

HORN RIVER SHALE GAS
SUMMARY OF WELLS AND PRODUCTION
TO MAY 31, 2014

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HORN RIVER SHALE GAS

SUMMARY OF WELLS AND PRODUCTION REPORTED TO MAY 31, 2014

The Horn River shale gas area comprises the Liard Basin, Horn River Basin and the Cordova Embayment. As of May 31, 2014 a total of 1,446 wells have drilled a Horn River formation in the Horn River shale gas area. There are a total of 889 horizontal wells and 557 vertical wells. In the Horn River Basin a total of 1,126 wells have drilled a Horn River formation, with 745 horizontal wells and 381 vertical wells. In the Cordova Embayment, a total of 222 wells have drilled a Horn River formation, with 128 horizontal wells and 94 vertical wells. In the Liard Basin, a total of 98 wells have drilled a Horn River formation, with 16 horizontal wells and 82 vertical wells.

The first production of gas from the Horn River Basin was from the Storm Gas Res PC et al Petitot B-092-A/094-O-16 vertical well drilled in 1992. The well produced a total of 46.351 million cubic feet of gas from the Muskwa-Otter Park-Slave Point in March, 1992. The first real production from vertical wells in the Horn River gas play was in April, 2005. The first horizontal well production occurred in May 2006.

To May 31, 2014 gas production has been recorded from 249 total wells in the Horn River shale area. There are 236 horizontal wells and 13 vertical wells with recorded production. Total cumulative production of shale gas in the Horn River shale area to May 31, 2014 is 704.9 billion cubic feet. Horizontal well cumulative production is 699.6 billion cubic feet and cumulative production from vertical wells is 5.275 billion cubic feet. For May 31, 2014 there were 222 wells on production, of which 221 is a horizontal well. Total production for May 31, 2014 was 15,632.7 million cubic feet, of which 15,579.6 million cubic feet is from horizontal wells. The average active day rate for horizontal wells for May 31, 2014 is 2.809 million cubic feet per day.

In the Horn River shale gas area a total of 214 horizontal wells have a minimum of 12 months production. The production record of these wells has been normalized to the first month of production to derive an average cum-rate plot for the Horn River shale gas area. The average maximum rate in the first three months is 7.498 million cubic feet per day. The rate declined to 3.813 million cubic feet per day at the end of 12 months, and 2.461 million cubic feet per day at the end of 24 months. The first year decline rate is 49.1%, and the second year decline rate is 35.5%. First year average cumulative production per well for the Horn River shale gas area is 328.155 million cubic feet.

HORN RIVER BASIN

To May 31, 2014 gas production has been recorded from 222 total wells in the Horn River Basin. There are 213 horizontal wells and 9 vertical wells with recorded production. Total cumulative production of shale gas in the Horn River Basin to May 31, 2014 is 667.6 billion cubic feet. Horizontal well cumulative production is 666.7 billion cubic feet and cumulative production from vertical wells is 0.884 billion cubic feet. For May 31, 2014 there were 200 wells on production, of which 200 is a horizontal well. Total production for May 31, 2014 was 14,634.0 million cubic feet, of which 14,634.0 million cubic feet is from horizontal wells. The average active day rate for horizontal wells for May 31, 2014 is 2.901 million cubic feet per day.

In the Horn River Basin a total of 193 horizontal wells have a minimum of 12 months production. The production record of these wells has been normalized to the first month of production to derive an average cum-rate plot for the Horn River Basin. The average maximum rate in the first three months is 8.007 million cubic feet per day. The rate declined to 3.992 million cubic feet per day at the end of 12 months, and 2.506 million cubic feet per day at the end of 24 months. The first year decline rate is 50.1%, and the second year decline rate is 37.2%. First year average cumulative production per well for the Horn River Basin is 311.150 million cubic feet.

Gas analyses for the Horn River Basin show the Evie Formation is 86.6% methane with 12.2% carbon dioxide and the Muskwa-Otter Park is 87.3% methane with 10.0% carbon dioxide.

HORN RIVER BASIN MUSKWA-OTTER PARK FORMATIONS

To May 31, 2014 gas production has been recorded from 156 wells in the Horn River Basin Muskwa-Otter Park Formations. There are 152 horizontal wells and 4 vertical wells with recorded production. Total cumulative production of shale gas from the Horn River Basin Muskwa-Otter Park Formations to May 31, 2014 is 505.5 billion cubic feet. Horizontal well cumulative production is 505.262 billion cubic feet and cumulative production from vertical wells is 0.220 billion cubic feet.

For the Muskwa-Otter Park Formations of the Horn River Basin a total of 141 horizontal wells have a minimum of 12 months production. The production record of these wells has been normalized to the first month of production to derive an average cum-rate plot for the Muskwa-Otter Park Formations of the Horn River Basin. The average maximum rate in the first three months is 7.654 million cubic feet per day. The rate declined to 4.070 million cubic feet per day at the end of 12 months, and 2.758 million cubic feet per day at the end of 24 months. The first year decline rate is 46.8%, and the second year decline rate is 32.2%. First year average cumulative production per well for the Muskwa-Otter Park Formations of the Horn River Basin is 224.529 million cubic feet.

HORN RIVER BASIN EVIE FORMATION

To May 31, 2014 gas production has been recorded from 65 wells in the Horn River Basin Evie Formation. There are 61 horizontal wells and 4 vertical wells with recorded production. Total cumulative production of shale gas from the Horn River Basin Evie Formation to May 31, 2014 is 162.1 billion cubic feet. Horizontal well cumulative production is 161.473 billion cubic feet and cumulative production from vertical wells is 0.617 billion cubic feet.

For the Evie Formation of the Horn River Basin a total of 51 horizontal wells have a minimum of 12 months production. The production record of these wells has been normalized to the first month of production to derive an average cum-rate plot for the Evie Formation of the Horn River Basin. The average maximum rate in the first three months is 9.109 million cubic feet per day. The rate declined to 3.764 million cubic feet per day at the end of 12 months, and 1.530 million cubic feet per day at the end of 24 months. The first year decline rate is 58.7%, and the second year decline rate is 59.4%. First year average cumulative production per well for the Evie Formation of the Horn River Basin is 84.929 million cubic feet.

CODOVA EMBAYMENT

To May 31, 2014 gas production has been recorded from 23 total wells in the Cordova Embayment. There are 21 horizontal wells and 2 vertical wells with recorded production. Total cumulative production of shale gas in the Cordova Embayment to May 31, 2014 is 26.8 billion cubic feet. Horizontal well cumulative production is 26.6 billion cubic feet and cumulative production from vertical wells is 0.133 billion cubic feet. For May 31, 2014 there were 19 wells on production, of which 19 is a horizontal well. Total production for May 31, 2014 was 800.3 million cubic feet, of which 800.3 million cubic feet is from horizontal wells. The average active day rate for horizontal wells for May 31, 2014 is 1.703 million cubic feet per day.

In the Cordova Embayment a total of 20 horizontal wells have a minimum of 12 months production. The production record of these wells has been normalized to the first month of production to derive an average cum-rate plot for the Cordova Embayment. The average maximum rate in the first three months is 2.719 million cubic feet per day. The rate declined to 1.910 million cubic feet per day at the end of 12 months, and 1.559 million cubic feet per day at the end of 24 months. The first year decline rate is 29.8%, and the second year decline rate is 18.3%. First year average cumulative production per well for the Cordova Embayment is 14.073 million cubic feet.

Gas analyses for the Cordova Embayment show the Evie Formation is 88.7% methane with 9.1% carbon dioxide and the Muskwa-Otter Park is 92.0% methane with 5.2% carbon dioxide.

CORDOVA EMBAYMENT MUSKWA-OTTER PARK FORMATIONS

To May 31, 2014 gas production has been recorded from 21 wells in the Cordova Embayment Muskwa-Otter Park Formations. There are 20 horizontal wells and 1 vertical well with recorded production. Total cumulative production of shale gas from the Cordova Embayment Muskwa-Otter Park Formations to May 31, 2014 is 26.8 billion cubic feet. Horizontal well cumulative production is 26.646 billion cubic feet and cumulative production from vertical wells is 0.120 billion cubic feet.

For the Muskwa-Otter Park Formations of the Cordova Embayment a total of 20 horizontal wells have a minimum of 12 months production. The production record of these wells has been normalized to the first month of production to derive an average cum-rate plot for the Muskwa-Otter Park Formations of the Cordova Embayment. The average maximum rate in the first three months is 2.719 million cubic feet per day. The rate declined to 1.910 million cubic feet per day at the end of 12 months, and 1.559 million cubic feet per day at the end of 24 months. The first year decline rate is 29.8%, and the second year decline rate is 18.3%. First year average cumulative production per well for the Muskwa-Otter Park Formations of the Cordova Embayment is 14.073 million cubic feet.

CORDOVA EMBAYMENT EVIE FORMATION

To date shale gas production from the Evie Formation in the Cordova Embayment is minimal. To May 31, 2014 gas production has been recorded from 2 wells in the Cordova Embayment Evie Formation. There is 1 horizontal well and 1 vertical well with recorded production. Total cumulative production of shale gas from the Cordova Embayment Evie Formation to May 31, 2014 is 0.016 billion cubic feet. Horizontal well cumulative production is 0.003 billion cubic feet and cumulative production from vertical wells is 0.013 billion cubic feet.

LIARD BASIN

To May 31, 2014 gas production has been recorded from 4 wells in the Liard Basin. There are 2 horizontal wells and 2 vertical wells with recorded production. Total cumulative production of shale gas in the Liard Basin to May 31, 2014 is 10.5 billion cubic feet. Horizontal well cumulative production is 6.19 billion cubic feet and cumulative production from vertical wells is 4.26 billion cubic feet. For May 31, 2014 there were 3 wells on production, of which 2 is a horizontal well. Total production for May 31, 2014 was 198.4 million cubic feet, of which 145.3 million cubic feet is from horizontal wells. The average active day rate for horizontal wells for May 31, 2014 is 4.527 million cubic feet per day.

In the Liard Basin a total of 1 horizontal well has a minimum of 12 months production. The production record of this well has been normalized to the first month of production to derive an average cum-rate plot for the Liard Basin. The average maximum rate in the first three months is 18.977 million cubic feet per day. The rate declined to 7.504 million cubic feet per day at the end of 12 months, and 3.521 million cubic feet per day at the end of 24 months. The first year decline rate is 22.6%, and the second year decline rate is 53.1%. First year average cumulative production per well for the Liard Basin is 2.932 million cubic feet.

Gas analyses for the Liard Basin show the Besa River Formation is 92.6% methane with 6.2% carbon dioxide.

AREA AND WELL INFORMATION AND CHARTS

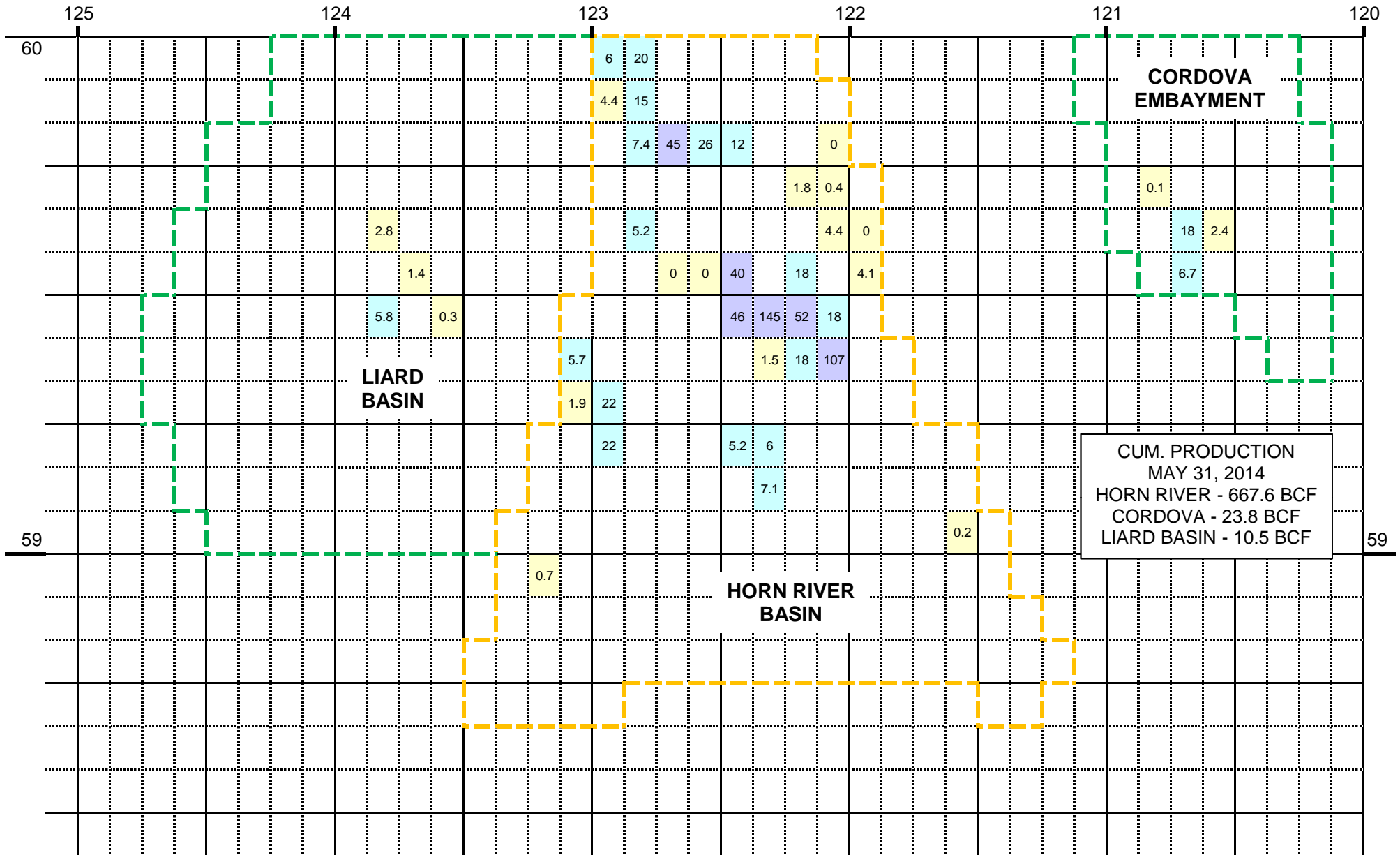
The following tables and charts show producing wells, monthly production, cumulative production, and cum-rate plots for the Horn River shale gas area, the Horn River Basin, the Cordova Embayment, and the Liard Basin, and by the well area names. Production profiles are presented for selected wells; (1) The top 15 wells by cumulative production and (2) Wells with a minimum of 48 months of production.

HORN RIVER BASIN
AVERAGE GAS ANALYSIS

| | EVIE | MUSKWA-OTTER PARK |
|----------------------|---------|-------------------|
| NUMBER OF ANALYSES | 88 | 240 |
| DEPTH (Metres) | 3,265.2 | 3,279.2 |
| METHANE | 0.8660 | 0.8729 |
| ETHANE | 0.0020 | 0.0017 |
| PROPANE | 0.0003 | 0.0002 |
| ISO-BUTANE | 0.0001 | 0.0001 |
| N-BUTANE | 0.0001 | 0.0002 |
| PENTANES + | 0.0002 | 0.0015 |
| HYDROGEN | 0.0002 | 0.0006 |
| HELIUM | 0.0004 | 0.0003 |
| NITROGEN | 0.0077 | 0.0220 |
| CARBON DIOXIDE | 0.1224 | 0.1005 |
| HYDROGEN SULPHIDE | 0.0007 | 0.0000 |
| DENSITY (Measured) | 0.826 | 0.811 |
| DENSITY (Calculated) | 0.676 | 0.664 |
| MOLECULAR WEIGHT | 19.593 | 19.245 |
| GHV (Measured) | 32.96 | 33.42 |
| GHV (Calculated) | 36.99 | 36.95 |

NE BRITISH COLUMBIA - CUM RECOVERABLE GAS PRODUCTION (BCF)

HORN RIVER SHALE



CUM. PRODUCTION
 MAY 31, 2014
 HORN RIVER - 667.6 BCF
 CORDOVA - 23.8 BCF
 LIARD BASIN - 10.5 BCF

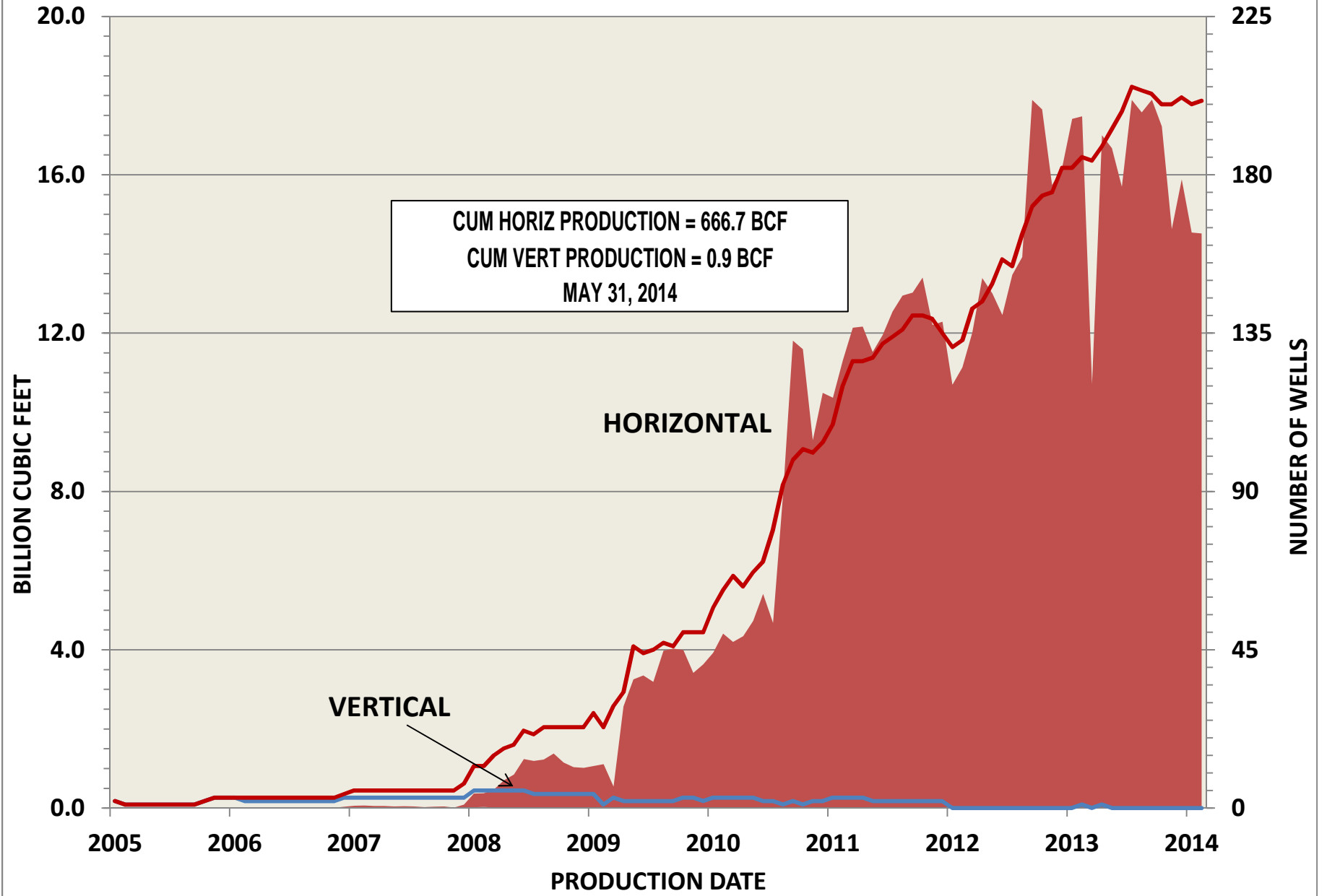
HORN RIVER SHALE AREA - REPORTED SHALE GAS WELL PRODUCTION (MAY 31, 2014)

| UWI | AREA | WELL | FM CODE | FORMATION | HORIZ | LAST | MONTHS | DAYS | GAS MMCF | WTR MB | MMCF/D |
|------------------|-------|---|---------|-------------------|-------|--------|--------|---------|-----------|---------|--------|
| 200A021J094O0800 | ETSHO | NEXEN ENERGY HZ ETSHO B-E018-I/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,015.0 | 3,030.228 | 7.517 | 2.985 |
| 200A041K094O0800 | ETSHO | ECA HZ ETSHO B-D063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,228.9 | 5,601.006 | 162.565 | 4.558 |
| 200A056K094O0802 | ETSHO | ECA ECOG HZ ETSHO B-C076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 67 | 1,665.3 | 3,962.761 | 21.535 | 2.380 |
| 200A058J094O0800 | ETSHO | ECA ECOG HZ ETSHO D-F070-J/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201204 | 33 | 890.2 | 3,628.886 | 20.471 | 4.076 |
| 200A058K094O0800 | ETSHO | APACHE HZ ETSHO D-G070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 49 | 1,388.7 | 3,268.660 | 201.821 | 2.354 |
| 200A058L094O0800 | ETSHO | APACHE HZ ETSHO C-D034-L/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 36 | 1,051.2 | 5,294.206 | 194.465 | 5.036 |
| 200A060J094O0800 | ETSHO | ECA HZ ETSHO B- 063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 45 | 1,244.8 | 6,367.373 | 180.635 | 5.115 |
| 200A066L094O0800 | ETSHO | APACHE HZ ETSHO C-I034-L/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,061.9 | 3,029.731 | 217.378 | 2.853 |
| 200A067L094O0800 | ETSHO | APACHE HZ ETSHO C-F034-L/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 36 | 1,045.7 | 3,180.859 | 189.833 | 3.042 |
| 200A068J094O0802 | ETSHO | ECA ECOG HZ ETSHO D-D070-J/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 60 | 1,731.2 | 6,296.091 | 60.408 | 3.637 |
| 200A068K094O0800 | ETSHO | APACHE HZ ETSHO D-A070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 48 | 1,344.7 | 4,108.087 | 252.193 | 3.055 |
| 200A081K094O0800 | ETSHO | ECA ECOG HZ ETSHO D-A070-J/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 69 | 1,790.3 | 3,563.478 | 24.350 | 1.990 |
| 200A082L094O0802 | ETSHO | APACHE HZ ETSHO D-H070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 50 | 1,380.6 | 2,105.233 | 166.322 | 1.525 |
| 200A098K094O0800 | ETSHO | ECA ECOG HZ ETSHO B-I076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,004.6 | 5,039.027 | 191.233 | 5.016 |
| 200B050J094O0800 | ETSHO | ECA HZ ETSHO B-C063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,236.3 | 5,819.375 | 206.535 | 4.707 |
| 200B056K094O0800 | ETSHO | ECA ECOG HZ ETSHO B-D076-K/094-O-08 | 8550 | EVIE | Y | 201405 | 66 | 948.9 | 844.996 | 4.974 | 0.891 |
| 200B057K094O0800 | ETSHO | APACHE HZ ETSHO D-E070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 49 | 1,410.4 | 4,387.618 | 262.193 | 3.111 |
| 200B057L094O0800 | ETSHO | APACHE HZ ETSHO C-B034-L/094-O-08 | 8550 | EVIE | Y | 201405 | 35 | 709.4 | 997.360 | 107.458 | 1.406 |
| 200B058J094O0800 | ETSHO | ECA ECOG HZ ETSHO D-J070-J/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 60 | 1,572.3 | 3,921.280 | 34.438 | 2.494 |
| 200B058K094O0800 | ETSHO | APACHE HZ ETSHO D-J070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 48 | 1,377.4 | 3,658.335 | 171.431 | 2.656 |
| 200B066L094O0800 | ETSHO | APACHE HZ ETSHO C-G034-L/094-O-08 | 8550 | EVIE | Y | 201405 | 36 | 1,041.9 | 2,900.384 | 291.449 | 2.784 |
| 200B082L094O0800 | ETSHO | APACHE HZ ETSHO D-K070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 48 | 1,352.6 | 2,411.164 | 167.915 | 1.783 |
| 200B088K094O0802 | ETSHO | ECA ECOG HZ ETSHO A-A077-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 38 | 1,032.8 | 4,336.042 | 190.101 | 4.198 |
| 200B091L094O0800 | ETSHO | APACHE HZ ETSHO D- 070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 51 | 1,437.5 | 3,313.634 | 176.990 | 2.305 |
| 200B096K094O0800 | ETSHO | ECA HZ ETSHO C- 063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 684.8 | 7,961.893 | 276.788 | 11.627 |
| 200C029I094O0800 | ETSHO | NEXEN ENERGY HZ ETSHO B-D018-I/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,055.5 | 4,913.202 | 10.937 | 4.655 |
| 200C046K094O0800 | ETSHO | ECA ECOG HZ ETSHO B-A076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,010.4 | 4,141.128 | 138.392 | 4.099 |
| 200C048K094O0800 | ETSHO | APACHE HZ ETSHO D-N070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 48 | 1,376.9 | 4,907.707 | 202.779 | 3.564 |
| 200C050J094O0800 | ETSHO | ECA HZ ETSHO B-B063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,231.8 | 5,590.422 | 160.060 | 4.538 |
| 200C054K094O0800 | ETSHO | ECA ECOG HZ ETSHO B-G076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,033.7 | 4,334.438 | 157.426 | 4.193 |
| 200C057K094O0800 | ETSHO | APACHE HZ ETSHO D-C070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 49 | 1,399.7 | 3,759.805 | 234.313 | 2.686 |
| 200C057L094O0800 | ETSHO | APACHE HZ ETSHO C-E034-L/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 36 | 1,046.4 | 4,034.416 | 229.392 | 3.856 |
| 200C072L094O0800 | ETSHO | APACHE HZ ETSHO D-O070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 50 | 1,237.3 | 1,272.479 | 153.405 | 1.028 |
| 200C078K094O0800 | ETSHO | ECA ECOG HZ ETSHO A-B077-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 38 | 1,054.3 | 2,658.416 | 159.059 | 2.521 |
| 200C081L094O0800 | ETSHO | APACHE HZ ETSHO D-B070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 50 | 1,432.7 | 3,561.210 | 238.375 | 2.486 |
| 200C085K094O0800 | ETSHO | ECA HZ ETSHO C-A063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,199.2 | 6,461.917 | 300.453 | 5.389 |
| 200C088K094O0800 | ETSHO | ECA ECOG HZ ETSHO A-D077-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 38 | 1,045.8 | 3,389.868 | 198.560 | 3.241 |
| 200D021J094O0800 | ETSHO | NEXEN ENERGY HZ ETSHO B-G018-I/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 38 | 981.4 | 3,780.263 | 11.194 | 3.852 |

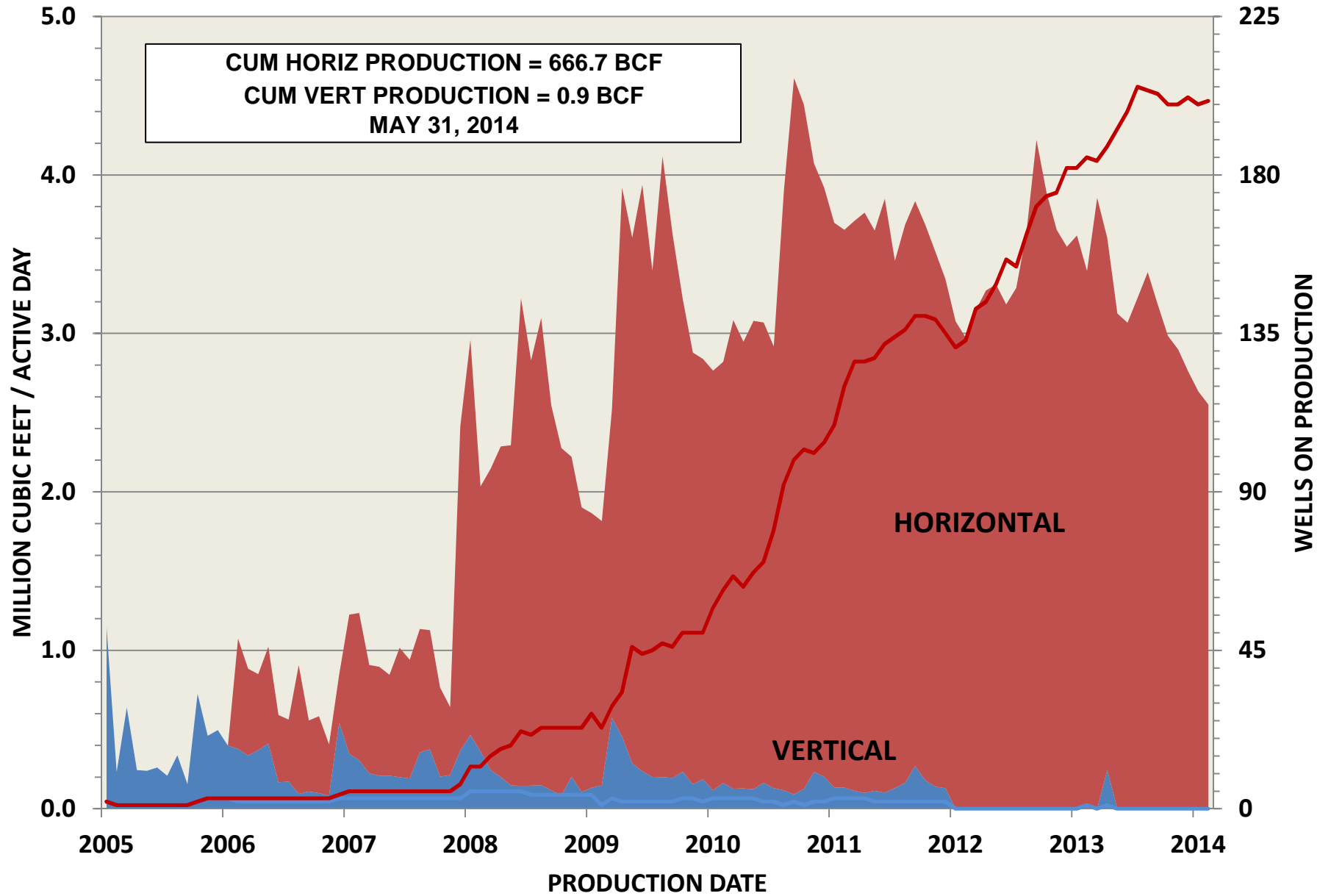
HORN RIVER SHALE GAS PRODUCTION BY AREA
HORIZONTAL WELLS (MAY 31, 2014)

| AREA | WELLS | MONTHS | DAYS | GAS MMCF | MMCF/D | WTR MB |
|-------------------|------------|--------------|----------------|----------------|--------------|---------------|
| ETSHO | 63 | 2,819 | 74,690.0 | 252,960.9 | 3.387 | 9,983.9 |
| EVIE | 1 | 29 | 815.8 | 658.5 | 0.807 | 3.5 |
| FORTUNE | 5 | 204 | 5,130.7 | 22,383.8 | 4.363 | 414.1 |
| GOTE | 6 | 250 | 6,610.0 | 21,645.5 | 3.275 | 603.8 |
| GUNNELL | 2 | 16 | 373.4 | 216.1 | 0.579 | 14.1 |
| HELMET | 21 | 528 | 14,681.0 | 26,649.0 | 1.815 | 2,105.0 |
| KIWIGANA | 24 | 441 | 11,692.6 | 52,420.5 | 4.483 | 3,763.5 |
| KOMIE | 59 | 1,559 | 39,221.8 | 140,935.6 | 3.593 | 827.0 |
| MAXHAMISH | 18 | 1,059 | 28,364.7 | 45,638.4 | 1.609 | 1,284.0 |
| OOTLA | 4 | 277 | 6,934.4 | 6,161.6 | 0.889 | 15.5 |
| TATTOO | 19 | 625 | 16,728.4 | 72,549.9 | 4.337 | 2,282.7 |
| TRAIL | 7 | 234 | 6,409.7 | 39,542.2 | 6.169 | 2,775.7 |
| TSEA | 5 | 255 | 6,246.6 | 11,622.1 | 1.861 | 58.2 |
| PATRY | 2 | 46 | 1,097.0 | 6,193.5 | 5.646 | 152.1 |
| TOTAL | 236 | 8,342 | 218,996 | 699,578 | 3.194 | 24,283 |
| HORN RIVER BASIN | 213 | 7,768 | 203,218.1 | 666,735.2 | 3.281 | 22,026.0 |
| CORDOVA EMBAYMENT | 21 | 528 | 14,681.0 | 26,649.0 | 1.815 | 2,105.0 |
| LIARD BASIN | 2 | 46 | 1,097.0 | 6,193.5 | 5.646 | 152.1 |

BRITISH COLUMBIA HORN RIVER BASIN

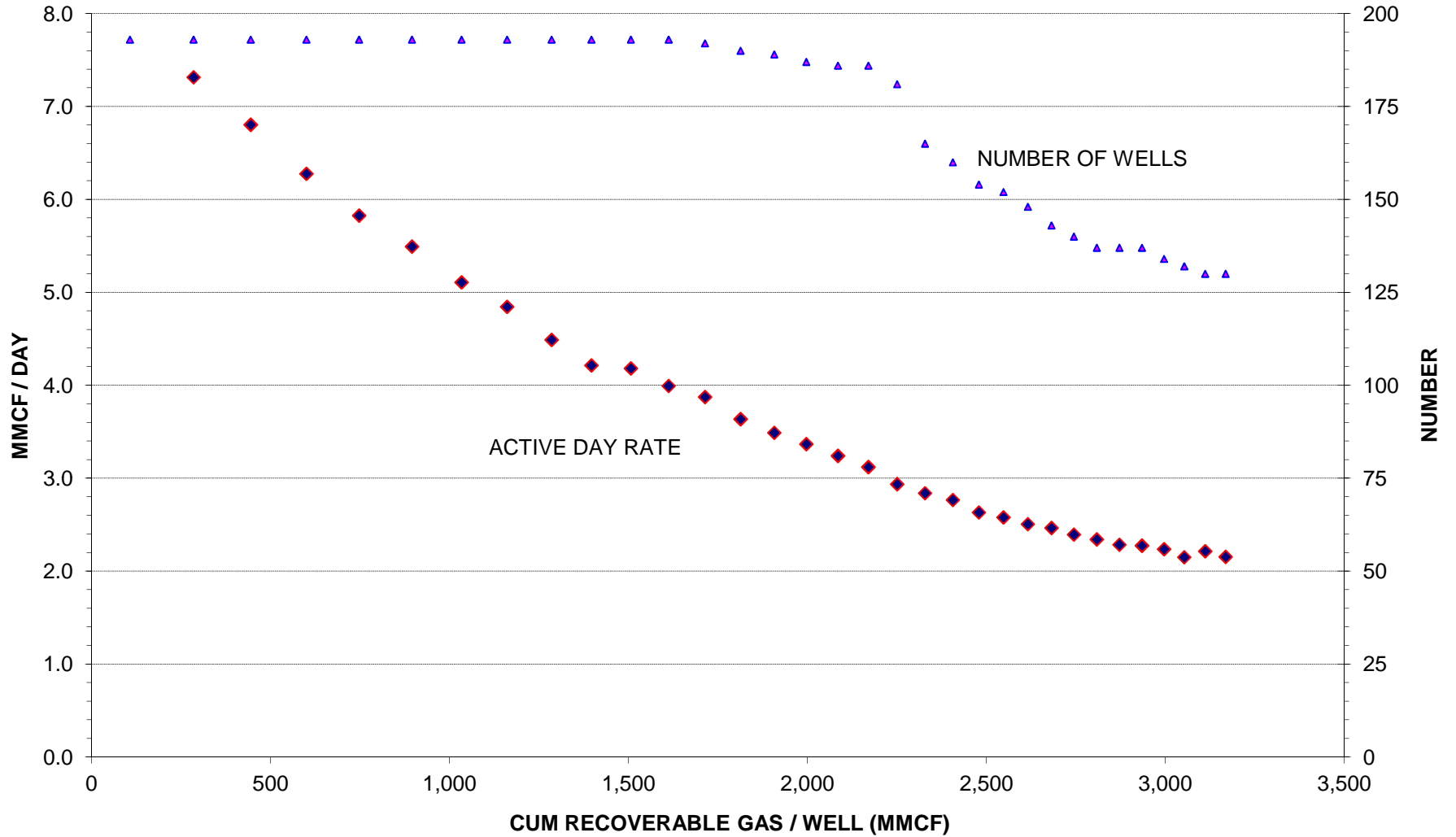


BRITISH COLUMBIA HORN RIVER BASIN



HORN RIVER BASIN CUM - RATE PLOT

HORIZONTAL WELLS (MINIMUM 12 MONTHS PRODUCTION)



Horn River Basin - Etsho Area

To May 31, 2014 a total of 90 wells with a reported Horn River formation top have been drilled in the Etsho Area. Of these 79 are horizontal wells. Sixty three wells (horizontal and vertical) have reported production, with recoverable gas of 252.961 billion cubic feet to May 31, 2014. The average active day rate is 3.387 million cubic feet per day. Sixty three of the wells are horizontal wells, with recoverable gas of 252.961 billion cubic feet to May 31, 2014. The average active day rate for horizontal wells is 3.387 million cubic feet per day.

In the Etsho Area a total of 63 horizontal wells have a minimum 12 months of production. The production record of these wells has been normalized to the first month of production to derive an average per well cum-rate plot for the area. The average maximum rate in the first 3 months for the Etsho Area is 8.021 million cubic feet per day. The rate declined to 3.930 million cubic feet per day at the end of 12 months, and 2.903 million cubic feet per day at the end of 24 months. The first year decline rate is 51.0%, and the second year decline rate is 26.1 %. Average 12th month production for the Etsho area is 7058.8 million cubic feet

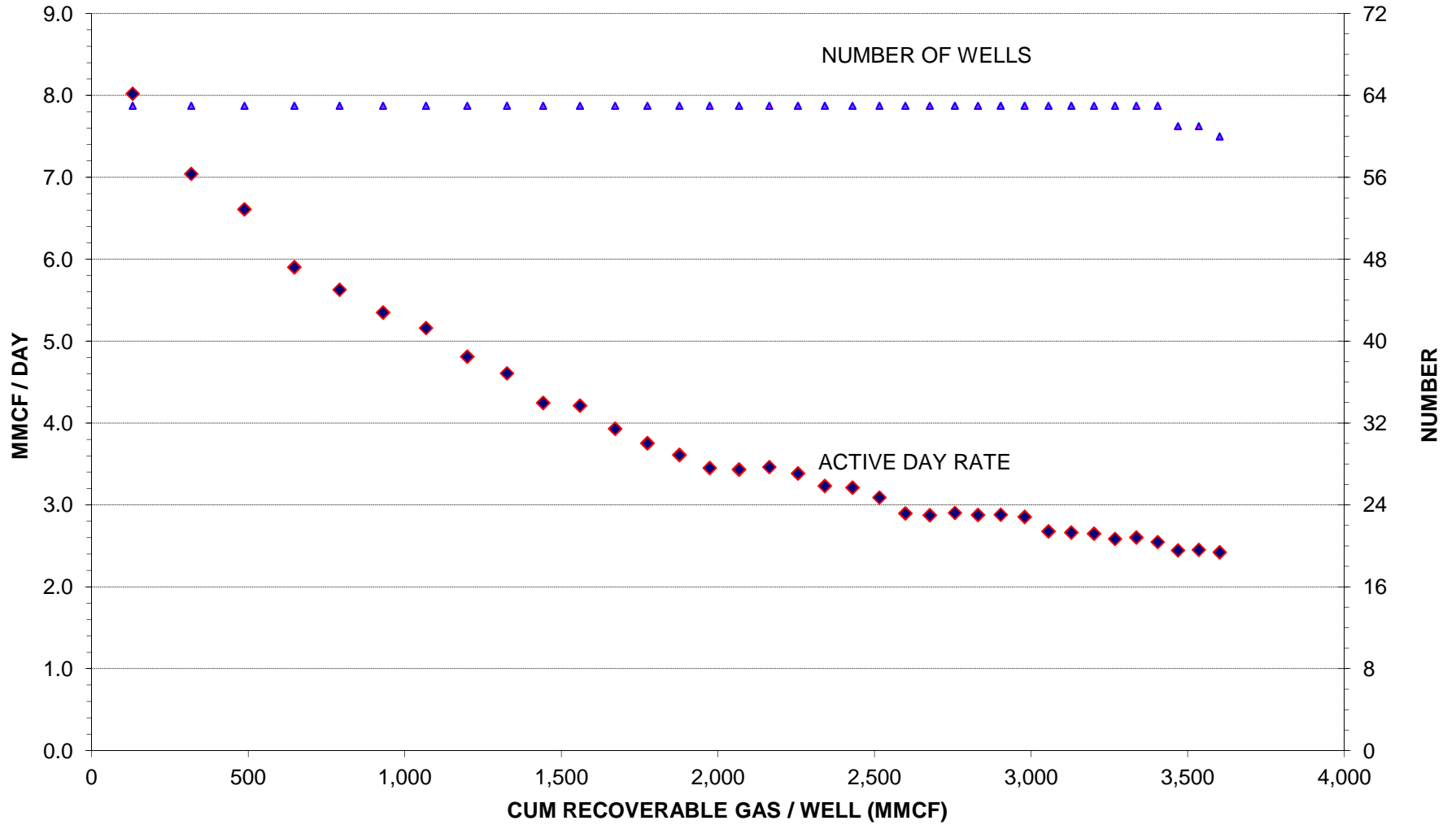
Gas analyses for the Etsho area shows the Muskwa-Otter Park Formation is 84.8% methane with 11.1% carbon dioxide.

HORN RIVER BASIN - ETSHO AREA REPORTED SHALE GAS WELL PRODUCTION (MAY 31, 2014)

| UWI | AREA | WELL | FM_CODE | FORMATION | HORIZ | LAST | MONTHS | DAYS | GAS_MCMF | WTR_MB | MMCF/D |
|------------------|-------|---|---------|-------------------|-------|--------|--------|---------------|----------------|--------------|--------------|
| 200D021J094O0800 | ETSHO | NEXEN ENERGY HZ ETSHO B-G018-I/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 38 | 981.4 | 3,780.263 | 11.194 | 3.852 |
| 200D030I094O0800 | ETSHO | NEXEN ENERGY HZ ETSHO B-F018-I/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 40 | 1,022.7 | 5,000.502 | 20.403 | 4.890 |
| 200D031K094O0800 | ETSHO | ECA HZ ETSHO B-F063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,208.1 | 7,736.061 | 170.662 | 6.403 |
| 200D032K094O0800 | ETSHO | ECA HZ ETSHO B-G063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,236.4 | 7,353.094 | 159.575 | 5.947 |
| 200D047K094O0800 | ETSHO | ECA ECOG HZ ETSHO B-B076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,011.4 | 4,281.449 | 124.231 | 4.233 |
| 200D048L094O0800 | ETSHO | APACHE HZ ETSHO C-C034-L/094-O-08 | 8550 | EVIE | Y | 201405 | 36 | 978.1 | 1,888.557 | 159.322 | 1.931 |
| 200D050J094O0800 | ETSHO | ECA HZ ETSHO B-A063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 45 | 1,241.1 | 5,854.872 | 180.559 | 4.717 |
| 200D055K094O0800 | ETSHO | ECA ECOG HZ ETSHO B-E076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,024.3 | 2,531.416 | 92.395 | 2.471 |
| 200D057L094O0800 | ETSHO | APACHE HZ ETSHO C-A034-L/094-O-08 | 8550 | EVIE | Y | 201405 | 36 | 1,008.7 | 1,917.002 | 230.874 | 1.900 |
| 200D058J094O0800 | ETSHO | ECA ECOG HZ ETSHO D-E070-J/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 47 | 1,137.7 | 3,145.376 | 27.118 | 2.765 |
| 200D066L094O0800 | ETSHO | APACHE HZ ETSHO C-H034-L/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,058.1 | 4,265.129 | 252.975 | 4.031 |
| 200D070J094O0802 | ETSHO | ECA ECOG HZ ETSHO B- 090-J/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 77 | 1,012.4 | 687.041 | 3.932 | 0.679 |
| 200D076K094O0800 | ETSHO | ECA HZ ETSHO C-E063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,195.4 | 3,798.056 | 285.062 | 3.177 |
| 200D079K094O0800 | ETSHO | ECA ECOG HZ ETSHO A-C077-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 38 | 1,056.0 | 3,700.658 | 178.792 | 3.504 |
| 200D082L094O0800 | ETSHO | APACHE HZ ETSHO D-D070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 50 | 1,414.8 | 2,486.439 | 203.930 | 1.757 |
| 200D085K094O0800 | ETSHO | ECA HZ ETSHO C-B063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,201.0 | 7,269.567 | 244.501 | 6.053 |
| 200D086K094O0800 | ETSHO | ECA HZ ETSHO C-C063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,198.1 | 6,277.283 | 352.888 | 5.239 |
| 200D087K094O0800 | ETSHO | ECA HZ ETSHO C-D063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,203.6 | 7,277.510 | 331.908 | 6.046 |
| 200D090J094O0800 | ETSHO | ECA ECOG HZ ETSHO D- 070-J/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 71 | 1,916.3 | 4,130.409 | 26.302 | 2.155 |
| 202A041K094O0800 | ETSHO | ECA HZ ETSHO B-E063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,231.3 | 6,841.558 | 181.188 | 5.556 |
| 202A056K094O0800 | ETSHO | ECA ECOG HZ ETSHO B- 076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,027.8 | 3,715.572 | 132.144 | 3.615 |
| 202A082L094O0800 | ETSHO | APACHE HZ ETSHO D-I070-K/094-O-08 | 8550 | EVIE | Y | 201405 | 49 | 1,265.8 | 735.320 | 80.660 | 0.581 |
| 202B058K094O0800 | ETSHO | APACHE HZ ETSHO D-L070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 49 | 1,413.5 | 4,123.796 | 170.817 | 2.917 |
| 202B082L094O0800 | ETSHO | APACHE HZ ETSHO D-M070-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 50 | 1,318.0 | 2,109.382 | 252.102 | 1.600 |
| 202C088K094O0800 | ETSHO | ECA ECOG HZ ETSHO B-H076-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 37 | 1,027.2 | 3,900.481 | 129.587 | 3.797 |
| 202D082L094O0800 | ETSHO | APACHE HZ ETSHO D-F070-K/094-O-08 | 8550 | EVIE | Y | 201405 | 33 | 529.7 | 101.406 | 16.613 | 0.191 |
| TOTAL | | | | | | | | 74,690 | 252,961 | 9,984 | 3.387 |

NORTHEAST BRITISH COLUMBIA CUM - RATE PLOT

HORN RIVER BASIN - ETSHO AREA



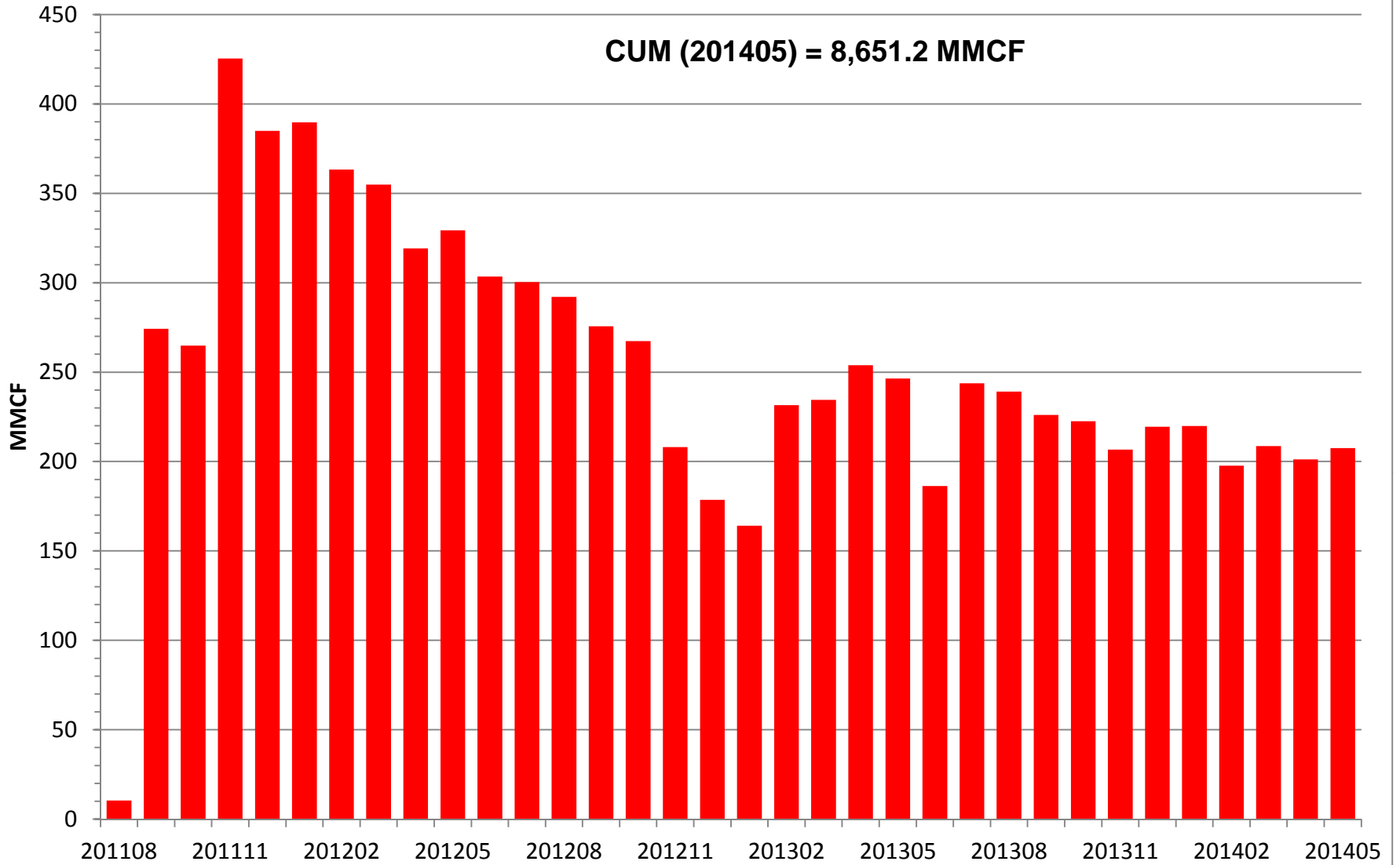
REPORTED HORN RIVER SHALE GAS WELL PRODUCTION (MAY 31, 2014)

TOP 15 WELLS RANKED BY CUMULATIVE PRODUCTION

| UWI | AREA | WELL | FM_CODE | FORMATION | HORIZ | LAST | MONTHS | DAYS | GAS_MMCF | WTR_MB | MMCF/D |
|------------------|---------|--|---------|-------------------|-------|--------|--------|---------------|------------------|----------------|--------------|
| 200C024D094O0900 | TRAIL | ECA HZ TRAIL D-D001-D/094-O-09 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 34 | 928.4 | 8,651.171 | 479.145 | 9.318 |
| 200B096K094O0800 | ETSHO | ECA HZ ETSHO C- 063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 684.8 | 7,961.893 | 276.788 | 11.627 |
| 200D031K094O0800 | ETSHO | ECA HZ ETSHO B-F063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,208.1 | 7,736.061 | 170.662 | 6.403 |
| 200C033D094O0900 | TRAIL | ECA HZ TRAIL D-B001-D/094-O-09 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 33 | 915.0 | 7,726.786 | 440.477 | 8.445 |
| 200C015D094O0900 | TRAIL | ECA HZ TRAIL D-G001-D/094-O-09 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 34 | 924.9 | 7,374.493 | 423.746 | 7.973 |
| 200D032K094O0800 | ETSHO | ECA HZ ETSHO B-G063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,236.4 | 7,353.094 | 159.575 | 5.947 |
| 200D087K094O0800 | ETSHO | ECA HZ ETSHO C-D063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,203.6 | 7,277.510 | 331.908 | 6.046 |
| 200D085K094O0800 | ETSHO | ECA HZ ETSHO C-B063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,201.0 | 7,269.567 | 244.501 | 6.053 |
| 202A041K094O0800 | ETSHO | ECA HZ ETSHO B-E063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 43 | 1,231.3 | 6,841.558 | 181.188 | 5.556 |
| 202B027A094O1500 | TATTOO | QUICKSILVER HZ TATTOO D-H050-A/094-O-15 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 21 | 542.3 | 6,815.843 | 185.191 | 12.568 |
| 200C062B094O1500 | TATTOO | QUICKSILVER HZ TATTOO D-G050-A/094-O-15 | 8550 | EVIE | Y | 201405 | 23 | 591.9 | 6,628.152 | 120.348 | 11.198 |
| 200B027A094O1502 | TATTOO | QUICKSILVER HZ TATTOO D-I050-A/094-O-15 | 8550 | EVIE | Y | 201405 | 25 | 661.7 | 6,515.556 | 194.986 | 9.847 |
| 200A044B094O1500 | TATTOO | RAMSHORN HZ TATTOO B-A055-B/094-O-15 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 54 | 1,577.6 | 6,504.396 | 54.958 | 4.123 |
| 200C085K094O0800 | ETSHO | ECA HZ ETSHO C-A063-K/094-O-08 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 42 | 1,199.2 | 6,461.917 | 300.453 | 5.389 |
| 200B018D094O1600 | FORTUNE | QUICKSILVER HZ FORTUNE C- 029-D/094-O-16 | 8295 | MUSKWA-OTTER PARK | Y | 201405 | 44 | 1,130.5 | 6,410.661 | 96.284 | 5.671 |
| | | TOTAL | | | | | | 15,237 | 107,528.7 | 3,660.2 | 7.057 |

ECA HZ TRAIL D-D001-D/094-O-09-00

CUM (201405) = 8,651.2 MMCF



ECA HZ TRAIL D-D001-D/094-O-09-00

