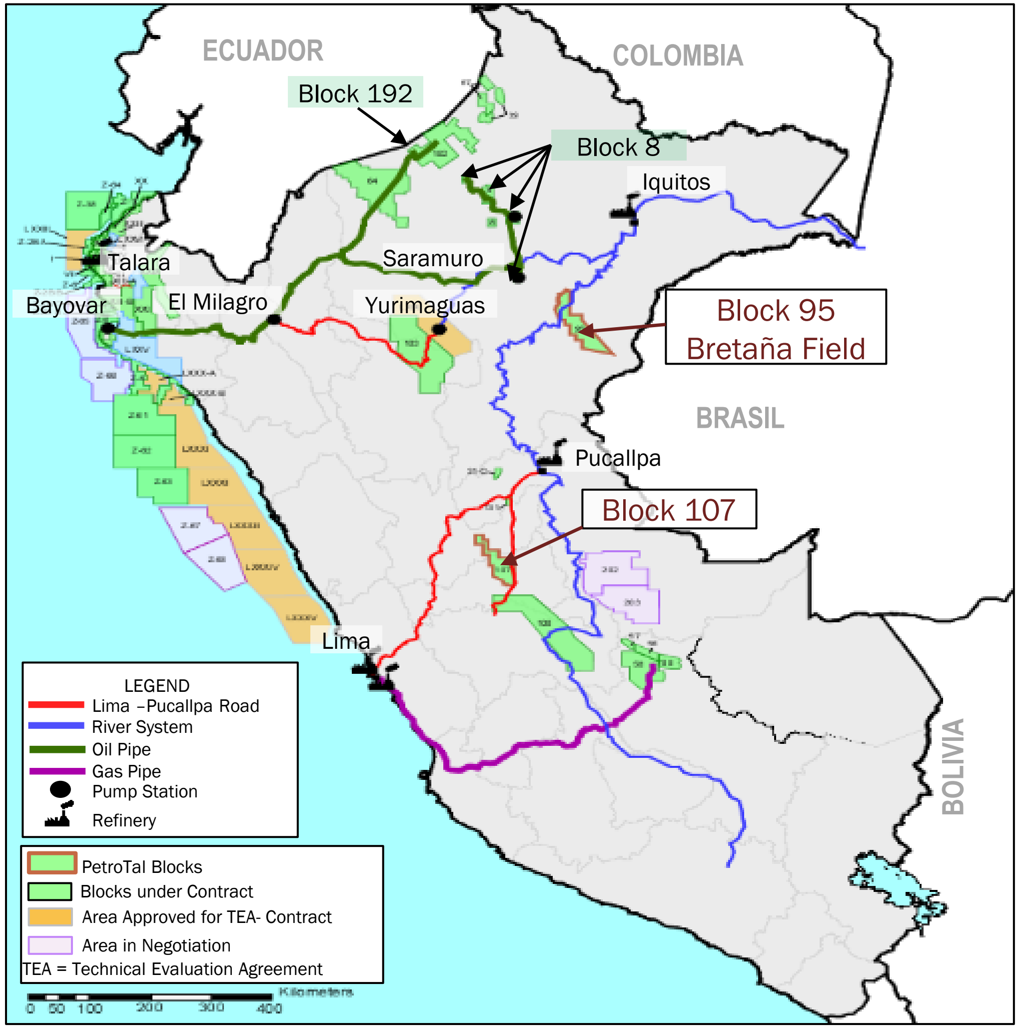
1) *NSAI Reserves Report effective date 31 December 2019*
2) *USD 74m represents the annualized EBITDA generated using a USD 16.8/bbl EBITDA netback with 12,000 bop/d of oil production. Using 50/bbl Brent, annualized unhedged EBITDA is USD 89m*
3) *Operating break-even details on slide 20*
4) *Estimated net debt = Bond financing USD 100m + net accounts receivable/payable USD 41m – cash and cash equivalents USD 87m. Net debt does not include the mark to market value of the USD 21m derivative receivable (see slide 29)*

PetroTal – Firmly established as a significant Peruvian oil producer

PetroTal in brief

- **Pure-play onshore Peru focused E&P independent**
  - Incorporated in Canada (Alberta), with offices in Houston and Calgary
  - Listed on the TSX-V and AIM, with a market capitalization of USD 180m[1]
- **100% WI of the Bretaña heavy oil field, one of the largest producing fields in Peru[2]**
  - 2P reserves of 47.7mmbbl (1P of 21.5mmbbl)[3] with current production of 10,000 bopd
  - Located in the Marañón Basin in northern Peru, 800 km northeast of Lima
  - Majority[4] of crude oil exported through Petroperu's ONP pipeline, a pipeline offering significant offtake capacity, with alternative export route via Brazil proven by December 2020 pilot
  - Strong cash flow generation - netback of USD ~20/bbl at USD 45/bbl based on current production levels
- **Management with proven track record of operational success and production growth**
  - Increased production from 1,000 to 13,300 bopd in 18 months from mid 2018
  - Constructed processing capability of 16,000 bopd with future expansion to 24,000 bopd in 2021
  - Drilled six wells on budget, on time, with better than expected performance
  - Deployed USD 155m in capex during 2018-20 at industry leading flowing barrel capital efficiencies

Asset and refinery locations



1) *Market capitalization as at 8 January 2021 using 1.27 CAD/USD exchange rate*
2) *PetroTal also holds a 100% WI in the high impact exploration onshore Block 107*
3) *NSAI Reserves statement effective date 31 December 2019*
4) *1,300-2,000 bopd sold to nearby Iquitos refinery*

History and outlook

2017

December 2017 inception, capitalization and strategic asset acquisition of Gran Tierra's Peru business

Raised USD 32.0m in net equity through Subscription Receipts

TSXV reverse takeover of Sterling Resources (TSX-V: TAL)

H1 2018

Long term testing at flagship Bretaña field commenced five months ahead of schedule

Exit H1 2018 production at ~1,000 bopd

H2 2018

Secondary listing on AIM (LON: PTAL)

Field processing capacity of 5,000 bopd

H1 2019

Achieved ~5,500 bopd

Drilled three additional wells

Guidance revised up to 10,000 bopd by year end

USD 23.7m net equity raise

H2 2019

Exit 2019 production of 13,300 bopd (33% ahead of plan)

Two additional production wells and one water reinjection well drilled

Secured oil sales arrangement with Petroperu

20% growth in 2P reserves to 48 mmbbl

H1 2020

Exit Q1 2020 > 12,000 bopd

Drilled 6H well in April 2020 at >5,000 bopd of flush production

Covid-19 caused export pipeline shut-in, compounded by social issues

Derivative liability deferral arrangement with Petroperu

USD 16.4m net equity raise

H2 2020

Q4 2020 production of 6,410 bopd

Sales volumes impacted by local social issues for majority of Q3 and Q4 2020

CAPEX program downsized by over 60% for full year 2020 and delayed until 2021

Completed a 106,000 bbl FOB Bretaña pilot oil export via Brazil

Forecast 2021

Drilling four additional wells and one water disposal well

Completion of CPF-2

December 2021 estimated exit production at +18,000 bopd

2021 estimated average of ~11,400 bopd

2017 2018 2019 2020 2021

Strategy dedicated to low cost production growth from proven reserve base

Strategy and key principles

Production growth to 20,000 bopd

Clear path to 20,000 bopd by September 2022 through operational excellence

Continued efficient reserves growth at Bretaña

Optimum field development to maximize ultimate recovery like analogue fields

Leadership in ESG practices

Rigid ESG approach key to operational and financial success and ensures government alignment and support

Synergistic M&A growth

Leverage balance sheet strength and favorable cost position enabling pursuit of synergistic production led acquisitions

Managing exploration risk and exposure

Prudently unlocking future development areas with limited committed exploration spending[3]

39 → 48

2018 2019

23% growth

2P Reserves in mmbbl[1]

20,000 bopd

Target Production level September '22

USD ~27/bbl

PetroTal break-even Brent oil price[2]

1) *Per NSAI Reserves statement effective date 31 December 2019*
2) *Post G&A*
3) *Committed exploration spend of USD 1.5m during 2021 and USD 1.5m in 2022 payable to the government in the event no exploration drilling is completed*

Senior management

Experienced and seasoned management team

Manolo Zúñiga – Director, *President & Chief Executive Officer*

- Native Peruvian with >30 years of experience in petroleum engineering
- Started career with Occidental Petroleum Corp ("Occidental") in Bakersfield & Block 192 in Peru
- Founder and former CEO of BPZ Energy
- Helped shape policies promoting oil investments in Peru, including the current long-term test regulation

Doug Urch – *Executive Vice President & Chief Financial Officer*

- Previously Executive Vice President, Finance and Chief Financial Officer of Bankers Petroleum Ltd
- Chartered Professional Accountant (CPA) and a designated member of the Institute of Corporate Directors (ICD)
- Director of PetroTal since inception and was Chairman of the Board from June 2018 until November 2019

Estuardo Alvarez-Calderon – *Vice President, Exploration and Development*

- Over 40 years of Peruvian oil and gas experience with focus on designing and executing exploration & production programs including bringing new discoveries to initial production
- Multiple senior management level roles with Occidental, focussed on developing and exploring assets across Latin America
- Former VP of Exploration and Production at BPZ Energy

Board of directors

Highly experienced governance[1]

Mark McComiskey – *(Non-Executive Director and Chairman)*

- Founding Partner of Vanwall Capital and Managing Partner of Prostar Capital
- Former Principal of Clayton, Dubilier & Rice, Inc. and an associate at the law firm of Debevoise & Plimpton, LLP

Gary Guidry – *(Non-Executive Director)*

- President & CEO of Gran Tierra with >35 years as a Engineer with APEGA
- Former President & CEO of Caracal Energy, Orion O&G, Tanganyika Oil
- Senior op. roles at Occidental in Nigeria/West Africa, Yemen and Venezuela

Ryan Ellson – *(Non-Executive Director)*

- CFO of Gran Tierra and >15 years experience as a Chartered Accountant
- Former Head of Finance at Glencore E&P Canada and VP Finance at Caracal Energy

Gavin Wilson – *(Non-Executive Director)*

- Investment Manager for Meridian
- Former founder & manager of RAB Energy & RAB Octane listed investment funds

Eleanor Barker – *(Non-Executive Director)*

- President of Barker Oil Strategies since 2017
- Formerly worked in industry for Esso and Gulf Canada
- Former Oil and Gas Investment Analyst for over 30 years

Roger Tucker – *(Non-Executive Director)*

- Over 30 years working as a senior executive in the Energy Sector
- Work history in multinational major oil and gas companies, independent E&Ps and private equity investing

1) *Manolo Zúñiga, President and Chief Executive Officer, is also a director of the company with his bio referenced on slide 5*

Environmental, social and governance

Empowering local communities and promoting sustainable development

ENVIRONMENTAL

- Breteña pad – single well pad and no encroachment on primary rainforest
- Land cleared in 2012, direct access from river
- No spills or pollution
- Multiple programmes to preserve local bio-diversity as well as flora and fauna
  - Block 95: Agreement with SERNANP [3] for Pacaya-Samiria National Reserve
  - Block 107: Preservation efforts at San Carlos and Oxampampa-Ashaninka forest reserves

SOCIAL

- Projects to encourage and mentor sustainable local development
  - Fabrication of new pontoon dock
  - USD 2m annual budget dedicated to social efforts
  - Development project scoping and engineering assistance
- Significant local employment
  - 100 employment positions split over 355 people, or 15% of total local workforce
- Working with a network of NGOs, producers, and local and central government organizations
- Helping indigenous communities and organizations

GOVERNANCE

- Six full time CSR[1] employees, five full time HSE[2] employees, and four full time environmental and permits employees
- One manager of Government relations and manager of communications
- HSE and CSR team with +200 years of combined experience
- Active and consistent social and environmental investment programme, focused on empowering the local communities
- Claims and response system implemented to address any issues with the local communities

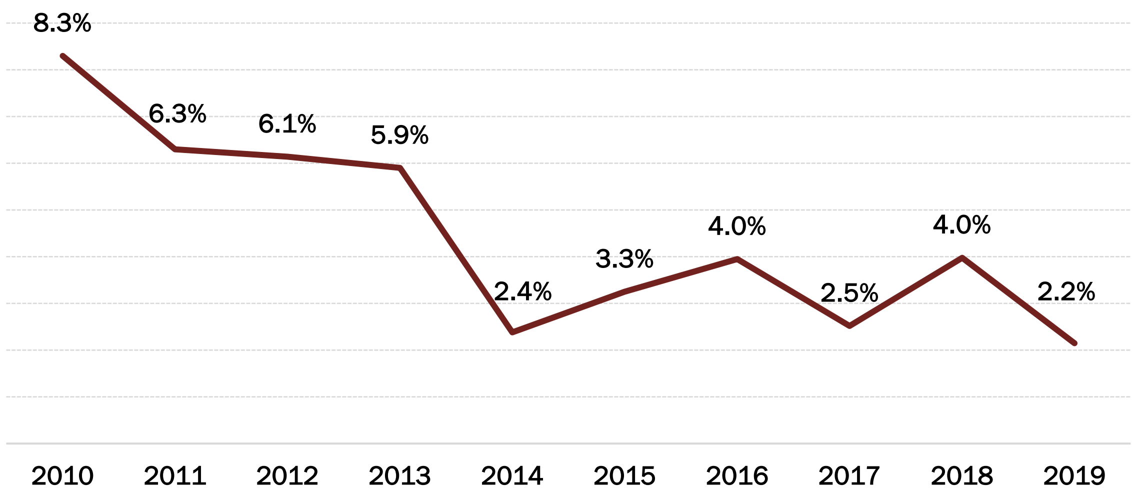
1) *CSR - Community and Social Responsibility*
2) *HSE - Health and Safety and Environmental*
3) *SERNANP is Peru's agency responsible for protection of natural areas*

Peru – country and fiscal overview

Peru offers a stable, low risk investment environment

- Peru has averaged 4.7%/yr in GPD growth since 1998
- Investment grade stable/positive outlook: A3 (Moody's)/BBB+ (S&P and Fitch)
- Second lowest country risk in LatAm with a rating of 163 vs average of 548[1]
- Natural resource related revenues are an important contributor to Peru's fiscal budget generating > USD 700m in 2018[1]
- Standardized concession contracts signed into law by supreme decree
- On 23 November 2020 the Peruvian govt. issued USD 4b in new notes with a tenor of 12, 40 and 100 years (100 years notes priced at LIBOR+170bps)
- The Peruvian govt. recently announced a USD 1.7bn six-year plan to benefit local communities in northeast Peru (see slide 33 for further details)

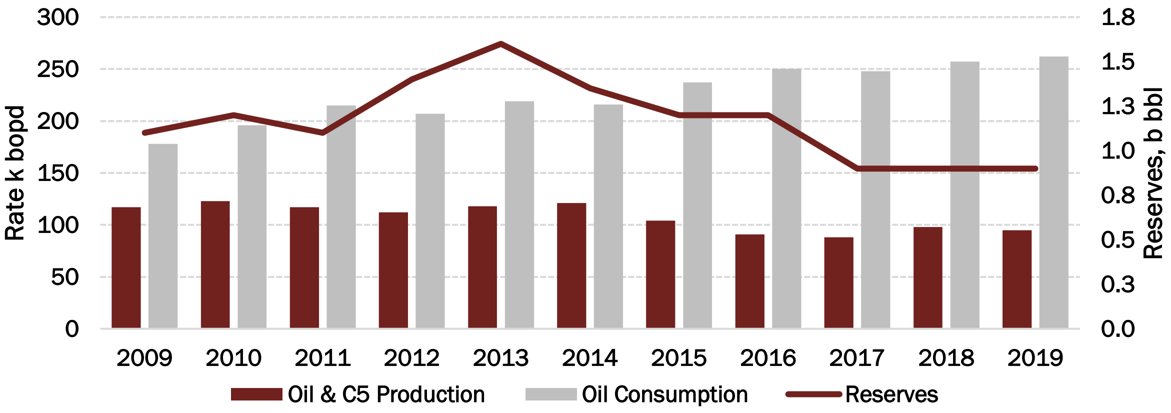
Peru's GDP growth rate[3]



Peru's oil and gas industry

- Industry leading fiscal terms for the intermediate producer
  - Royalties of 5-20% dependent on production levels (6-8% is expected when 20,000 bopd is reached)
  - Corporate tax rate of 32%[2]
- Leading international oil & gas and oil service companies with strong presence
  - Shell, Anadarko, Occidental, Tullow, Cepsa and Perenco
  - Baker Hughes, Halliburton, Petrex (Saipem), Schlumberger, Sertecpet
  - USD 3bn refinery expansion (doubling processing capacity to 95,000 bopd from 50,000 bopd) further increasing demand for Peru based production

Peru's historical oil production and consumption[4]



1) *2020 E&Y Peru Investment Guide. (Chile 159, Colombia 211, Brazil 266 country risk ratings)*
2) *PetroTal has over USD 300m of tax loss carry forwards*
3) *www.macrotrends.net*
4) *2020 BP Statistical Review*

Bretaña Field

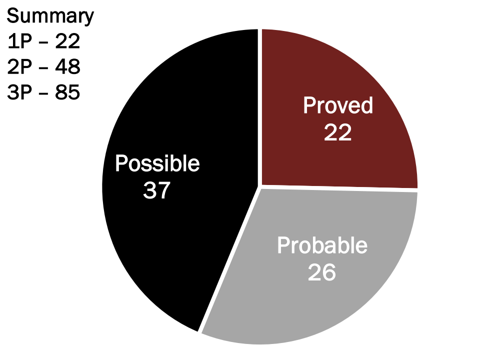
Large producing reserve base

Bretaña (Block 95, 100% WI) - growing production base

- **Located in the Marañón Basin of northern Peru**
- **2P reserves of 47.7mmbbl (1P of 21.5mmbbl)[1]**
  - 19° API heavy oil with no gas
  - Oil sold at estimated USD 4/bbl discount to Brent at time of Petroperu onward sale[2]
- **Current production of 10,000 bopd from seven wells**
  - First production achieved in June 2018, six months after acquisition - ahead of schedule and well below budgeted cost
  - Horizontal wells with initial production capacity of > 5,000 bopd offering best in class capital efficiencies
- **Back in full operations after the 10 August 2020 social disruption shut-in[3]**
  - Production restarted 28 September 2020 and ONP operational as of 3 January 2021
  - Offtake risk mitigated by access to i) ~700k bbls of storage capacity and ii) other export markets which allowed PetroTal to produce 614k bbls from 28 September 2020 to YE2020
- **Processing capacity of 16,000 bopd increasing to +24,000 bopd by mid 2021**
  - USD 20-25m central processing facility phase two upgrade expected to be completed by mid 2021, increasing processing capacity to over 24,000 bopd
- **Highly conservative 2P booking – significant potential for increased reserves through increased recovery**
  - 2P reserves based on a very moderate recovery factor of 13.6%
  - Analogue fields in Peru point to much higher recovery factor of 24%, while nearby fields deliver median recoveries of 33%, indicating significant potential recovery improvements

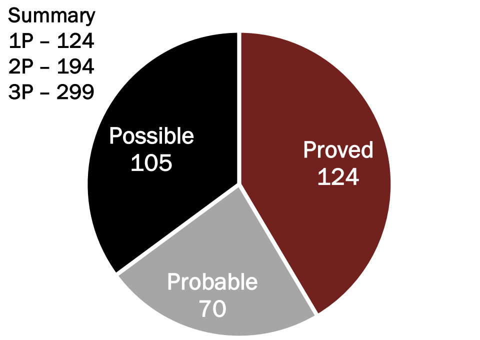
Reserves and production overview

Reserves mmbbl[1]

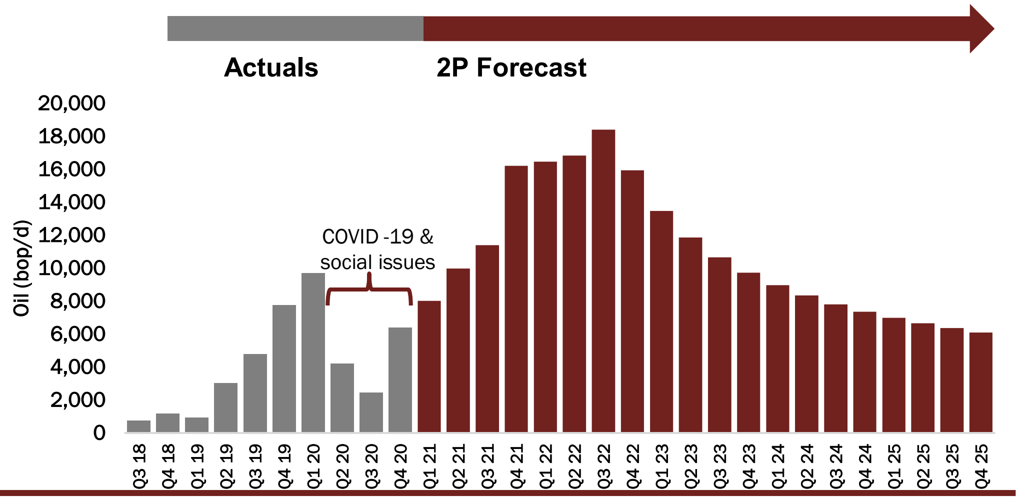


1P is 46% PDP

Finding and Development USD m



2P Production Profile[1]



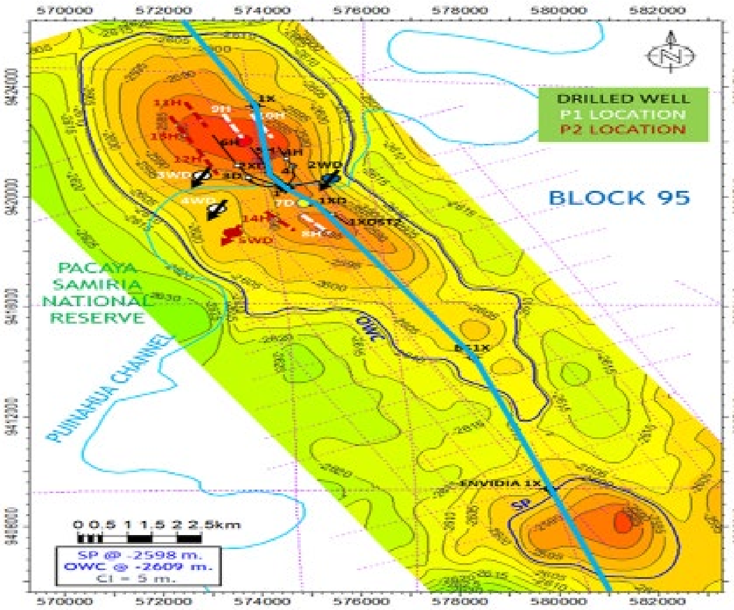
1) *NSAI Reserves statement effective date 31 December 2019, gross including oil used in the field in each category*
2) *Contract calls for an interim USD 6/bbl differential with future discounts based on realized export prices expected to be USD 4/bbl or less. The latest realized Bayovar export to date was done at a USD 1.39/bbl discount to Brent*
3) *Operations halted due to ongoing protest related to the government's poor management of the Covid-19 crisis, particularly in the isolated indigenous communities - see slide 33 for additional details*

2P reserves based on highly conservative recovery factor vs analogue fields

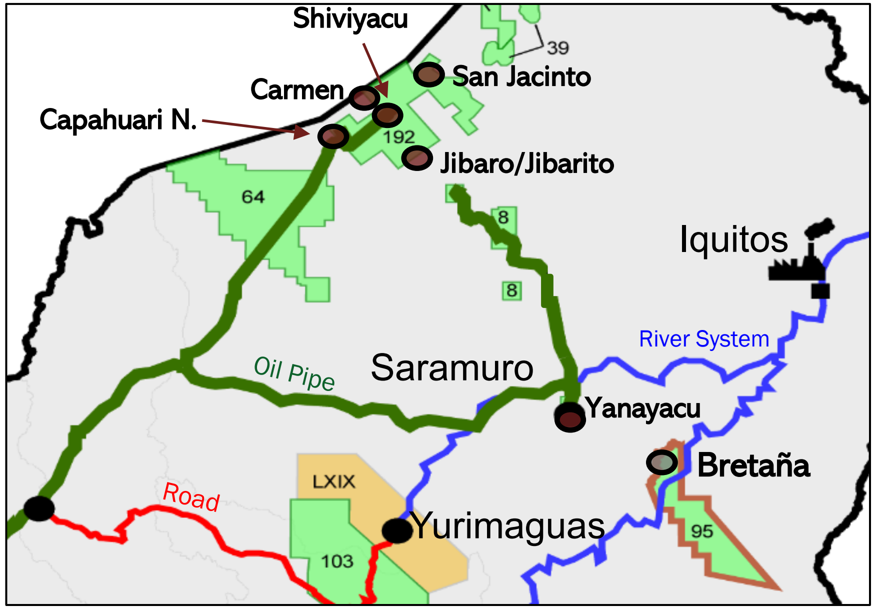
Block 95 technical characteristics and analogue field recovery factors

- Well defined four-way structure bounded by a reverse fault to the east – a geologic trap system that is very prolific and productive in both Peru and Ecuador
- Vivian reservoir - Massive fluvial sands with excellent reservoir quality
  - Accountable for almost 70% of the oil production in the Marañón Basin in Peru
  - Strong aquifer support assures pressure maintenance and high volumes of oil recovery
- Analogous fields in the basin have recovery factors of 22-42% vs Bretaña at 13.6% - possible Bretaña upside recovery factor of incremental 10-25%

Block 95



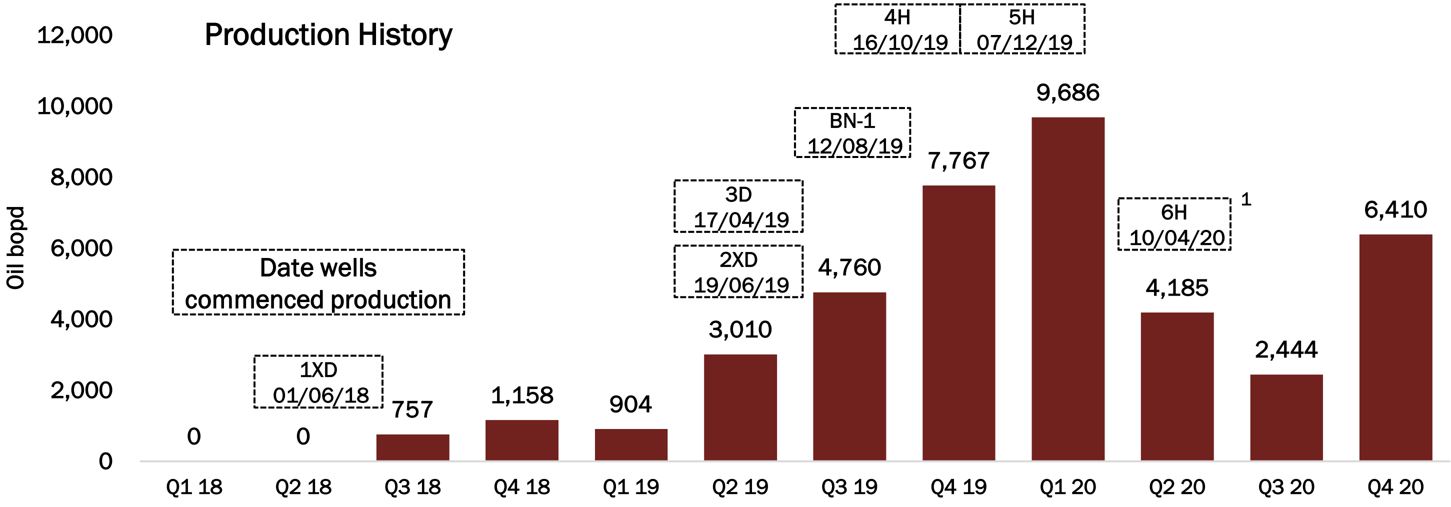
Analogue field recovery factors

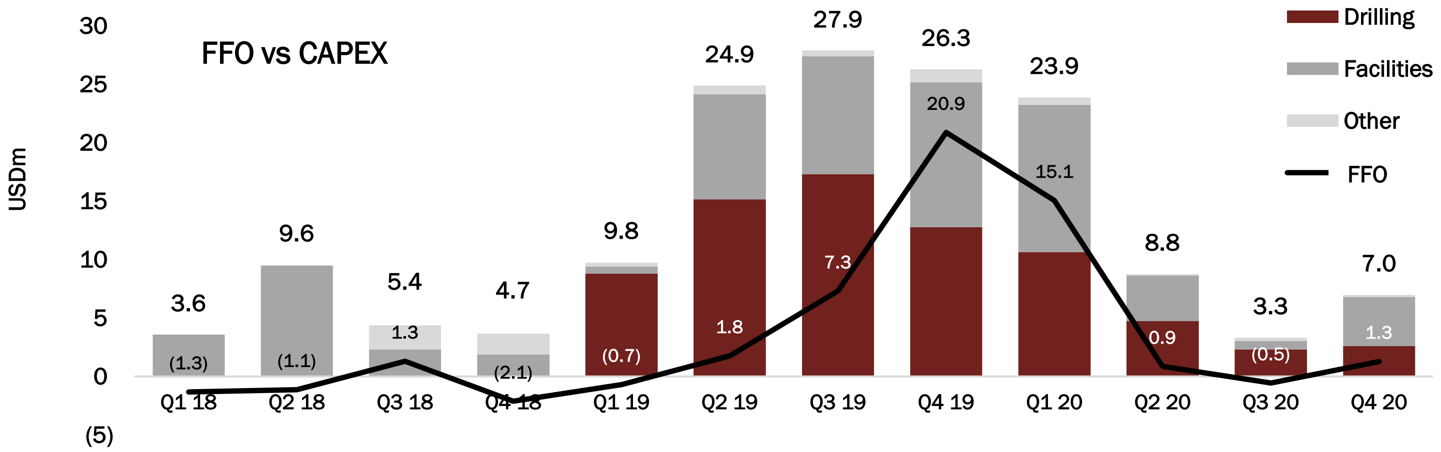


Field	API	OOIP (mmbbl)	EUR (mmbbl)	Rec. Factor (%)
Shiviyacu	20	331	121	37%
Carmen	20	45	14	30%
Capahuari N.	35	48	20	42%
San Jacinto	13	209	46	22%
Jibaro/Jibarito	11	414	108	25%
Yanayacu	19	65	24	37%
Bretaña	**19**	**364**	**48**	**13.6%**

Strong production growth since inception

Bretaña production and wells to date[1, 2] - strong production growth





Growth capital sources and uses to date

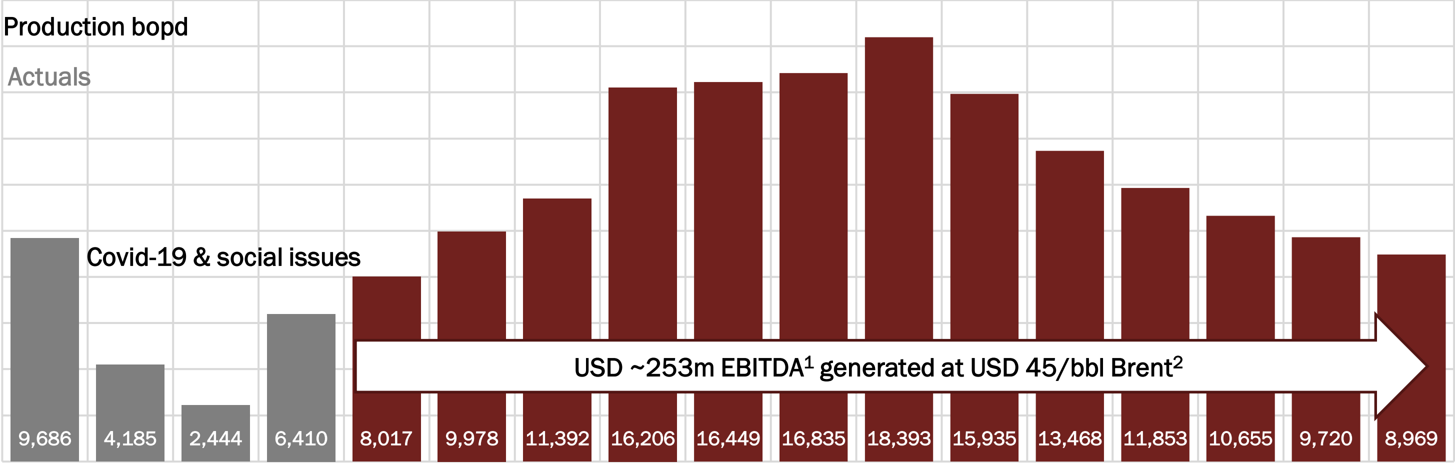
- USD 155m capex spent to Q4 2020 to reach a peak production of 13,300 bopd in ~two years (YE 2019) with industry leading full cycle capital efficiencies of USD 11,600 per flowing bbl
- Strong relationships exist with critical oil service companies ensure attractive payment schedule and working capital flexibility
- Capital program to date funded from a combination of new equity, operating cash flow and contractor financing

CAPEX Funding Contribution (2018 - 2020 USDm)

1) *The field was shut in on 7 May 2020; for the 37 producing days in Q2 2020 production averaged 11,500 bopd. 6H (latest well) initially flowed at >5,000 bopd and produced 150k bbls in 35 days pre COVID-19 shutdown*
2) *Bretaña production and export pipeline halted in early August due to social unrest in the area to protest the Peruvian government's COVID19 response. PetroTal was nevertheless able to continue producing at reduced rates and has sourced an additional export option outlined on slide 16. At 3 January 2021, the social issues have been resolved and deliveries have recommenced into the ONP with field production back at 10,000 bopd*

Development scope and schedule

Development schedule to end 2023



Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Total
Drilling		2	3	8	20	20	21	19	17	14	1	0	0	0	0	0	**124**
Facilities		1	4	4	15	8	1	0	0	0	0	0	0	0	0	0	**35**
Exploration/Other		0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	**2**
Total CAPEX (USDm)		3	7	13	36	29	22	20	17	14	1	0	0	0	0	0	**161**
Oil Wells		7	7	7	8	9	11	12	13	15	15	15	15	15	15	15	**15**
Disposal Wells		1	1	1	2	2	2	2	2	2	2	2	2	2	2	2	**2**

Key highlights

- Low risk path to 20,000 bopd by September 2022 based on 2P reserves
  - USD 155m spent through 2020 with a forecast additional USD 145m to be spent through prosposed bond financing tenor
- Processing capacity increased to >24,000 bopd by mid-2021
- Additional eight horizontal wells to be drilled – EUR of 3.3 mmbbl per well[2]
- Average new wells expected to pay out in eight months at USD 40/bbl
- Scope to increase reserves more than 2x - 10-20% recovery factor upside based on, analogous fields
- **Free Cash Flow pre debt service (EBITDA[1] less capex) of 1.4x loan value over bond financing term at USD 45/bbl Brent[3]**

8 new production wells + 1 water disposal well

Central Processing Facilities (CPF–2) USD ~20-25m[4]

Brent Sensitivity	USD 45/bbl	USD 50/bbl	USD 55/bbl
Three-year EBITDA (USDm)	253	306	359

1) *EBITDA = Revenue less royalties less field operating costs less non capitalized G&A, and includes an assumed 50% production hedge impact during the first 12 months post bond financing close (see slide 30 for details)*
2) *Per 2019 year ended reserve report*
3) *On an assumed USD 100m bond financing and from March 2021 to February 2024 excluding the USD 25m reserved for potential acquisitions and repaid in 12 months if not used*
4) *Remaining USD 20-25m capex for CPF-2*

Extensive infrastructure in place to facilitate production increases

Existing facilities allow increased production

- PetroTal has invested USD ~70m to achieve processing capacity of ~16,000 bopd[1]
- Continued ability to rapidly increase production with completion of CPF-2 end H1 2021
- Full field Environmental Impact Assessment (EIA) approved for continued development
  - Common well pad minimizes footprint (11 hectares) and increases efficiencies
  - Facility riverside location simplifies logistics
- Bulk of facility investment behind the company

Capacity Stage	Incremental Oil bopd	Incremental Water bwpd	Complete
Long-Term Testing Facility	8,000	9,000	Dec. 2018
Central Processing Facility #1	8,000	41,000	Dec. 2019
Central Processing Facility #2	8,000	30,000	Mid 2021
Total	**24,000**	**80,000**	

Facility Asset Listing	CPF-1	CPF-2[2]
Oil Tanks	4 x 50k bbls	2 x 40k bbls
Water Tanks	2 x 25k bbls	2 x 25k bbls
Diluent Tanks	9 x 14k bbls	N/A
Separators	3 x 60k bopd	N/A
Treaters	2 x 16k bopd	1 x 8k bopd
Desalters	2 x 16k bopd	1 x 8k bopd
Exchangers	4 x 16k bopd	2 x 16k bopd
Camp Footprint	3.7 ha	0.8 ha

1) *Includes associated infrastructure spending to CPF-1, such as power generation using crude oil as feedstock that helps lower lifting costs*
2) *CPF-2 facilities such as heater treater, desalter, and heat exchanger are already on their way to Bretaña and should be installed by February 2021*

Export routes

Multiple export routes preserving pricing optionality

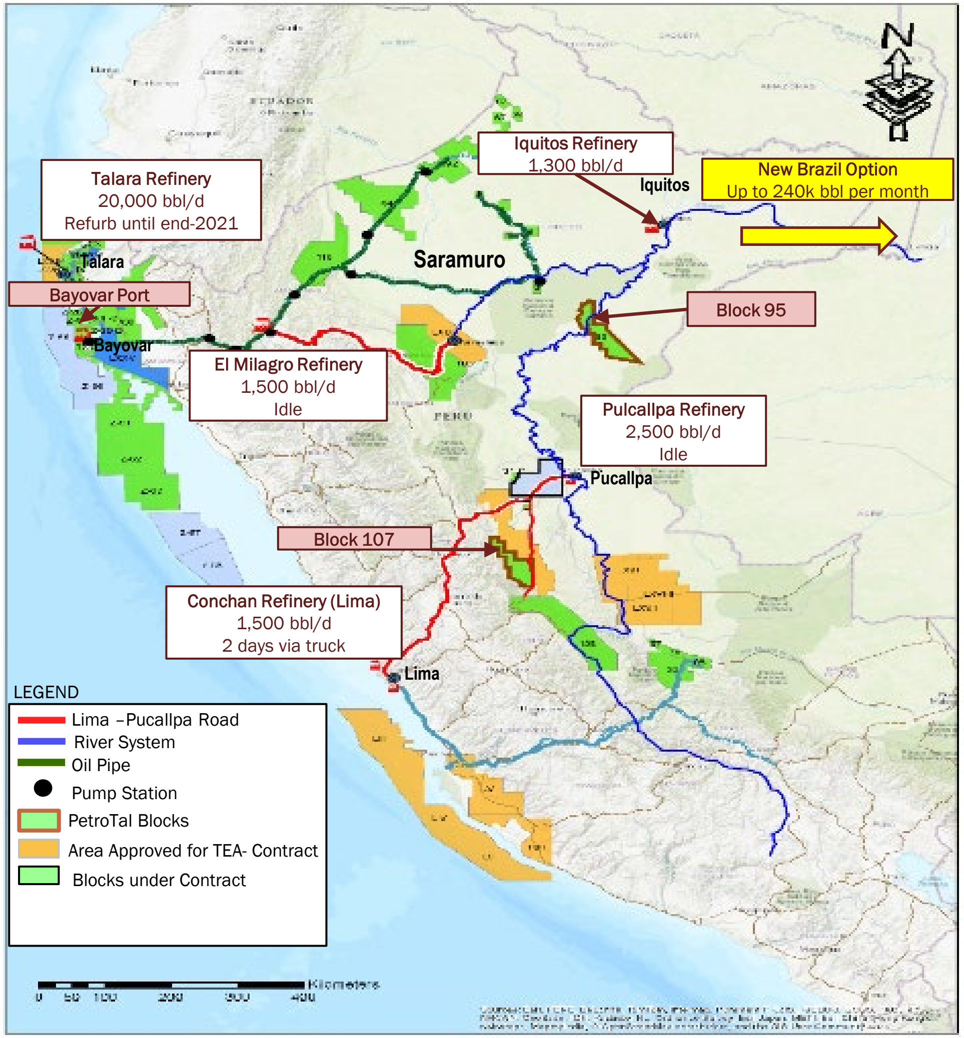
Current export routes

- **First 1,300 bopd sold to Petroperu's 10,000 bopd Iquitos refinery**
  - Shortest route to market and potential for increase sales by improving our residual viscosity through blending or chemicals
  - Oil transported on barges at a cost of USD 2.4/bbl with 18.6% differential to Brent
- **Remaining production barged to pump station #1 at Saramuro and piped to Bayovar on west coast, providing access to local and international markets**
  - Barging costs of USD 3.40/bbl
  - Northern Oil Pipeline ("ONP") tariff of USD 6.5 - 8.0/bbl (at Brent price of USD 30 - 65/bbl)
  - Differential estimated at USD 4/bbl with recent sale at USD 1.39/bbl
- **Sales contract signed with Petroperu in December 2019[1] ensuring cash flow from oil sales is realized at time of oil delivery**
  - Petroperu agrees on sale when oil enters ONP, with the final price adjustment when Petroperu sells the crude oil to the final consumer
  - Stable monthly cash collections via low cost factoring arrangements and hedge program
  - Three-year contract until December 2022
  - Oil is currently being exported, but once the 95,000 bbl/d Talara refinery modernization is completed, this will be an attractive marketing option as ONP tariffs are expected to drop

Alternative export routes

- **Brazil: export via Amazonas to Atlantic Ocean**
  - Successful pilot shipment of 106k bbl sold FOB Bretaña route to Itacoatiara port in early Dec 2020
- **Peru: Multiple alternative routes available[2]**
  - PetroTal has tested alternative routes delivering oil to Conchan Refinery and Bayovar Port

Export optionality

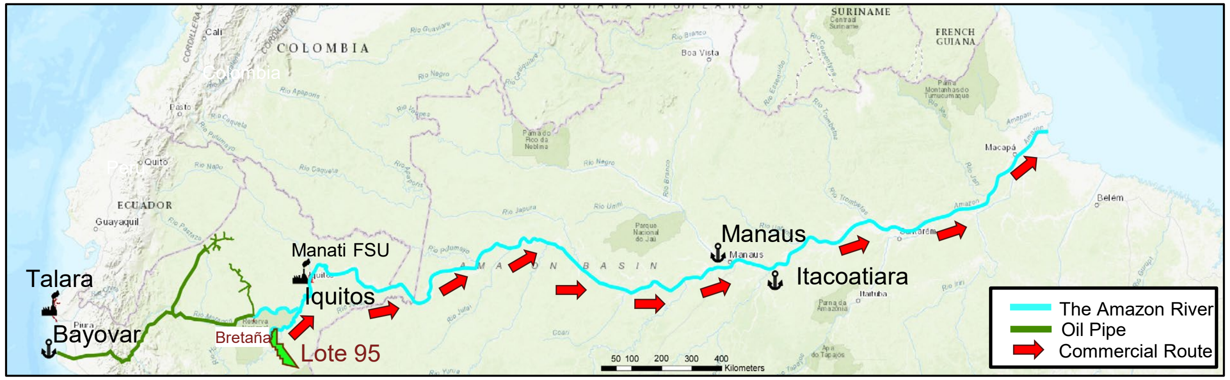


1) *Extended in June 2020*
2) *PetroTal has delivered Bretaña crude oil to Bayovar through Yurimaguas port with subsequent trucking to Bayovar of 4,000 bopd. Also an additional 2,500 bopd delivery option to Conchan Refinery exists with subsequent barging to Pucallpa and trucking to Lima. Both options require access to the rivers*

Alternative offtake option – up to 240k bbl export shipments via Brazil

Offtake option via Itacoatiara Brazil

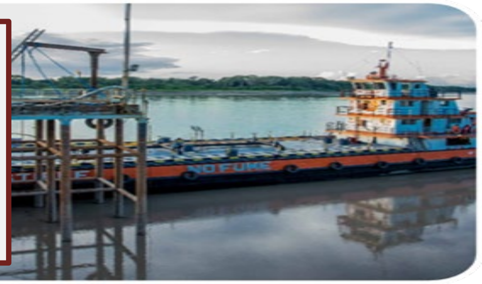
- Oil sold FOB Bretaña and transported with barges to Brazilian ports along Amazonas, reducing dependency on Peruvian infrastructure
- Offtake route confirmed through two pilot exports, 106k bbls and ~200k bbls, with offtake contracts provided by an experienced Houston-based trader
  - First export pilot of 106k bbls was carried out in December 2020, achieving a netback of USD 16/bbl at USD 48.8/bbl Brent[1-3]
  - Optimizing from first pilot, second contracted export pilot of 200k bbls will be carried out in February 2021, with expected netback of USD 25/bbl at USD 53/bbl Brent[1-3]
- Subsequent shipments of up to 240k bbls[4] estimated to commence in Q2 2021 could allow further cost scaling and increased netbacks of up to USD 3/bbl[1-3], offering other cost savings benefits compared to the current ONP export route, such as:
  - Instantaneous price realization vs ONP pipeline route, avoiding hedging and factoring costs, and reducing logistic and market risks



11 days from Bretaña to Itacoatiara

Bretaña Field

- 50k bbl storage capacity at Bretaña, increasing to 90k bbl with CPF-2 enabling PetroTal to sell FOB Bretaña



Manati FSU (Optional)

- Anchored east of Iquitos
- 200k bbl storage capacity available to PetroTal
- Available with 45 days prior notice

Transport by Convoys

- 240k bbl transported together in four convoys
- Each convoy consists of three 20k bbl barges
- Eleven days from Bretaña to Itacoatiara, east of Manaus

Itacoatiara Port

- Oil transfer from barges to tanker takes approximately fifteen to twenty days
- Itacoatiara port used by Petroperu to import fuels to Iquitos – currently barges are returning empty allowing for reduced barge rates for Bretaña crude oil

1) *With Brent at USD 45/bbl the expected netbacks for the first and second pilots would have been USD 15/bbl and USD 17/bbl, respectively*
2) *Royalties of USD 2.5/bbl @12,000 bopd. Royalty rate of 5% at 5,000 bopd; 5.8% at 10,000 bopd, and 6.6% at 15,000 bopd*
3) *Estimated lifting costs of USD 4.5/bbl for first pilot and USD 4.0/bbl for second pilot and subsequent exports due to higher production rates*
4) *Subsequent Brazilian export shipments are expected to increase to 240k bbls by using the lessons learned from the first two pilots, with expected improvements in the barging fleet and access to tanks at the terminal*

PetroTal

Significant storage capacity and multiple offtake options mitigate ONP risk

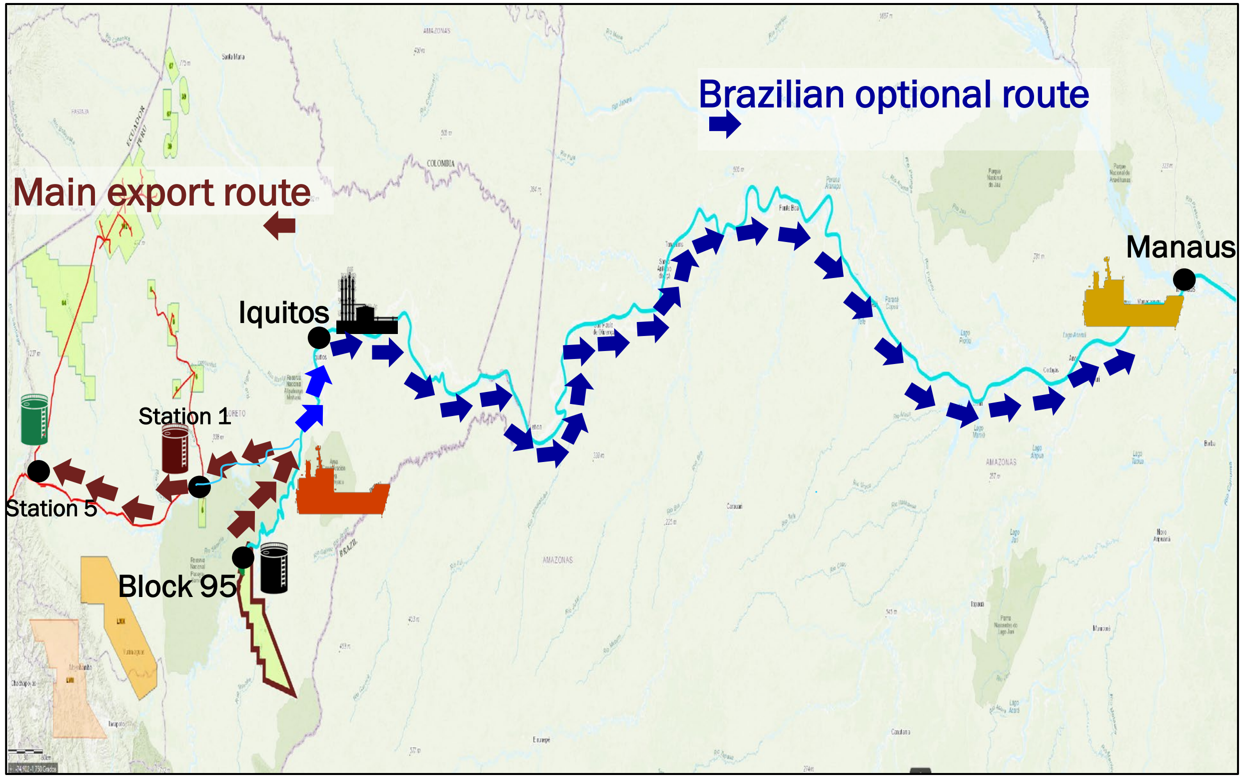
~700k bbls storage capacity[1-3]

Access to:	Storage k bbl	# of days @ 12k bopd	Cuml. # of days @ 12k bopd
Bretaña Field	90[2]	7.5	7.5
ONP Barges	132[3]	11.0	18.5
PS No. 1	240	20.0	38.5
PS No. 5	240	20.0	**58.5**
Total	**702**	**58.5 days 12.0k bopd**	

280k bbls p.m. export markets for 9.3k bopd average sales[1,3]

Access to:	Offtake k bbls p.m.	Equivalent k bopd	Combined k bopd
Iquitos Market	40[4]	1.3	13.3
Brazil Offtake	240[4]	8.0	**21.3**
Total	**280**	**9.3**	

Multi-option offtake



- Under normal conditions, and after drilling remaining oil wells, Bretaña could produce more than 20,000 bopd
- Should ONP be unavailable, Bretaña could maintain 20,000 bopd for ~60 days by using current available storage capacity of ~650k bbls, later increasing to ~700k bbls[2]
- Should ONP be unavailable for more than 60 days, it could maintain minimum of 9.300 bopd thanks to monthly export capacity outside ONP of ~280k bbls[4]

1) *Produced approximately 590k bbls in Q4 2020 with ONP shut down and doing first 106k bbl export via Brazil in December 2020*
2) *With CPF-2, Bretaña will increase its total storage capacity from 40k bbl to 90k bbl*
3) *Nine barges available between 10k and 30k bbls capacity to supply ONP and Iquitos Refinery*
4) *Iquitos and Brazil markets are on a monthly basis, thus allowing for minimum recurring sales of 9,300 bopd of average production assuming no issues at the Puinahua Channel or in the field*

Financial Highlights

Financial summary

Historical financial summary

	Units	2018	2019	Q1-3 2020
Production (gross)	bopd	958	4,131	5,438
Bbls sold	bbls	177,465	1,472,042	1,582,858
Revenue	USDm	10	77	59
Royalties	“	0	3	2
Operating expenses	“	4	14	11
Transportation	“	1	18	23
G&A	“	8	11	6
EBITDA	USDm	-3	31	17
Operating cash flow	“	5	41	15
Investing cash flow	“	-23	-88	-39

Key balance sheet items

	Units	2018	2019	Q3 2020
Cash	USDm	26	21	10
Accounts Receivable	“	7	13	5
Total Assets	“	**96**	**194**	**206**
Accounts Payable/Accruals	“	7	54	40
Derivatives[1]	“	0	0	17
Decommissioning	“	2	4	4
Share Capital	“	85	109	125
Total Liabilities and Equity	“	**96**	**194**	**206**
Working Capital[2]	"	**27**	**-13**	**-18**
Interest bearing debt	"	-	-	-
Total equity	"	**78**	**121**	**126**
Equity ratio	%	**82%**	**63%**	**61%**

Financial highlights

- Since first oil in June 2018, production has grown to 13,300 bopd (exit rate 2019)
- 2020 YE cash of USD 10m
- Contingent derivative liability reduced to USD 2.7m at YE 2020
- Payable run rates at USD ~40m comprised of production drilling and facilities expansion related payables as at year end 2020
- Post bond financing issue pro-forma equity ratio of 46% and a Q1 2021 leverage ratio including working capital[3] of ((Net Debt)/adjusted EBITDA) 2.0x

Debt facilities - pre and post bond financing

PetroTal debt pre bond financing:

- **Petroperu restructuring agreement**
  - USD 16.6m contracted liability as at 30 November 2020
  - Currently a three year facility with Petroperu
- **Reactiva facility**
  - Peruvian Government USD 2.9m three-year facility
  - 12 month grace period, 20% cash deposit, and 1.12% annual interest

PetroTal debt post bond financing:

- **Contemplated USD 100m three-year bond financing**
  - Only material debt of the company

1) *See details on slide 29. The value of the derivative liability at 30 November 2020 is USD 16.6m and USD 2.7m at 31 December 2020*
2) *Working capital (WC) defined as Cash, Accounts Receivable, VAT Receivable less Accounts Payable*

Bretaña offers strong netbacks

Netbacks and netback sensitivity

Bretaña illustrative netbacks

Netback Detail	12,000 bopd	12,000 bopd	12,000 bopd
Brent (USD/bbl)	40.0	45.0	50.0
Differential[1]	(4.0)	(4.0)	(4.0)
Realized Price USD/bbl	36.0	41.0	46.0
Royalty [2]	(2.1)	(2.5)	(2.8)
Net Price USD/bbl	33.9	38.5	43.2
Lifting [3]	(4.5)	(4.5)	(4.5)
Transportation[4]	(14.3)	(14.8)	(15.3)
Netback USD/bbl	~15.2	~19.3	~23.4

Bretaña netback sensitivity

Brent (USD/bbl)	Netback (USD/bbl) at 12,000 bopd
USD 30	7.0
USD 35	11.1
USD 40	15.2
USD 45	19.3
USD 50	23.4
USD 55	27.5
USD 60	31.6

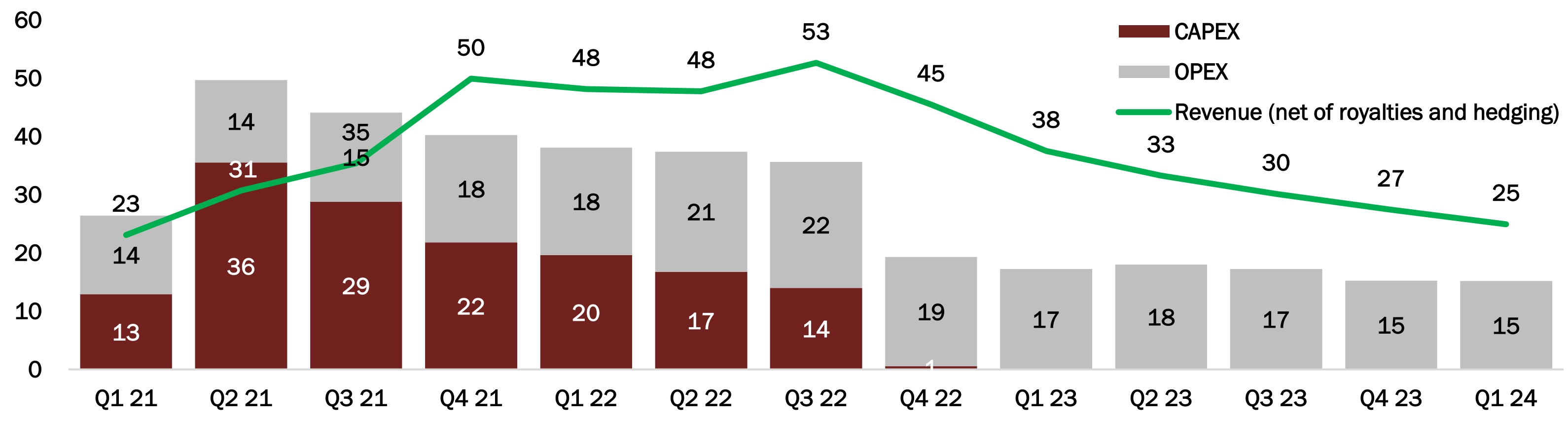
Netback highlights

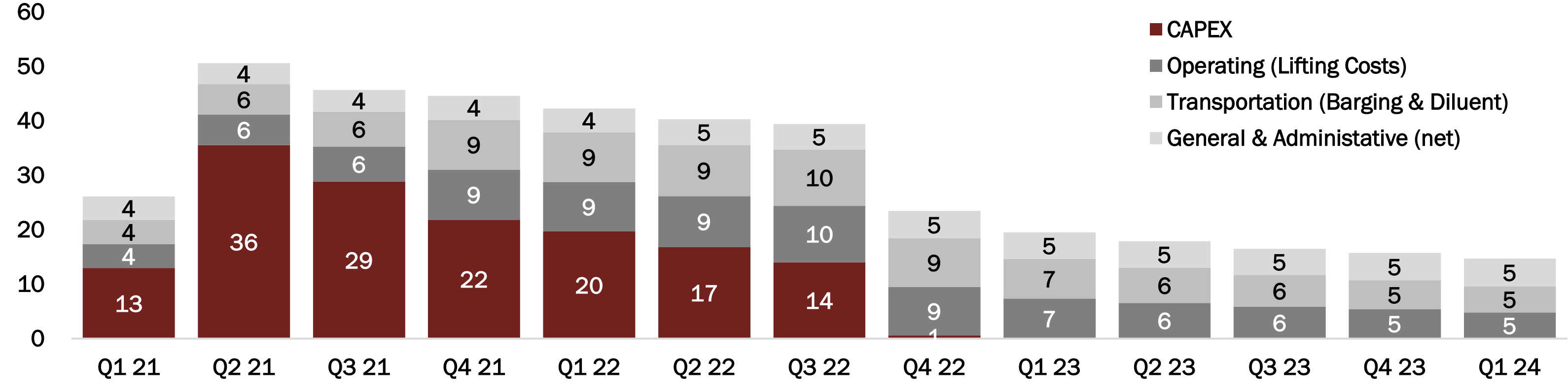
- Break even oil price (Brent) of USD ~24/bbl pre G&A (USD ~27/bbl post G&A)
  - G&A run rate at USD 2.5/bbl
- Estimated annualized EBITDA of USD 74m at USD 45/bbl
- Netbacks are sensitive to the oil price, a USD 1/bbl increase in the Brent oil price results in USD ~0.80–0.85/bbl increase in the netback (oil price scaling factor of 80-85%)
- Every USD 1/bbl Brent increase results in USD 3.5-4.0m in additional annual operating cash flow
- At USD 45/bbl Brent and 12,000 bopd, increasing production by 2,000 bopd results in an increased field netback of USD 0.6/bbl (a ~4% increase)

1) *Assumes USD 4.0/bbl differential*
2) *Royalty rate of 5% at 5,000 bopd; 5.8% at 10,000 bopd, and 6.6% at 15,000 bopd*
3) *Lifting costs are fixed at approximately at USD 1.6m per month*
4) *ONP tariff and commercial fee are netted with gross revenue in certain financial statement tables*

Strong free cash flow generation during bond financing tenor

Cash flow pre-debt service and cost breakdown (USDm)





Oil kbopd	8.0	10.0	11.4	16.2	16.4	16.8	18.4	15.9	13.5	11.9	10.7	9.7	9.0

Financial projection highlights

- Free cash flow positive at USD 45/bbl Brent
  - Three-year EBITDA of USD 253m over bond financing horizon vs capex of USD 145m

Brent Sensitivity	USD 45/bbl	USD 50/bbl	USD 55/bbl
Three-year EBITDA (USDm)	253	306	359

  - Net free cash flow during the bond financing tenor of USD 27m[1,2]
- Strong netback profile supported by low operating costs, including low G&A (< USD 2.5/bbl at 12,000 bopd), and strong production
- Royalties averaging 5-6% of revenue during bond financing tenor
- Going forward F&D costs of USD ~4/bbl at Bretaña with financial commitments outside Bretaña limited to USD 3m related to Block 107[3]

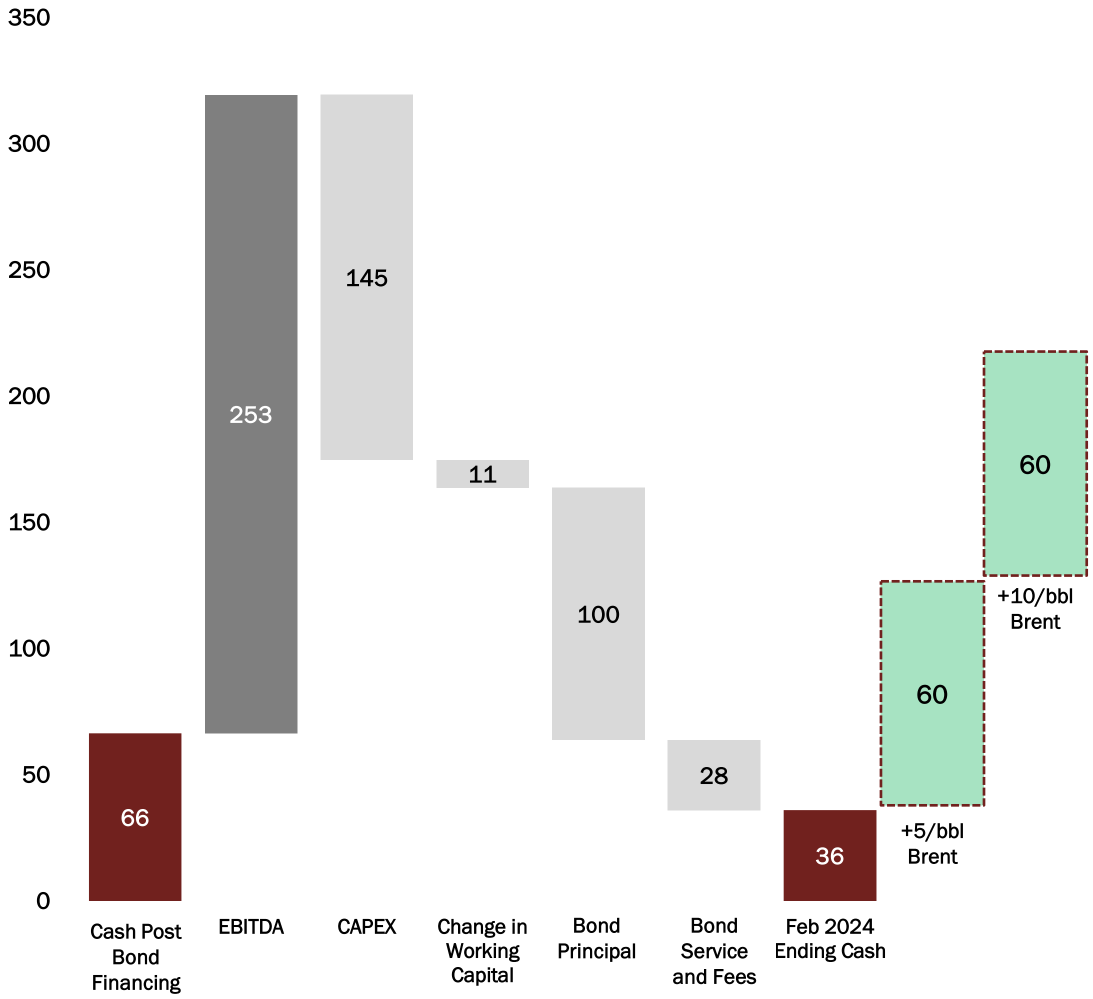
1) *Net free cash flow defined as EBITDA less capex, change in working capital, hedging, taxes, bond service and financing costs*
2) *March 2021 to Feb 2024 assumes repayment of USD 25m of restricted cash for acquisition financing in February 2022 if unused*
3) *In the event that PetroTal does not drill the two/one proposed exploration wells, commitment fees of USD 3.0/1.5m will be payable respectively*

Strong financial position post bond financing

Strong pro-forma financial position

- Proposed bond financing to repay Petroperu facility and finance further development of the producing Bretaña field
  - Will provide funds to develop Bretaña without capital restrictions, unlocking value potential and increasing the company cash flow
- Bond financing proceeds combined with strong operating cash flow ensure comfortable funding situation
  - PetroTal fully funded to realize targeted growth to 20,000 bopd by September 2022
- Limited capital commitments and strong free cash flow enables pursuit of low risk, complimentary, inorganic growth
  - Spending flexibility demonstrated in 2020 - guided capex of USD 101m reduced to USD 42m, largely by deferring drilling and the CPF2 expansion capex to 2021
  - Financial commitments outside Bretaña limited to USD 3.0m penalties related to Block 107 if two wells are not drilled (USD 1.5m if one well is not drilled)
- Up to USD 15m of cash[1] to be used to purchase hedges and/or as collateral with hedge counterparty to implement a hedging program
  - Brent swaps to be implemented at time of bond financing closing to support 2021 drilling program to manage potential price declines to USD 40/bbl

Material free cash generated at USD 45/bbl[2,3] (USDm)



1) *Requires USD 15m of bond financing proceeds reserved for cash collateral and margin calls*
2) *EBITDA includes a 50% production hedge impact for 12 months post bond financing close using Brent strip as at 6 January 2021*
3) *Assumes USD 25m of bond financing, related to acquisitions, is repaid after 12 months. Pro forma figures as of end February 2021*
4) *Includes VAT and changes in working capital*

Financial highlights

Proven ability to execute	▪ First oil in H1 2018 reached five months ahead of time and significantly below budget ▪ Increased Bretaña production from 1,000 bopd to 13,300 bopd in 18 months from mid-2018 ▪ Drilled six wells on budget and on time, consistently with better than expected performance
Strong cash flow and resilient to lower oil prices	▪ 12,000 bopd of run rate production generates annualized EBITDA of USD ~74m[1] at Brent USD 45/bbl ▪ Net free cash flow of USD 27m[2] projected over the three year bond financing despite significant investments and production ramp-up ▪ Resilient to oil price volatility – operating break-even Brent price of USD ~27/bbl including G&A
Solid balance sheet with strong credit metrics	▪ USD 100m proposed bond financing the only interest bearing debt – pro forma net debt post bond financing of USD ~54m[3] ▪ Mitigated exposure to oil prices through active hedging program ▪ Highly conservative leverage ratio – tighter financial covenants than any other comparable E&P company
Fully discretionary capex program	▪ Operatorship provides high flexibility to pace investments as needed ▪ 2020 capex program downsized by over 60% and delayed until 2021 ▪ Very limited financial commitments
Continued production growth and optimisation	▪ Continued operational improvements have reduced opex down to < USD 6/bbl ▪ Scope for increased production to 20,000 bopd, additional processing capacity up to 24,000 bopd and near doubling of 2P reserves through recovery increases ▪ Netback of USD 19.3/bbl at USD 45/bbl based on production of 12,000 bopd

1) *Using 50/bbl Brent, annualized EBITDA is USD 89m*
2) *Net free cash flow at USD 45/bbl including debt service (interest plus acquisition and bond financing principal repayment)*
3) *Estimated net debt = Bond financing USD 100m + net accounts receivable/payable USD 41m - unrestricted Cash USD 87m. Net debt does not include the mark to market value of the USD 21m derivative receivable (see slide 29)*

Exploration Upside

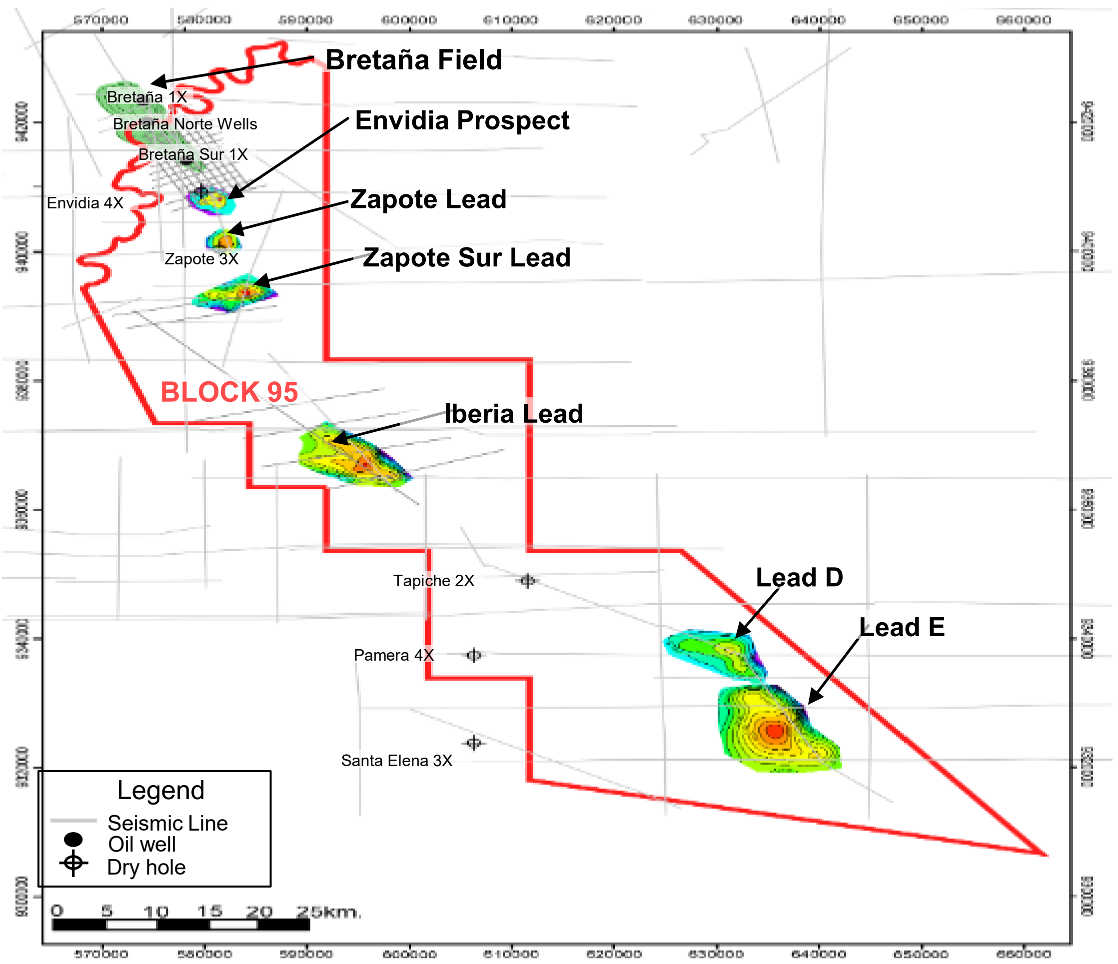
Block 95 – further growth opportunities

Key highlights

- Several prospects and leads identified, most on trend with Bretaña Field
- Leads are very similar to Bretaña and other producing fields in the basin which follow the same geological pattern observed in the block. Acquisition of 2D seismic will materially reduce the risk of these features
- An estimated USD 25m seismic program has been designed to upgrade leads to drillable prospects and is expected to commence in early 2023 based on permitting approvals, which the company is now pursuing
- Mean prospective resources >2x current 2P reserves on Bretaña Field
- Four wells drilled within the block (mid 70's) based on very limited seismic data and most likely not drilled in the optimal position. The new seismic program will reduce the structure risk so that proper well planning can be achieved

Unrisked prospects[1]	Best estimate (mmbbl)	Mean (mmbbl)
Envidia	5.3	5.6
Unrisked leads[1]	**Best estimate (mmbbl)**	**Mean (mmbbl)**
Zapote	2.5	3.3
Zapote Sur	6.4	13.3
Iberia	10.8	24.7
Lead D	7.9	22.8
Lead E	12.1	45.0
Total	45.0	114.7

Prospects and leads diagram



1) *Best and Mean estimates per NSAI Resource Assessment, effective date of June 2020*

Block 107 – significant exploration opportunity

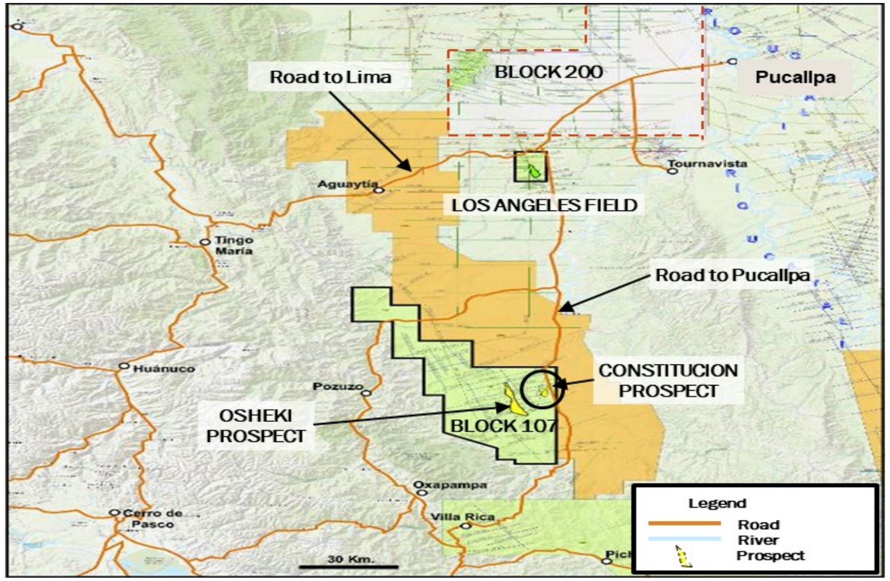
Block 107

- 100% owned and operated block, located in the Ucayali basin
- Significant exploration potential identified in a sub-thrust play similar to the Cusiana complex (Llanos Foothills of Colombia)
- 3D geologic model supports Cretaceous reservoirs with oil charge from high quality Permian source rocks
- Two drillable prospects identified on 2-D seismic
  - Large Osheki prospect - drilling permits for Osheki approved
  - Lower risk Constitución Sur prospect
- Exploration commitment to drill two exploration wells extended to Q4 22
- Farm out process underway targeting partners that can carry PetroTal through the first well
- If a farm-out is not successful, PetroTal expected to relinquish the block against a penalty payment of USD 3m

Unrisked prospects[1]	Best estimate (mmbbl)	Mean (mmbbl)
Osheki	278.4	534.2
Constitución Sur	31.6	68.5
Unrisked leads[1]	**Best estimate (mmbbl)**	**Mean (mmbbl)**
Bajo Pozuzo	259.0	1,016.5
Lead A	20.1	39.0
San Juan	72.9	147.4
Total	662.0	1,805.6

Constitución prospect

- Due to location adjacent to a new road, drilling cost is estimated to USD 20m, well below the USD 40m estimated for the larger Osheki prospect
- Constitución is also a lower risk well, making it a likely initial target to de-risk Block 107
- Constitución structure looks very similar to the Los Angeles field, located ~60 miles north, and has expectations to discover 40-45 API oil which can be produced
  - 32mmbbl of best[2] unrisked prospective resources
- If successful, PetroTal could move the early production facilities originally installed at Bretaña, aiming to start long-term production in three-four months



1) *Mean estimate NSAI Resource Assessment, effective date of June 2020*
2) *Best estimate NSAI Resource Assessment, effective date of June 2020*

Appendix

Sales process overview and contract highlights

Crude oil sales and transportation contract

- On 12 June 2020, PetroTal announced an extension of its Oil Sales Agreement with Petroperu to three years covering the majority of PetroTal's Bretaña production (remaining volumes sold through Iquitos refinery)
- Future invoices will be due 240 days from when oil is delivered to Station #1
- Factoring arrangements available at nominal rates enables PetroTal to receive cash payments in < 30 days
- Framework established to ensure adequate hedge protection for both PetroTal and Petroperu
- Pipeline (ONP) tariffs reduced and commercialization fee discounts based on a Brent price linked sliding scale

ICE Brent Range USD/bbl	Commercial Fee USD/bbl
>80	4.0
70-80	3.5
60-70	3.0
50-60	2.6
<50	**2.0**

ONP (Transportation Fee) pre < 1 Jan 2021	ONP (Transportation Fee) post> 1 Jan 2021
Estimated at invoice date – USD 6.67/bbl[1]	At invoice and sales date – USD 8/bbl[2]
Dated Brent < 55/bbl = 1 + 15% x (55 - Dated Brent)	
Dated Brent < 65 and > 55/bbl = 10% x (65 – Dated Brent)	

Sales process overview under Petroperu Oil Sales Agreement

- The crude oil ownership and associated risk are transferred to Petroperu once Bretaña oil is delivered to Station #1 at Saramuro
- Within the first five days of each month, PetroTal must invoice Petroperu for the oil delivered in the previous month
  - Pipeline tariff and commercialization fees are deducted in the pricing formula
  - PetroTal benefits from factoring arrangements made through Petroperu to crystalize invoiced amounts for immediate cash flow collection of up to USD 120m using Petroperu's credit line
  - Both PetroTal and Petroperu will, using Petroperu's balance sheet, enter into hedges to mitigate variability around oil price fluctuation
  - The invoice is payable 240 days later when the oil is estimated to be sold at the Bayovar Terminal
- Petroperu markets the crude oil on a best efforts basis
- A pricing readjustment is triggered when Petroperu sells the crude oil at the Bayovar Terminal in order to true up the price and quality discount differences between the invoice date and the date the crude oil was sold
  - Due to the Covid-19 crisis and corresponding oil price war, which caused a significant drop in Brent oil prices, the price adjustment mechanism under the Petroperu Oil Sales and Petroperu Oil Transportation Agreements generated a contingent liability of USD 16.6m for PetroTal towards Petroperu at 30 November 2020. This liability will be settled with proceeds from the bond financing (see further details on slide 29)

1) *Base tariff remains at USD 8/bbl and discounts can not exceed USD 1.33/bbl*
2) *Brent must be at USD 35/bbl or higher*

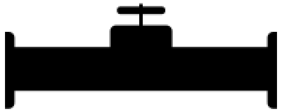
Derivative liability – to be repaid through bond financing

Bretaña derivative liability

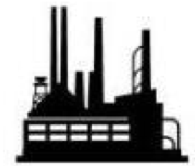
Delivery	Production Delivered (bbl)	Invoiced (USD/bbl)	Brent Price (USD/bbl)	Liability/(Asset) (USDm)
Aug-19[1]	200,001	59.7	43.1	3.3
Oct-19[1]	208,397	64.4	43.1	4.4
Dec-19[1]	53,922	68.2	43.1	1.4
Dec-19[1]	118,258	68.2	44.9	2.8
Dec-19	294,372	64.3	44.0	6.0
Dec-19	85,142	65.2	44.0	1.8
Jan-20	260,600	63.7	44.0	5.1
Feb-20	226,793	55.5	44.0	2.6
Mar-20	345,923	33.7	44.0	(3.5)
Apr-20	286,211	26.6	44.0	(5.0)
May-20	49,526	32.4	44.0	(0.6)
July-20	37,402	43.2	44.0	(0.0)
Aug-20	16,594	45.0	44.0	(0.0)
Sept-20	895	41.9	44.0	(0.0)
Oct-20	130,017	41.5	44.0	(0.3)
Nov-20	88,543	44.0	44.0	(0.0)
Total				**18.1**
VAT and prepayment				(1.5)[2]
Total liability	**2,182,494**			**16.6**

Sales process (~eight-nine months process) - illustrative example

~0-30 days



~Eight months



Production

Delivery to ONP and PetroTal paid

Onward sale by ONP and price true-up

1 bbl produced & sold

Invoiced at USD 50.0/bbl[3]
PetroTal are paid USD 50.0/bbl minus USD 6.7/bbl and USD 2.0/bbl by ONP and a nominal factoring fee

Risk of Brent oil price changes

1 bbl onward sold

Onward sale by ONP at USD 45.0/bbl[3]
Difference between USD 50.0/bbl and USD 45.0/bbl results in a liability between PetroTal and ONP (true-up)

Derivative liability details

- The derivative liability is a consequence of PetroTal's sales agreement with Petroperu
  - Oil produced at Bretaña is delivered to ONP at the Saramuro pump station, where it enters the pipeline. PetroTal are paid at the time of delivery based on the spot oil price at the time (the "Initial Price")
  - Oil takes ~8-9 months to reach the point of onward sale by Petroperu. At this point the Initial Price is adjusted based on the onward sale price; which reflects the spot oil price at the time of sale. (the "Final Price")
  - Based on the expected timing of these future deliveries to the point of onward sale, and the forward strip at 7 January 2021, PetroTal will receive USD 21.1m in true-up revenue
- To support PetroTal during and following the Covid-19 pandemic, a three year facility to settle derivative liability provided by the pipeline operator, Petroperu (ONP). This facility will be repaid and cease to exist post bond financing issuance

Risk mitigation

- Under the Petroperu Restructuring Agreement and Commercial Adenda, Petroperu will provide a hedge for period from delivery to sales with PetroTal paying the hedging fee and receiving the benefit of price certainty from the Petroperu hedge
- **As a result of the hedge, PetroTal expects to avoid any material future derivative liabilities towards Petroperu**
- Additionally, PetroTal has a robust internal hedging policy to cover its corporate exposure aimed to:
  - Be compliant with debt covenants
  - Provide stable and predictable cash flows

1) *462k bbls sold on 17 July 2020*
2) *VAT and prepayment is comprised of USD 3.1m less USD 4.6m already paid*
3) *Brent crude oil price at that date. Oil prices are for illustrative purposes only*

Hedging considerations and strategy

Overview

- Immediately upon closing of the bond financing issue, PetroTal plans to implement a hedge program for the next 12 months with a focus on i) protecting the USD 99m capital program for 2021 and ii) ensure compliance with covenants should Brent drop materially below USD 45/bbl
- Next 12 months hedging plan expected to include[1]:
  - Initial hedging program utilizing up to USD 15m of bond financing proceeds to support credit requirements with hedge counterparty – such hedging will be in addition to the hedging undertaken by Petroperu for PetroTal under the Petroperu Restructuring Agreement (see slide 29)
  - Hedging through swaps to secure a minimum commodity price
    - Swaps to be implemented at strip prices to establish a guaranteed price for a portion of production, PetroTal will receive fixed, and pay floating Brent prices
    - Hedge program will be implemented with creditworthy hedge counterparties and any gains/losses will be settled and offset monthly
    - Puts and collars could be considered under favourable market conditions
  - Initial hedging in the order of 50% of next twelve months production
- Going forward, PetroTal will actively manage the hedging program to ensure adequate protection against a decline in crude oil prices and hedges will continuously be added for 2022 and 2023 to ensure compliance with bond financing covenants and debt repayment obligations, under low crude oil pricing conditions
- Besides an active hedging program, the company's liquidity position is protected through a fully discretionary capital expansion program during the bond financing term
  - As demonstrated in 2020, PetroTal has the ability to quickly adjust the capital expansion pace and intensity based on the crude oil price environment

1) *Final hedging volumes and term to be based on market conditions at the time of implementation*

Introduction to commercial agreements with Petroperu

- Bretaña crude oil has two main commercial markets and export routes with Petroperu as counterparty: Iquitos Refinery and Bayovar Terminal through the Northern Oil Pipeline (ONP) and PetroTal has in this respect entered into three commercial contracts with Petroperu:
  - **Iquitos Refinery Oil Sales Agreement:** contract signed with Petroperu business unit acting as final customer. Contract covering 1,300 to 2,000 bopd of Bretaña production being delivered in four to six barges directly to the refinery (CIF Iquitos Refinery). Please refer to slide 15 for additional details
  - **Petroperu Oil Sales Agreement:** signed with the Commercial Department of Petroperu. Covering sale of any residual Bretaña production not sold through Iquitos Refinery (see below)
    - Petroperu assumes custody, control, and property of the Bretaña crude oil at Station #1 and transports the oil through the ONP pipeline until it arrives at the Bayovar Terminal, located on the coast of northern Peru, six-eight months later
    - The crude oil is sold to market under a commercial bid process
  - **Petroperu Oil Transportation Agreement:** signed with the Pipeline Business Unit of Petroperu. Covering unloading services at Station #1 and grant storage capacity at Bayovar Terminal
    - Should PetroTal find it commercially beneficial to use other offtakers than Petroperu, PetroTal has the right to stop delivery under the Petroperu Oil Sales Agreement and transport the oil to the coast through the "Petroperu Oil Transportation Agreement". In such a scenario, this agreement will also cover the transportation of crude oil from Station #1 to the Bayovar Terminal
    - Petroperu assumes risk and custody at Station #1. Petroperu becomes a PetroTal contractor providing a transportation service and is compensated after PetroTal exports the barrels at the Bayovar Terminal
- In order to settle PetroTal's contingent liability towards Petroperu and to avoid future contingent liabilities, PetroTal and Petroperu have negotiated and are about to execute a new agreement (the "**Petroperu Restructuring Agreement**") with adjustments to some commercial terms in the Petroperu Oil Sales Agreement and the introduction of an oil price hedging program to delivered oil at Station #1, but not yet sold by Petroperu

Oil Sales Commercialization Agreements with Petroperu

Key Terms	
Key Agreements	▪ Petroperu Oil Sales Agreement ▪ PetroTal has provided security to Petroperu for the historic liability that has accrued under the Petroperu Oil Sales Agreement and Petroperu Oil Transportation Agreement - this security will be released in conjunction with the bond financing and the settlement by PetroTal of the contingent liability of USD 16.6m ▪ In addition to addressing the contingent liability, the Petroperu Restructuring Agreement will also make certain changes to the commercial terms and contractual structure of the Petroperu Oil Sales Agreement, which will be captured directly in the Petroperu Oil Sales Agreement Addenda.
Parties	▪ Petróleos del Perú – PETROPERÚ S.A. and PETROTAL PERÚ S.R.L.
Sale and delivery of oil	▪ Delivery point for sale of oil by PetroTal to Petroperu is Station #1 (in Saramuro) (the "**Delivery Point**") and Petroperu assumes all risk of loss, damage and custody to the oil at the Delivery Point ▪ Petroperu purchases 100% of the volume delivered by PetroTal at the Delivery Point providing flexibility to PetroTal to explore alternative routes or increase its sales to the preferred market, Iquitos Refinery (Iquitos Refinery Oil Sales Agreement – 1,300 to 2,000 bopd)
Transportation, commercialization and marketing of the oil	▪ PetroTal responsible for barging the oil to the Delivery Point ▪ Petroperu responsible for transportation from the Delivery Point to the terminal at Bayovar and subsequent commercialization FOB Bayovar ▪ Petroperu responsible for the marketing and sale of the oil, with an obligation to use best efforts to obtain the highest realized price in the market ▪ Petroperu Oil Transportation Agreement provides the unloading services from barge to tank at Delivery Point and confirms the storage capacity at the terminal
Consideration and Factoring Arrangement	▪ Consideration stipulated based on the valuation of the oil at the Delivery Point (the "**Initial Consideration**") ▪ Payment terms of 240 days, and PetroTal utilizes a Petroperu factoring credit line for up to USD 120m (the "**Factoring Credit Line**") in order to receive the Initial Consideration at the Delivery Point ▪ Factoring Credit Line with approximately 2.33% effective interest is paid by PetroTal
Price Adjustment and Final Consideration	▪ The difference between the Initial Consideration and the realized price at the export terminal achieved by Petroperu at Bayovar (adjusted for Hedging, see below) (the "**Final Consideration**") to be paid by PetroTal to Petroperu or vice versa. A comparison is performed on i) the ICE Brent Benchmark of the realized price with the hedge strike value and the ICE Brent from the sales price and ii) qualities ▪ The Final Consideration is settled by netting towards the Factoring Credit Line, plus any inflow or outflow resulting from the price adjustment
Hedging	▪ According to the Petroperu Restructuring Agreement (which is about to be executed), Petroperu will hedge 100% of the oil sales through preferred alternative swaps or options in agreement with PetroTal, to protect any oil price drop during the 6-8 months from the stipulation of the Initial Consideration to the stipulation of the Final Consideration ▪ According to the Petroperu Restructuring Agreement (which is about to be executed), PetroTal has committed to provide security of USD 2.5m at settlement, increasing to USD 6.0m by equal monthly increments of USD 550k
Term Duration	▪ Three years for the Petroperu Oil Sales Agreement - starting December 2019
Governing law	▪ Peru

Government long-term solution to Covid-19 and related social unrest issues

Export pipeline and production shut-in

- Export pipeline shut-in from early May 2020 due to Covid-19 measures creating temporary halt of Bretaña production – restrictions put in place by the Peruvian government
  - As a result, Bretaña production temporary halted from 7 May 2020 until 15 July 2020 (see Slide 34 for details of PetroTal's Covid-19 protocol)
- Bretaña production and export pipeline halted in early August due to social unrest in the area
  - Operations halted due to ongoing protest related to the government's poor management of the Covid-19 crisis, particularly in the isolated indigenous communities
  - Bretaña production restarted 28 September 2020
  - Export pipeline operational as of 3 January 2021
  - Ample storage capacity and access to other export markets allowed PetroTal to produce 614k bbls since 28 September 2020 (see slide 15-17 for further details)
- Production shut-ins have been unrelated to PetroTal as operator and not driven by lack of good standing
  - PetroTal is involved in multiple projects to benefit the local population (see slides 35 and 36 for further details) and enjoys strong support both locally and from the government

Government long-term solution to related social unrest issues

- During the past five months the Government made five important announcements solving the related social issues which follows the philosophy of empowering the local communities that PetroTal promotes

1. Supreme Decree Nº 145-2020-PCM[1]: establishing a six-year investment plan of USD 1.7bn[2] to bridge the income gap among the poor indigenous communities (the Plan de Cierres de Brechas ("PCB"))
2. Ministerial Resolution Nº 268-2020-PCM[3]: setting up working groups that will decide the projects under the PCB and who would manage them
3. Decree of Urgency Nº 114-2020[4] allocating close to USD 20m[5] to the Loreto Region where Block 95 is located
4. Decrees of Urgency Nº 126-2020[6] allocating close to USD 40m to the Loreto Region where Block 95 is located
   - Decrees 3 and 4 ensure that all the allocated funds are properly deployed to maximize employment throughout all the communities
5. Supreme Resolution Nº 238-2020[7] creating a Multisectoral Commission to prepare the technical report for the development of the local communities of the districts of Manseriche and Morona located in the province of Datem del Marañón where the ONP's pump stations No. 4 and 5 are located

1) https://cdn.www.gob.pe/uploads/document/file/1268888/DS%20N%C2%B0%20145-2020-PCM.pdf
2) Related news article found at https://andina.pe/agencia/noticia-gobierno-destinara-6-mil-millones-soles-para-cerrar-brechas-la-amazonia-811705.aspx.
3) https://cdn.www.gob.pe/uploads/document/file/1308319/RM%20N%C2%B0268-2020-PCM.pdf
4) https://cdn.www.gob.pe/uploads/document/file/1317730/DECRETO%20DE%20URGENCIA%20N°%20114-2020.pdf
5) https://cdn.www.gob.pe/uploads/document/file/1317749/ANEXOS%20DU%20N%C2%B0114-2020.pdf
6) https://www.gob.pe/institucion/mtpe/normas-legales/1305362-126-2020
7) https://cdn.www.gob.pe/uploads/document/file/1486046/R.S.%20N%C2%B0%20238-2020-PCM.pdf.pdf

COVID-19 surveillance and control plan

Key highlights

- **Rapid Testing Pre and Post Camp Entrance**
  - Multiple COVID-19 tests required one week and one day prior to entering camp
  - 146 workers are continuously tested every five days
  - Numerous body temperature readings per day
  - Data registered with health authorities
  - 18,000 COVID-19 test kits available
- **Revamped Working Conditions to Ensure Safety**
  - Team sizes reduced to 50% or less
  - Social distancing (> 1.5 meter, national norm: 1 meter)
  - PPE required. All workers use disposable surgical masks - medical personnel use N95 masks
  - Virtual communication when possible – all HSSE Induction & Training by video conference
  - Affidavit statements from all staff – signed by employees and employers
  - Additional fumigation and cleaning
- **Prudent Protocol in Case of Outbreak**
  - Positive tested patients are immediately isolated and transferred
  - Two dedicated boats always available
  - Service companies required to have backup staff
- **Infrastructure In Place**
  - PetroTal Medical Unit in camp (one doctor + two nurses) - with availability of medicine for treatment (Category I-3)
- **Other**
  - Travel and rotation restrictions (42 days rotation)
  - Camp isolation including fumigation and cleaning of areas more frequently
  - Signed cooperation agreement with local health centers to improve medical services for Puinahua’s population

Proactive approaches to COVID 19 mitigation

On-site clinic


On-site clinic


Local medical center


Rapid testing


Sanitation

Transparency, responsibility and empowerment

Key highlights

- **Sharing Information to build trust and responsibility to become fully empowered**
  - Training of the Bretaña Municipality to properly manage the cash provided by the CANON[1]
  - Training 21 local leaders to be able to properly audit the Bretaña municipality programs
  - By showing that the local communities can manage their share of the CANON they should over time, receive a larger share of it. The following projects PetroTal is sponsoring will help achieve that:
    - Construction and maintenance of the Bretaña library
    - Upkeep of daycare sponsored by PetroTal under the well regarded CUNAMAS government program.
    - Maintenance of network of solar panels for Bretaña
    - Improvement and expansion of potable water and/or sewage systems for the native communities

- **PetroTal shows transparency via citizen environmental and safety surveillance (PROMOSAC)**
  - The PROMOSAC program is managed by an independent consulting company responsible for training all the monitors and provide monthly training updates
  - The 21 safety and environmental monitors, from the local communities and the town of Bretaña, are responsible for monitoring the riverways with regards to all barging transport and their travel speed, as well as the oilfield operations with regards to safety and any spills
  - One of the monitors stays at the camp on a rotation basis, to ensure they have full knowledge of the operations. Besides their daily monitoring, they also participate in taking the samples for the biotic and abiotic monitoring
  - The communities receive a monthly newsletter prepared by them, where input from all monitors is evaluated for them to reach alignment of what will be reported, including which pictures to include

Empowering the community

Workers are trained and certified so they may get good paying jobs in the future

Meeting at Bretaña community to show results of PROMOSAC program

Protecting the Paiche, one of the largest freshwater fish that is a source of sustainable income for the locals

1) *CANON is equivalent to 18.75% of the value of the production - an average of 0.34% goes to the Bretaña municipality*

Empowering the communities

Key highlights

- **Sustainable local economic development: key for the communities not to depend on oil industry**
  - Construction of the Bretaña community dock that was promised by the previous operator
  - Development of sustainable fishing projects
  - Help developing the Concerted Development Plan for the Puinahua district
  - Trained 65 women to make and sell natural fiber products
  - Trained and certified a total of 28 local workers at the SENATI and SENCICO technical institutes
  - Built a communal nursery project benefiting 33 Bretaña families
  - Our camp only buys excess produce from the local communities to avoid increasing local prices
  - Project with 20 Senior Citizens to "Rescue the Collective Memory of Puinahua"
  - Install eight aquaculture cages that helped formalized the eight AREL SATI Fishing Projects
  - Supporting 245 families to improve the value chain of their farm products

- **Education is the future**
  - Currently sponsor 11 students with partial or complete scholarships
  - Summer programs for 423 elementary school children
  - Installed a photovoltaic electric system to supply power to 33 laptops for Bretaña's high school

- **Promoting health and a healthy environment**
  - Supporting the local Bretaña clinic with systems for x-ray, odontology, maternity, vision, and lab
  - Sponsored a project to recycle 1.5 tons of plastic

- **Supporting local employment and local suppliers**
  - More than four hundred temporary local jobs created since July 2018 for the Puinahua district that have strengthened the local economy providing workers with a salary above the local minimum wage

Empowering the community

Before the new dock: Unloading with low water level during dry season

USD 0.5m Bretaña dock built by PetroTal will help empower the Bretaña municipality

Protecting the Taricaya that some believe brings them good luck, and is also a source of sustainable income

DISCLAIMERS

Forward-Looking Information

Certain information included in this presentation constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project” or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this presentation may include, but is not limited, statements about: the Company’s corporate strategy, objectives, strengths and focus; proposed USD 100 million bond financing, including use of proceeds; the Company’s ability to operate in accordance with developing public health efforts to contain COVID-19; potential exploration and development opportunities, including drilling four additional wells and one water disposal well; processing capacity, including pursuant to a proposed expansion of central processing facilities (CPF#2); expectations and assumptions concerning the success of future drilling, development, transportation and marketing activities; access to diversified markets, including pursuant to multiple export routes; intention of engaging joint venture partners to drill the Osheki prospect; the performance, economics and payouts of new and existing wells; decline rates; recovery factors; the successful application of technology and the geological characteristics of properties; capital program and capital budgets; future production levels and growth, including 20,000 bopd by September 2022; cash flow; debt; primary and secondary recovery potentials and implementation thereof; potential acquisitions; regulatory processes; drilling, completion and operating costs; commodity prices and netbacks; realization of anticipated benefits of acquisitions; hedging program; NPV-10 valuations; the performance of the management team and board; and ESG and CSR activities and commitments. Statements relating to “reserves” and “prospective resources” are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or prospective resources described exist in the quantities predicted or estimated and that the reserves or prospective resources can be profitably produced in the future.

The forward-looking information is based on certain key expectations and assumptions made by the Company, including, but not limited to, expectations and assumptions concerning the ability of existing infrastructure to deliver production and the anticipated capital expenditures associated therewith, reservoir characteristics, recovery factor, exploration upside, prevailing commodity prices and the actual prices received for PetroTal’s products, the availability and performance of drilling rigs, facilities, pipelines, equipment, other oilfield services and skilled labor, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the accuracy of PetroTal’s geological interpretation of its drilling and land opportunities, current legislation, receipt of required regulatory approval, the success of future drilling and development activities, the performance of new wells, the Company’s growth strategy, general economic conditions, and prevailing commodity prices. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, stock market volatility, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration, production and transportation; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety, environmental and regulatory risks), commodity price and exchange rate fluctuations, actions of OPEC and OPEC+ members, legal, political and economic instability in Peru, access to transportation routes and markets for the Company’s production, changes in legislation affecting the oil and gas industry, and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. In addition, the Company cautions that current global uncertainty with respect to the spread of the COVID-19 virus and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of the COVID-19 virus on the Company remains unknown, rapid spread of the COVID-19 virus may continue to have a material adverse effect on global economic activity, and may continue to result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company. Please refer to the risk factors identified in the Company’s most recent annual information form and management’s discussion and analysis which are available on SEDAR at www.sedar.com. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking information. The forward-looking information contained in this presentation is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this presentation is expressly qualified by this cautionary statement.

Financial Outlook

This presentation contains future-oriented financial information and financial outlook information (collectively, “FOFI”) about PetroTal’s prospective results of operations, production, enterprise value, payout of wells, CAPEX, net debt, cash flow, capital efficiency, balance sheet strength, netbacks, EBITDA, NPV-10, EUR, operating costs, royalties, corporate tax, tax pools and components thereof, including pro forma the completion of the proposed bond financing, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumption outlined in the Non-GAAP measures section below. FOFI contained in this presentation was approved by management as of the date of this presentation and was provided for the purpose of providing further information about PetroTal’s anticipated future business operations. PetroTal disclaims any intention or obligation to update or revise any FOFI contained in this presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this presentation should not be used for purposes other than for which it is disclosed herein.

Forward looking CAPEX and OPEX assumptions in this presentation are consistent with the NSAI Reserve Report as at Dec 31, 2019 and current historical operating results to date, however, the timing and pace of the development plan has been adjusted from the NSAI Report to align with management's internal view on commodity price and liquidity. The development plan in this presentation assumes additional liquidity of USD 100m from a bond financing at current market conditions and is subject to change at management's discretion.

DISCLAIMERS (CONTINUED)

Oil and Gas Advisories

Crude Oil. All references to "oil" or "crude oil" production, revenue or sales mean "heavy crude oil" as defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

Reserves Disclosure. The reserve estimates contained herein were derived from a reserves assessment and evaluation prepared by Netherland Sewell & Associates, Inc. ("NSAI"), a qualified independent reserves evaluator, with an effective date of December 31, 2019 (the "NSAI Reserves Report"). The NSAI Reserves Report has been prepared in accordance with definitions, standards and procedures contained in NI 51-101 and the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"). The reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Volumes of reserves have been presented based on a company interest. Readers should give attention to the estimates of individual classes of reserves and appreciate the differing probabilities of recovery associated with each category as explained herein. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Resources Disclosure. The prospective resource estimates contained herein were derived from a resource assessment and evaluation prepared by NSAI, a qualified independent reserves evaluator, with an effective date of June 30, 2018 (the "NSAI Resources Report"). The NSAI Resources Report has been prepared in accordance with definitions, standards and procedures contained in NI 51-101 and the COGE Handbook. Prospective resources are the quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. All of the prospective resources have been classified as light oil with a gravity of 46 degrees API. There is uncertainty that it will be commercially viable to produce any portion of the resources in the event that it is discovered. "Unrisked Prospective Resources" are 100% of the volumes estimated to be recoverable from the field in the event that it is discovered and developed. NSAI has determined that a 16% chance of discovery is appropriate for the prospective resources based on an assessment of a number of criteria. The estimates of prospective resources provided in this presentation are estimates only and there is no guarantee that the estimated prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated. Not only are such prospective resources estimates based on that information which is currently available, but such estimates are also subject to uncertainties inherent in the application of judgmental factors in interpreting such information. Prospective resources should not be confused with those quantities that are associated with contingent resources or reserves due to the additional risks involved. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the prospective resources estimated herein cannot be classified as contingent resources or reserves. The quantities that might actually be recovered, should they be discovered and developed, may differ significantly from the estimates herein. The prospective resources estimates that are referred to herein are risked as to chance of discovery. Risks that could impact the chance of discovery include, without limitation, geological uncertainty, political and social issues, and availability of capital. In general, the significant factors that may change the prospective resources estimates include further delineation drilling, which could change the estimates either positively or negatively, future technology improvements, which would positively affect the estimates, and additional processing capacity that could affect the volumes recoverable or type of production. Additional facility design work, development plans, reservoir studies and delineation drilling is expected to be completed by PetroTal in accordance with its long-term resource development plan.

Reserve Categories. Reserves are classified according to the degree of certainty associated with the estimates. Proved reserves (1P) 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 (2P) 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. Possible reserves (3P) are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Resource Categories. Prospective resources are classified according to the degree of certainty associated with the estimates. The following classification of prospective resources used in the presentation: Low Estimate (or 1C) means there is at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate. Best Estimate (or 2C) means there is at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate. High Estimate (or 3C) means there is at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

BOE Disclosure. The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

DISCLAIMERS (CONTINUED)

Analogous Information. Certain information in this document may constitute "analogous information" as defined in NI 51-101, including, but not limited to, information relating to areas, wells and/or operations that are in geographical proximity to or on-trend with lands held by PetroTal and production information related to wells that are believed to be on trend with PetroTal's properties. Such information has been obtained from government sources, regulatory agencies or other industry participants. Management of PetroTal believes the information may be relevant to help define the reservoir characteristics in which PetroTal may hold an interest and such information has been presented to help demonstrate the basis for PetroTal's business plans and strategies.

However, to PetroTal's knowledge, such analogous information has not been prepared in accordance with NI 51-101 and the COGE Handbook and PetroTal is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. PetroTal has no way of verifying the accuracy of such information. There is no certainty that the results of the analogous information or inferred thereby will be achieved by PetroTal and such information should not be construed as an estimate of future production levels. Such information is also not an estimate of the reserves or resources attributable to lands held or to be held by PetroTal and there is no certainty that the reservoir data and economics information for the lands held or to be held by PetroTal will be similar to the information presented herein. The reader is cautioned that the data relied upon by PetroTal may be in error and/or may not be analogous to such lands to be held by PetroTal.

Initial Production Rates. Any references in this document to test rates, flow rates, initial and/or final raw test or production rates, early production, test volumes and/or "flush" production rates are useful in confirming the presence of hydrocarbons, however, such rates are not necessarily indicative of long-term performance or of ultimate recovery. Such rates may also include recovered "load" fluids used in well completion stimulation. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for PetroTal. In addition, the resource play which may be subject to high initial decline rates. Such rates may be estimated based on other third party estimates or limited data available at this time and are not determinative of the rates at which such wells will continue production and decline thereafter.

Type Curves. Certain type curves disclosure presented herein represent estimates of the production decline and ultimate volumes expected to be recovered from wells over the life of the well. The type curves represent what management thinks an average well will achieve. Individual wells may be higher or lower but over a larger number of wells, management expects the average to come out to the type curve. Over time type curves can and will change based on achieving more production history on older wells or more recent completion information on newer wells.

OOIP Disclosure. The term original-oil-in-place ("OOIP") is equivalent to total petroleum initially-in-place ("TPIIP"). TPIIP, as defined in the COGE Handbook, is that quantity of petroleum that is estimated to exist in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. A portion of the TPIIP is considered undiscovered and there is no certainty that any portion of such undiscovered resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of such undiscovered resources. With respect to the portion of the TPIIP that is considered discovered resources, there is no certainty that it will be commercially viable to produce any portion of such discovered resources. A significant portion of the estimated volumes of TPIIP will never be recovered.

US Disclaimer. This presentation is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Mean Estimate. Represents the arithmetic average of the expected recoverable volume. It is the most accurate single point representation of the volume distribution.

All figures in US dollars unless otherwise denoted.

DISCLAIMERS (CONTINUED)

Non-GAAP Financial Measures, Oil and Gas Metrics and Other Key Performance Indicators

This presentation contains certain financial measures, as described below, which do not have standardized meanings prescribed by generally accepted accounting principles ("GAAP"). In addition, this presentation contains metrics commonly used in the oil and natural gas industry and other key performance indicators ("KPI"), financial and non-financial, that do not have standardized meanings under the applicable securities legislation. As these non-GAAP financial measures and KPI are commonly used in the oil and gas industry, the Company believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used. It should not be assumed that the future net revenues estimated by PetroTal's independent reserves evaluators represent the fair market value of the reserves, nor should it be assumed that PetroTal's internally estimated value of its undeveloped land holdings or any estimates referred to herein from third parties represent the fair market value of the lands. These terms have been calculated by management and do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare PetroTal's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this presentation, should not be relied upon for investment or other purposes. "Operating netback" is calculated by dividing net operating income by barrels sold in the corresponding period. The Company considers operating netbacks to be a key measure as they demonstrate Company's profitability relative to current commodity prices. "NPV-10" or similar expressions represents the net present value (net of capex) of net income discounted at 10%, with net income reflecting the indicated oil, liquids and natural gas prices and IP rate, less internal estimates of operating costs and royalties. "Net debt" means accounts payable plus derivative obligation less cash and trade receivables."Enterprise value" is calculated as the market capitalization of the Company plus net debt, where market capitalization is defined as the total number of shares outstanding multiplied by the price per share at a given point in time. "EBITDA" means operating cash flow less G&A. "CAPEX" means capital expenditures. "IP" means the initial production from a well for a set unit of time. "Capital efficiency" is CAPEX divided by production rate (bopd). "EUR" means estimated ultimate recovery, an approximation of the quantity of oil or gas that is potentially recoverable or has already been recovered from a reserve or well. EUR is not a defined term within the COGE Handbook and therefore any reference to EUR in this presentation is not deemed to be reported under the requirements of NI 51-101. Readers are cautioned that there is no certainty that the Company will ultimately recover the estimated quantity of oil or gas from such reserves or wells. "FDC" means future development costs. "F&D" means finding and development costs, calculated as the sum of capital expenditures incurred in the period and the change in FDC required to develop reserves. "Operating cash flow" is revenue less royalties less field operating expenses (field netback). "Free cash" or "free cash flow" is funds flow from operations less CAPEX. "Yield" means free cash flow per year as a percentage of market capitalization. "Half-cycle" means CAPEX related to drilling, completion, and equipping. "Mid-cycle" means half-cycle CAPEX plus costs to acquire land/leases. "IRR" is the internal rate of return, the discount rate required to arrive at an NPV equal to zero. Rates of return set forth in this presentation are for illustrative purposes. There is no guarantee that such rates of return will be achieved in the future. "Recycle ratio" is calculated as operating netback divided by F&D and is a measure for evaluating the effectiveness of the Company's re-investment program. "Sustaining CAPEX" is the estimated capital required to bring on new production which offsets the natural decline of the existing production and keeps the year-over-year production flat.

Abbreviations

Bbl	Barrel	API	an indication of the specific gravity of crude oil measured on the American Petroleum Institute gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil
bopd	barrel of oil per day		
k bopd	Thousand barrel of oil per day	FFO	Funds flow from operations
F&D	Finding and development costs	EBITDA	Earnings before interest, taxes, depreciation, amortization
NIBD	Net interest bearing debt	Ha	Hectares
		PDP	Proved Developed Producing Reserves
Mmbbl	Million barrels of oil	1P	Proved Reserves
NGL	Natural gas liquids	2P	Proved + Probable Reserves
bbo	Billion barrels of oil	3P	Proved + Probable + Possible Reserves

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