



TECHNICAL REVIEW OF
P&NG HOLDINGS
OF
PIERIDAE ENERGY LTD.
IN QUEBEC AND NEW BRUNSWICK
(As of December 31, 2017)

March 15, 2018

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GLOSSARY

In this report, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

"AFFILIATES" "PIERIDAE GROUP" means, Pieridae Energy (Canada) Ltd, Goldboro LNG Limited Partnership, 9290834 Canada Ltd, Pieridae Energy (USA) Ltd, Goldboro LNG Limited Partnership II, Pieridae Production GP Ltd, Pieridae Production Limited Partnership, Atlantic Offshore Production Ltd, Pieridae Offshore Development Limited Partnership, Pétrolia Anticosti inc., Investissements PEA inc.⁽¹⁾, Hydrocarbures Anticosti S.E.C.⁽³⁾ Commandité Hydrocarbures Anticosti inc.⁽³⁾.

"Anticosti Hydrocarbons" means Anticosti Hydrocarbons L.P., a Québec limited partnership established by each of Corridor, Resources Québec, Pétrolia (Pieridae) and M&P pursuant to the Anticosti Joint Venture;

"Anticosti Joint Venture" means the joint venture entered into on April 1, 2014 between Corridor, Resources Québec, Pétrolia (Pieridae) and M&P in respect of Corridor's and Pétrolia's (Pieridae) former interests in Anticosti Island, Québec;

"Anticosti SEA" means the strategic environmental assessment of Anticosti Island required to be completed by the Québec Government;

"bbl" means one barrel equaling 34.972 Imperial gallons or 42 U.S. gallons;

"boe" means barrel of oil equivalent;

"Board of Directors" means the board of directors of Pieridae;

"COGE Handbook" means the Canadian Oil and Gas Evaluation Handbook;

"Contingent Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status.

"Discovered Petroleum Initially-In-Place" (equivalent to discovered resources) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and contingent resources; the remainder is unrecoverable.

"**LP**" limited partnership

"**M&N Pipeline**" means the Maritimes & Northeast Pipeline;

"**M&P**" means Maurel & Prom S.A., inclusive of its subsidiary, Saint-Aubin E&P Québec Inc., and which is a participant in the Anticosti Joint Venture;

"**Mbbl**" means thousand barrels

"**Mboe**" means barrels of oil equivalent

"**MDDELCC**" means the Ministry of Sustainable Development, Environment and the Fight against Climate Change;

"**Mscf**" means thousand standard cubic feet

"**MMscf**" means million standard cubic feet

"**NGL**" means natural gas liquids, consisting of any one or more of propane, butane and condensate;

"**NI 51-101**" means National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*;

"**Pétrolia**" means Pétrolia Inc. (now Pieridae Energy Ltd), which is a participant in the Anticosti Joint Venture;

"**Pieridae**", **Corporation** or "**Company**" hereinafter referred Pieridae Energy Limited;

"**Prospective Resources**" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity.

"**Reserves**" refers to the estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates;

"**Resources**" refers to a general term that may refer to all or a portion of total resources;

"**Ressources Québec**" means Ressources Québec Inc., a subsidiary of Investissement Québec, an affiliate of the Government of Québec, which is a participant in the Anticosti Joint Venture;

"Royalties" refers to royalties paid to others. The royalties deducted from the reserves are based on the percentage royalty calculated by applying the applicable royalty rate or formula;

"Sproule Reports" means the reports «Evaluation of the contingent resources of Pieridae Energy in the Haldimand Area of Quebec, Canada (as October 31, 2017) Summary Report», dated January 19, 2018, and "Evaluation of the Contingent and Prospective Resources of Petrolia Inc. in the Bourque Area of Quebec, Canada (As of September 30, 2017) – Summary Report", dated November 16 2017.

"SEA" refers to a Strategic Environmental Assessment;

"Shut-in" refers to wells that are capable of producing natural gas which are not producing due to lack of available transportation facilities, available markets or other reasons;

"Total Petroleum Initially-In-Place (PIIP)" is that quantity of petroleum that is estimated to exist originally 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 (equivalent to "total resources").

"Unrecoverable" is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects, or recoverable using experimental technology, and cannot be assigned as reserves or resources. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

"Undiscovered Petroleum Initially-In-Place" (equivalent to undiscovered resources) is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "prospective resources," the remainder as "unrecoverable."

"working interest" means the percentage of undivided interest held by Pieridae in an oil and natural gas property.

Pieridae Energy Limited Overview

On January 20, 2017, Pétrolia a public corporation and Pieridae a private company entered into a confidentiality agreement for the purposes of exchanging information and data in regards to investigating potential mutually beneficial business arrangements relating to the development of an integrated LNG business that would allow the combined company to access additional capital via the public market and continue to develop its properties.

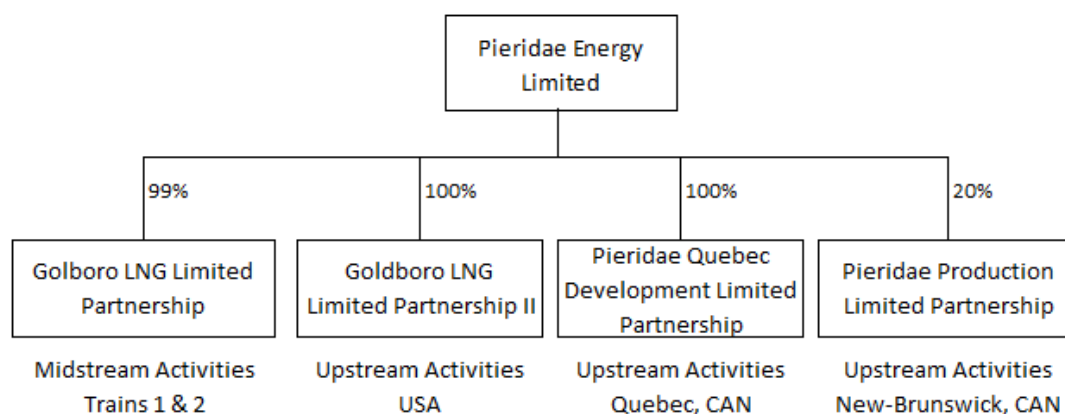
Pieridae is a Canadian corporation based in Calgary, Alberta focused on the development of fully integrated energy activities, from upstream production to the sale of LNG. Pieridae's main project is the Goldboro LNG Project and, following Pieridae's first acquisition of resources in New Brunswick and its merger with Pétrolia on October 26, 2017, Pieridae has embarked on a strategy to consolidate natural gas reserves in key natural gas basins to develop new international markets for Canadian and US natural gas. Pieridae will continue to seek to build a long term portfolio of natural gas to supply the Goldboro LNG Project. Pieridae is on the leading edge of the re-integration of the LNG value chain in North America.

The registered office of Pieridae is at 1600, 333 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

Pieridae is now a public corporation which, through its Affiliates, carries on an integrated LNG business consisting of:

- (a) the development, construction, ownership and operation of the Goldboro LNG Facility to be situated in the Municipality of the District of Guysborough (the "**Municipality**"), Nova Scotia having a design production capacity of up to 10 million metric tonnes per annum ("**MTPA**") of LNG which will be sold to customers at the Goldboro LNG Facility primarily for export (collectively, the "**Midstream Activities**"); and
- (b) the acquisition and development of resource property interests in Canada and the United States for the production of natural gas and associated products, and the supplemental procurement of natural gas from Canadian and U.S. producers under medium and long-term contract, for use as feed gas and fuel in the production of LNG at the Goldboro LNG Facility (collectively, the "**Upstream Activities**").

Pieridae carries on its business indirectly, through its several limited partnerships in which it holds an interest.



Principal Products or Services

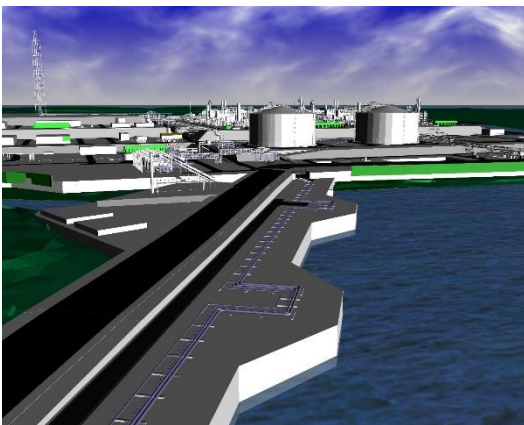
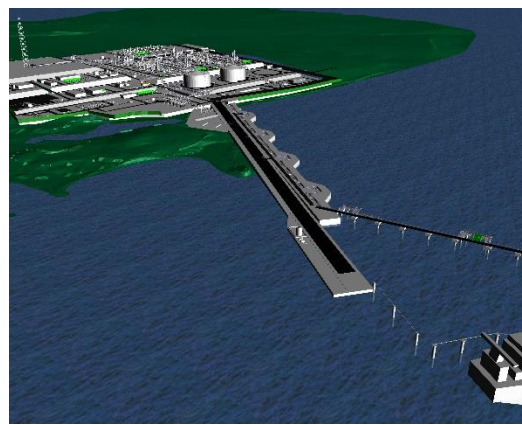
The Pieridae Group is in the development stage of its Midstream Activities and is in the early acquisition stage of its Upstream Activities and therefore is not earning revenues from the sale of LNG, natural gas or any other product or service.

The Pieridae Group anticipates that it will produce and procure sufficient natural gas supply, and will secure sufficient pipeline transportation capacity, to be able to make a positive financial investment decision in relation to the proposed Goldboro LNG Facility on or before 2018 Year End and that the construction and commissioning of the Goldboro LNG Facility will be completed approximately four years thereafter. No entity in the Pieridae Group has yet entered into a natural gas supply agreement for the Goldboro LNG Facility.

The Goldboro LNG Facility

The Goldboro LNG Facility will be located on the Atlantic Ocean coast of the Municipality, approximately two kilometres from the communities of Goldboro in the West, and Drum Head in the East.

The Goldboro LNG Facility will include one or possibly two liquefaction trains, each with the annual production capacity of approximately 5 MTPA of LNG, a power plant which will generate the electricity required to produce LNG, two LNG storage tanks as well as marine structures and a jetty which will be equipped to accommodate two LNG carriers of up to 250,000 m³ of LNG each. The following are engineering diagrams of the proposed Goldboro LNG Facility.



Goldboro Canada LP engaged CB&I UK Limited and CB&I Canada Limited which have completed the front end engineering and design of the Goldboro LNG Facility and Goldboro Canada LP is now preparing to request the open book estimate of the cost of the facility and to negotiate an engineering, procurement and construction contract.

In order to assist Goldboro LNG to secure project financing for the construction of the first train of the Goldboro LNG Facility, Uniper, on behalf of Goldboro Canada LP, filed a request under the "untied finance credit" program sponsored by the Federal Republic of Germany, for a preliminary determination of whether such project financing would qualify for a loan guarantee from the German federal government. The Application was reviewed by both PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft and Euler Hermes Deutschland A.G. which confirmed, as the joint representatives of the German government, that, in principle, construction of the first train of the Goldboro LNG Facility would qualify for a US \$3 billion loan guarantee under the untied finance credit program provided that, among other things, at least 1.5 MTPA of the LNG produced from the first train of the Goldboro LNG Facility is delivered by Uniper to the Netherlands for regasification and is then transported by pipeline to the Federal Republic of Germany for consumption in its domestic gas market. Uniper is contractually obligated, pursuant to the LNG Sale and Purchase Agreement to satisfy these conditions at all relevant times.

Project Site Acquisition

On December 3, 2015 Pieridae Canada acquired the beneficial interest in and to the Project Site from the Municipality in consideration for \$3.2 million. The Project Site consists of approximately 107.5 hectares (265.5 acres) of unimproved land situated within the Goldboro industrial park. The Project Site is a suitable location for the proposed Goldboro LNG Facility for several reasons including the fact that the Goldboro industrial park is the origination point of the main line of the Canadian portion of the Maritimes & Northeast Pipeline (the "**M&N Pipeline**") as well as the landfall site for the Sable natural gas pipeline. The Project Site also has sheltered access to the deep water of Isaacs Harbour.

Pieridae Canada has the right, exercisable on sixty (60) days prior notice at any time before March 31, 2019, to require the Municipality to repurchase the Project Site for \$3.2 million on the terms and conditions of a put option registered against title to the Project Site. In addition, the Municipality has the right, exercisable on sixty (60) days prior notice, to repurchase the Project Site for \$3.2 million on the terms and conditions of a call option registered against title to the Project Site if Pieridae Canada either: (a) fails to make a final investment decision to proceed with the construction of the Goldboro LNG Facility on or before December 31, 2018; or (b) fails to obtain all regulatory permits that are necessary to construct the Goldboro LNG Facility on or before December 31, 2018.

Environmental Assessment

On March 21, 2014, the Minister approved the proposed Goldboro LNG Facility pursuant to section 40 of the *Environment Act* (Nova Scotia) and subsection 26(1) of the Environmental Assessment Regulations. The approval is subject to approximately forty conditions which are described in more detail at <http://novascotia.ca/nse/ea/goldboro-lng/conditions.pdf>

One of the conditions (condition 1.3) requires that Pieridae Canada commences work on the Goldboro LNG Facility within two years of the issuance of the approval unless granted a written extension by the Minister. On August 6, 2015, the Minister issued to Pieridae Canada written confirmation that the deadline to commence work on the Goldboro LNG Facility is extended to March 21, 2019.

The Canadian Environmental Assessment Agency determined pursuant to paragraph 128(1)(c) of the *Canadian Environmental Assessment Act* (Canada) that a federal environmental assessment was not required to be obtained by Pieridae Canada in relation to the proposed Goldboro LNG Facility.

Environmental Protection

The Pieridae Group is subject to, and to the best of its knowledge is in compliance with, federal, provincial and municipal environmental legislation in all of its areas of activity. The Pieridae Group recognizes that it must conduct all of its activities in a manner that both protects and preserves the environment.

Pieridae Production Limited Partnership

On March 4, 2013, Pieridae entered into an agreement with Contact Exploration Inc. (subsequently Kicking Horse Energy Inc.) to establish Pieridae Production LP in order to acquire and develop natural gas resources in New Brunswick. As at January 1, 2014, Pieridae, as a limited partner, had a 16.98% interest in Pieridae Production LP and has made no further contributions to Pieridae Production LP during that year. During 2015 Pieridae invested an additional \$750,000 in Pieridae Production LP, increasing its ownership interest to 20%. Pieridae is entitled to contribute an additional \$14,125,000 to Pieridae Production LP prior to any further funding by the other partner, and to thereby increase its ownership in Pieridae Production LP to 50%. In late 2015 ORLEN Upstream Canada Ltd. acquired Kicking Horse Energy Inc.

There is presently a government imposed moratorium on the use of hydraulic fracturing in New Brunswick which effectively prevents any further exploration and development by Pieridae Production LP of its natural gas resource properties in that province.

The LNG Purchase and Sale Agreement

Goldboro LNG and Uniper have entered into an agreement dated May 31, 2013, as amended on February 3, 2016 and June 2, 2017 (the "**LNG Sale and Purchase Agreement**") which contemplates the sale each year by Goldboro LNG, and the purchase by Uniper on a "take or pay" basis, of 4.8 MTPA of LNG for a term of 20 years commencing at the start of commercial deliveries of LNG. Title and risk to the LNG will pass from Goldboro LNG to Uniper at the point that the LNG passes from the Goldboro LNG Facility to the customer's LNG vessel. The price of the LNG is expressed in U.S. dollars and is determined primarily by reference to the prevailing price for natural gas quoted on a prescribed European index discounted for costs incurred by the customer for the transportation and regasification of the LNG. Under the terms of the LNG Sale and Purchase Agreement Uniper has the right to terminate the agreement in accordance with its terms, including in the event Goldboro LNG fails to meet certain milestone deadlines (and such deadlines are not extended as agreed to between Uniper and Goldboro LNG).

Market and Marketing Plans

Goldboro LNG has pre-sold substantially all of the LNG that will be produced from one of the two liquefaction trains planned for the Goldboro LNG Facility to Uniper under the LNG Sale and Purchase Agreement for a term of twenty years commencing at the start of commercial production.

Pieridae is currently in discussions with one or more potential customers for the pre-sale of the LNG that could be produced from the second liquefaction train planned for the Goldboro LNG Facility.

Regulatory - Canada

On August 13, 2015 the National Energy Board confirmed its decision, subject to the approval of the Governor in Council, to issue a licence to Goldboro LNG to:

- (a) export from Canada up to 16.675 billion cubic meters of natural gas each year for a period of twenty years commencing on the date of first export ("**Export Licence GL-313**"); and
- (b) import to Canada up to 11.845 billion cubic meters of natural gas each year for a period of twenty years commencing on the date of first import ("**Import Licence GL-314**").

On May 26, 2016, the Governor in Council approved Export Licence GL-313 and Import Licence GL-314 pursuant to section 117 of the *National Energy Board Act* (Canada).

Regulatory - United States

On May 22, 2015, the Department of Energy of the United States (the "**US DOE**") issued an order ("**Order No. 3639**") granting Goldboro USA LP authorization to export annually, by pipeline, up to 292 Bcf of natural gas sourced from the United States to Canada for end use in Canada or, after liquefaction in Canada, to export, by vessel, the LNG produced from such natural gas to countries with which the United States has a free-trade agreement. This authorization is for a period of twenty years commencing on the earlier of date of first export and May 22, 2022.

On February 5, 2016, the US DOE issued an order ("**Order No. 3768**") granting Pieridae USA, as the general partner of Goldboro USA LP, authorization to export annually, using the capacity of the U.S. portion of the M&N Pipeline that is in service as of February 5, 2016, up to 292 Bcf natural gas sourced from the United States to Canada for liquefaction in Canada and re-export as LNG to countries with which the United States does not have a free-trade agreement. This authorization is for a period of twenty years commencing on the earlier of the date of first commercial re-export and February 5, 2023. The volume of natural gas that is authorized for export under Order No. 3768 is not additive to the volume of natural gas that is authorized for export under Order No. 3639.

The regulatory history of the applications made by Goldboro USA LP, including a copy of Order No. 3639 and Order No. 3768, can be accessed at:
<https://energy.gov/fe/downloads/pieridae-energy-usa-ltd-fe-dkt-no-14-179-lng>.

Introduction

General

The technical review of P&NF Holdings report was prepared by Pieridae Energy is hereinafter referred to as "the Company." The effective date of this report is December 31, 2017, and includes disclosure information required by NI 51-101 regarding the Statement of Reserves Data and Other Oil and Gas Information. This report consists of an audit of the best, low and high estimates contingent P&NG resources of the Company's interests in the Haldimand and Bourque areas. This report also contains information concerning landholding and future exploration or development activities. The report was prepared between February and March 2018 with the purpose of reporting the Company's resources according to the Canadian Oil and Gas Evaluation Handbook ("COGEH") resource definitions that are consistent with the standards of National Instrument 51-101.

Procedure

Pieridae has prepared a preliminary document and Sproule has review and provide feedback for the sections relating to reserves or resources. Pieridae has provided the review, in both a "clean" version and a "blacklined" version which highlights the changes made between the preliminary report and the final report. Sproule has reviewed the final report and provide consent.

Report Contents

The report consists of an Introduction, Discussion, Figures, National Instrument 51-101, and Appendices. The Introduction includes the summary of standards and procedures and the Discussion includes general commentaries pertaining to the Companies properties and activities as they pertain to the audit of the contingent resources. The National Instrument 51-101 section presents the Report on Contingent Resources Data by Independent Qualified Reserves Evaluator or Auditor. A summary of National Instrument 51-101 disclosure of resources is provided in Appendix A.

Standards

This report has been prepared using current geological and engineering knowledge, techniques and computer software. It has been prepared within the Code of Ethics of the « Ordre des Géologues du Québec (OGQ) » and the Association of Professional Engineers and Geoscientists of Alberta ("APEGA"). This report adheres in all material aspects to the "best practices" recommended in the COGE Handbook which are in accordance with principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGE Handbook is incorporated by reference in National Instrument 51-101.

Sproule Resources Evaluation Results

1. The analysis of individual entities as reported herein was conducted within the context and scope of a technical review of a unique group of entities in aggregate. Use of this report outside of this scope may not be appropriate.
2. The accuracy of contingent resources estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that reservoir and financial performance subsequent to the date of the estimates may necessitate revision. These revisions may be material.
3. No attempt was made to estimate the net present values of the resources presented in this report.
4. Due to rounding, certain totals may not be consistent from one presentation to the next.
5. There is no certainty that it will be commercially viable to produce any portion of the reported resources volumes.

BOE Cautionary Statement

BOE's (or 'McfGE's' or other applicable units of equivalency) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl (or 'An McfGE conversion ratio of 1 bbl:6 Mcf') is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Forward-Looking Statements

This report may contain forward-looking statements including expectations of future production revenues and capital expenditures. Information concerning reserves may also be deemed to be forward-looking as estimates involve the implied assessment that the

reserves described can be profitably produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e., corporate commitment, regulatory approval, operational risks in development, exploration and production); potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimations; the uncertainty of estimates and projections relating to production; costs and expenses; health, safety and environmental factors; commodity prices; and exchange rate fluctuation.

Discussion

Technical Review of P&NG Holdings - History

On 23 October 2017, Pétrolia has bought back Québénergie's interest in the Haldimand discovery area and the 13 exploration permits of the Gaspé Property (Block). Following this transaction Pétrolia has increased its working interest to 100% in the Haldimand area (13 exploration permits).

On October 24, 2017, the business combination of Pieridae Energy Limited ("Former Pieridae") and Pétrolia Inc. ("Pétrolia") was announced by way of plan of arrangement (the "Arrangement") to form the amalgamated company named Pieridae Energy Limited ("Pieridae"), all the exploration permits underground storage permits previously held by Pétrolia in the Quebec Province have been transferred to Pieridae Energy.

Quebec Assets (Gaspé and Bourque Properties)

In Eastern Gaspé, former Petrolia's reports included the Corte Real area (5 exploration licenses) and the Haldimand area (13 exploration licenses) as part of the Gaspé Property. For the purpose of simplification The Gaspé Property combines the former Corte Real acreage and the Haldimand acreage (18 exploration licenses) in which Pieridae Energy owns 100% working interest (Figure 1 and Table 7).

The Bourque Property includes 4 exploration licenses, in which Pieridae Energy owns 51% working interest

Some of the exploration permits are subject to overriding royalties of 5% to 7.5%.

Sproule has historically audited the reserve and resource assessments conducted by Petrolia (Pieridae Energy) on the Haldimand area. Audited contingent resources assessments appearing in this report were first audited effective December 31, 2009 and were presented in report entitled "Audit of Resource Assessment, Haldimand Block, Gaspé Peninsula, Quebec (as of December 31, 2009)" dated May 28, 2010. Revisions to the resource volumes reported have been revised in 2017 in report entitled "Evaluation of the Contingent Resources of Pieridae Energy in the Haldimand area of Quebec, Canada - (as of October 31, 2017) Summary Report".

A new report concerning the Bourque area consists of an evaluation of the low, best and high estimate contingent and prospective P&NG resources of the Company's interest in the Bourque Project (4 exploration licenses). This report was prepared in August to October 2017 and entitled "Evaluation of the Contingent and Prospective Resources of Petrolia Inc. in the Bourque Area of Quebec, Canada (as of September 30, 2017) – Summary Report".

Both reports were prepared for the purpose of evaluating the Company's P&NG resources according to the Canadian Oil and Gas Evaluation Handbook ("COGE

Handbook”) resource definitions that are consistent with the standards of National Instrument 51-101. Those reports were prepared for the Company’s corporate purposes.

Quebec Assets (Anticosti)

Anticosti Island lies in the Gulf of St. Lawrence, 75 km from the coast of the Gaspé Peninsula. It is 220 km in length, up to 48 km in width and occupies an area of approximately 8,000 square kilometers (3,000 square miles). On the Anticosti Island, 38 underground reservoir (RS) exploration permits were held by the Anticosti Hydrocarbons limited partnership covering an area of 619,564 ha.

On April 1, 2014, the Quebec government announced a strategic partnership on Anticosti, working with Ressources Québec, Saint-Aubin E&P (Québec) Inc., Corridor Resources Inc., and Pétrolia Inc. Partner interests in the 38 exploration licenses for the limited partnership will be divided as follows: Ressources Québec 35%, Pétrolia 21.7%, St-Aubin E&P 21.7% and Corridor Resources Inc. 21.7%.

The partnership, Hydrocarbures Anticosti, has successfully drilled 12 cores holes in 2014 and 2015 summer seasons. The Macasty shale was the main objective of the drilling campaigns. Operations were planned to resume in the summer 2016 with the drilling of 3 horizontal wells targeting the Macasty Formation followed by fracking and testing.

On July 24, 2017, the Government of Quebec adopted a ministerial order, published in the Gazette Officielle du Québec and taking effect on July 28, 2017, prohibiting the exploration and development of oil and gas on Anticosti Island. It also announced compensation settlements with corporations involved in oil and gas exploration on Anticosti Island.

Pétrolia and the Government of Quebec entered into a term sheet dated August 9, 2017 (the “Anticosti Settlement”), which sets out the principal terms and conditions of definitive agreements to be entered into between Pétrolia and the Government of Quebec with respect to the end of oil and gas exploration and development on Anticosti Island and further to which AHLP will eventually be liquidated and dissolved without further compensation, in exchange for a cash consideration of \$20,500,000 in favor of Pétrolia.

New Brunswick Assets

On March 4, 2013, Pieridae Energy Limited (Pieridae) entered into an agreement with Contact Exploration Inc. (subsequently Kicking Horse Energy Inc.) to establish Pieridae Production LP in order to acquire and develop natural gas resources in New Brunswick. As at January 1, 2014, Pieridae, as a limited partner, had a 16.98% interest in Pieridae Production LP and has made no further contributions to Pieridae Production LP during that year. During 2015 Pieridae invested an additional \$750,000 in Production LP, increasing its ownership interest to 20% (Table 1, Table 7 and Figure 2). Pieridae is entitled to contribute an additional \$14,125,000 to Pieridae Production LP prior to any further funding by the other partner, and to

thereby increase its ownership in Pieridae Production LP to 50%. In late 2015 ORLEN Upstream Canada Ltd. acquired Kicking Horse Energy Inc.

There is presently a government imposed moratorium on the use of hydraulic fracturing in New Brunswick which effectively prevents any further exploration and development by Pieridae Production LP of its natural gas resource properties in that province.

Table 1: Pieridae Land Holdings in New Brunswick As of December 31, 2017

Property	PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
New Brunswick Property	01-01	01/01/2014	6,376	20%	1,275.2
	01-01/27	02/01/2014	359	20%	71.8
	01-01/36	03/01/2014	359	20%	71.8
	01-01/85 ijop	04/01/2014	90	20%	18.0
	01-01/86	05/01/2014	359	20%	71.8
	07-01	06/01/2014	5,032	20%	1,006.5
	07-03	07/01/2014	718	20%	143.7
	07-04	08/01/2014	1,077	20%	215.3
	TOTAL		14,371		2,874.2

Pieridae's Land Holdings

The Company's land holdings as of December 31, 2017 are located in the Province of Québec and in the province of New Brunswick. In the Province of Québec the lands are held under oil and gas exploration permits (PG) or by under underground reservoir exploration permits (RS) issued by the Government of Québec. In total, the interest lands cover an area of 1,026,246 hectares on a gross basis and 883,721 hectares on a net basis (Table 2 and Table 7).

In the Gaspé Peninsula, the land is divided for the sake of convenience into six Properties, Gaspé, Bourque, Gastonguay, Gaspésia, Marcel Tremblay and Edgar, covering 1,011,875 gross hectares (Figure1) and 769,508.2 net hectares. The majority of this land is owned 100 percent by Pétrolia. Some of the Gaspé Property exploration licenses are burden with overriding royalties.

The permits issued by the Government of Québec give Pieridae Energy the exclusive right to undertake oil and gas and underground reservoir exploration work for an

initial five year period, with the possibility of further annual renewals for another five years, provided certain obligations are fulfilled. These obligations are an annual rental fee of \$0.104 per hectare and a minimum statutory exploration expenditure that must be met each year. The minimum required expenditure must be equivalent to \$0.50 per hectare the first year. The minimum expenditure increases by \$0.50 per hectare in each subsequent year, reaching \$2.50 per hectare in the fifth year. For each additional renewal, the rental fee is fixed at \$0.50 per hectare and the work obligations are equivalent to \$2.50 per hectare.

Note that following article 3 of the Bill 18 « An Act to limit oil and gas activities» dated June 13, 2011, «the holder of a licence to explore for petroleum, natural gas and underground reservoirs is exempted from performing the work required under the Mining Act until the date determined by the Minister, which date may not be later than 13 June 2014. In that case, the term of the licence is deemed to be suspended in accordance with section 169.2 of that Act. At the end of the exemption period, the expiry date of the licence is deferred to the end of the period for performing the work that remains to run after the lifting of the suspension. The time limit for filing the report that the holder of a licence to explore for petroleum, natural gas and underground reservoirs who performs work during the exemption period provided for in the first paragraph must submit under the second paragraph of section 177 of the Mining Act is deferred to six months after the new expiry date of the licence determined under the first paragraph».

This «exemption» will be left when the new oil & gas regulations will be published. It is expected also that the minimal work obligations and the rents for the exploration licenses are in the process of been modified.

For the Québec exploration permits, the Company expended \$2,480,619 in the reporting financial year (2017). The exploration expenses already incurred over the permits are sufficient to meet the minimum work obligation for the next fiscal year.

Table 2: Pieridae Land Holdings as of December 31, 2017

Property	Number of Permits	Working Interest (%)	Gross Area (ha)	Net Area (ha)
Quebec				
Bourque	4 PG ⁽¹⁾	51	74,267	37,876.2
Gaspé (including Haldimand)	12 PG(1) 6 RS(2)	100	269,143	269,143.0
Gastonguay	13 PG ⁽¹⁾	100	259,015	259,015.0
Gaspésia	7 RS ⁽³⁾	100	137,000	137,000.0
Edgar	3 RS ⁽³⁾	100	50,010	50,010.0
Marcel Tremblay	2 RS ⁽³⁾	100	33,165	33,165.0
Matapédia and Restigouche	6 PG ⁽¹⁾ & 7 RS ⁽⁴⁾	50	189,276	94,638
Total Québec Pieridae			1,011,876	880,847
New Brunswick				
	8	20	14,371	2,874.2
Total Pieridae			1,026,246	883,721

(1) Oil and gas exploration licences obtained April 28, 2009.

(2) Underground reservoir permits licenses November 21, 2005

(3) Underground reservoir licenses obtained April 28, 2009.

(4) Underground reservoir licenses obtained November 23, 2007

The following sections present additional information regarding each of the Property held by the Company.

Gaspé Property

The Gaspé Property is located in the east-central part of the Gaspé Peninsula and comprised de Haldimand Block (Figure 1 and Table 7).

In Eastern Gaspe, former Petrolia's reports included the Corte Real area (5 licenses) and the Haldimand area (13 licenses) as part of the Gaspe Property (Table 7). For the purpose of simplification the Gaspe Property of this report combines the former Corte Real acreage and the Haldimand acreage consisting of 12 exploration licenses and 6 underground storage licenses for a total of 18 contiguous licenses in which Pieridae Energy owns 100% working interest.

Sproule has historically audited the reserve and resource assessments conducted by Pieridae Energy (Petrolia) on the Haldimand area. Audited contingent resources assessments appearing in this report were first audited effective December 31, 2009 and were presented in a Sproule's report entitled "Audit of Resource Assessment, Haldimand Block, Gaspe Peninsula, Quebec (as of December 31, 2009)" dated May 28, 2010. Revisions to the resource volumes publicly reported have been revised in 2017-2018 in a Sproule's report entitled "Evaluation of the Contingent Resources of

Pieridae Energy in the Haldimand area of Quebec, Canada (as of October 31, 2017)- Summary Report”.

The Sproule’s reports was prepared for the purpose of evaluating the Company’s P&NG resources according to the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) resource definitions that are consistent with the standards of National Instrument 51- 101. Those reports were prepared for the Company’s corporate purposes.

Gaspé Property - Haldimand Block

As a result of these modifications, the total area covered by the contract permits is now 269,143 hectares on a gross basis and 269 143 hectares on a net basis (Figure 1, Table 2 and Table 7).

The Gaspé property is characterized by the presence of oil shows (about 60 known sites) in the Devonian sandstones, which explains the interest in this region by explorers for more than a century. The main exploration targets correspond to the York River Formation, the lowermost unit of the Devonian Gaspé sandstone Group and the Indian Cove and Forillon Formations of the lower units of the Gaspé Limestones Group.

Haldimand Discovery Area

The Haldimand discovery was made by Pétrolia in 2006 with the drilling of Pétrolia Haldimand No.1 which tested oil 50 °API from shaly sandstones within the York River Formation on the license 2005RS123. The formation is characterized by low primary matrix porosity with open fractures. The second well Haldimand No. 2 was drilled in 2009 approximately 1000 meters to the northwest of the discovery well. Following the drilling of Haldimand No. 2 Sproule carried out an audit of the Company’s resource estimate which classified the oil as a Contingent Resource. The Company subsequently drilled a horizontal well Haldimand No.4 drilled in 2014 to further assess the development of the resource using horizontal well technology, and has been conducting tests on the horizontal well. A long term production test on Haldimand No 4 was done in 2016.

Haldimand Evaluation Status

Contingent Resources Classification

The resources were classified in accordance with the Canadian Oil and Gas Evaluation Handbook (COGE Handbook) definitions that are consistent with NI 51-101 and used by Sproule.

Petroleum initially-in-place (PIIP) on the Company-interest lands was classified as discovered accumulations based on the well tests performed on the three wells drilled within the project area.

The reported Discovered Petroleum Initially-In-Place (DPIIP), presented in Table 3, are low, best, and high estimates which were estimated using the probabilistic method. Ranges were estimated for gross rock volume, porosity, water saturation, formation volume factor, oil recovery factor, and gas recovery factor.

Estimates of the volumes of Company interest recoverable oil and recoverable gas are provided as low, best and high estimates, recognizing the uncertainty of those volumes being recovered. Recoverable volumes were estimated using a probabilistic model, incorporating the recovery factor uncertainty in conjunction with the parameters used to estimate petroleum initially-in-place.

The estimated recoverable sales volumes are presented in Table 3 for the Company's working interest volume. Recoverable volumes estimated from discovered areas are classified as contingent resources.

The contingent resources are further sub-classified as development unclarified, as discussed further in the Recovery Technology section of this report.

Recovery Technology

The Company's proposed development plan relies on HMSF development, un-fracked slim hole multilateral horizontal wellbores, and optimized pump systems to commercially produce un-fracked wells. HMSF development has proven successful in a variety of tight oil and gas reservoirs in western Canada and the United States. Development using HMSF technology has also occurred in other areas of the world. Multilateral horizontal wells have been used successfully to obtain commercial production rates from pools in which single wellbore rates are marginal, such as the Bluesky Formation in the Peace River area of Alberta. Multilateral horizontal wellbores have been successfully applied to naturally fractured tight reservoirs, such as the Austin Chalk Formation in Texas. The York River reservoir is estimated to be in the 0.02-1.2 mD permeability range. Analogous reservoirs of this permeability range have been successfully developed using HMSF technology. The Bakken Formation in North Dakota has similar porosity and permeability ranges as the York River Formation. This reservoir has been successfully developed using HMSF technology.

Contingencies

Regulatory Approval

The Company has not submitted a regulatory application to develop the contingent resource volumes using HMSF technology. The absence of the submission of an application to development using HMSF technology has resulted in the contingency. Once the application has been submitted and approved, this contingency would be lifted.

For the slim hole multilateral horizontal wellbore, and the optimized pump system development options, regulatory approval would not be considered a contingency, as approval to drill these types of un-fracked wells has been obtained.

Economic Factors

The future pricing market and capital costs associated with this project will affect the future commerciality. When the capital costs and product prices reach a level where the project economics are acceptable to the Company, this contingency would be lifted.

Due to the uncertainty regarding the future production profile of the wells in the reservoir, the future cost and price requirements which are needed to commercially produce the Haldimand assets are unknown.

Corporate Commitment

There has been no final investment decision and endorsement from the Company to move forward with commercial development of this asset. It is likely that a final investment decision to approve this project will not occur for several years. Additionally, a detailed development plan has not been determined and further work needs to be completed to confirm how the resources will be developed. It is anticipated that as the development plan is refined, the Company would be able to make a final investment decision, at which point this contingency would be lifted.

Timing of Production and Development

The timing of production and development detailed in this report is estimated to commence beyond the reasonable time periods described in the COGE Handbook as a requirement for classification as reserves. It is expected that as development planning continues, the timing of production and development will fall within the timeframes and certainty required for reserves classification, at which time this contingency would be lifted.

Market Access

Current infrastructure in the Haldimand area does not allow access to pipelines or existing facilities. This has restricted the volumes of produced hydrocarbon from the Haldimand area that can access viable markets. The Company will need to build

pipelines and facilities to allow for the product to reach markets. Once this has been completed or will be completed in the near term, this contingency would be lifted.

Political Factors

The Government of Quebec had previously imposed a hydraulic fracturing moratorium within the province of Quebec. This ban was lifted in late 2016. While no hydraulic fracturing moratorium currently exists, there is still a chance that political pressures could cause new moratoriums to be implemented. Once horizontal multi-stage fractured wells are developed in Quebec with no change to applicable policies, this contingency would be lifted.

Social License

The Company is currently developing the Haldimand area in the Gaspé region of Quebec. Quebec has previously restricted certain types of development due to environmental concerns. Protests at other oil and gas sites in the province, in which HMSF development did not occur, indicate that the Haldimand development may have similar or larger protests. Such protests could delay the project, or put pressure on the commerciality of the project. The Company will need to obtain an agreement to develop the lands, and show that HMSF development can occur within Quebec, at which point this contingency would be lifted.

The Company is also investigating un-fracked slim hole multilateral horizontal wellbores drilled into naturally fractured regions of the reservoir, and using optimized pump systems to increase the productivity of un-fracked wells. If these development options are selected, the Social License contingency would be reduced.

The estimated chance that the contingencies identified will be resolved has been quantified.

Contingencies identified in the COGE Handbook Volume 2 Section 2.5.4 that were not identified as applicable to the Haldimand area development at this time include Evaluation Drilling, Technology Under Development, and Legal Factors.

Project Evaluation Status

Sproule classifies the project evaluation status of the contingent resource volumes attributed to development in the Haldimand area to be at the Conceptual studies level. Further work to delineate the accumulation and to estimate recoverable volumes is needed before the project moves to the Predevelopment study status.

Project Maturity Subclass

Horizontal multi-stage frac technology has not yet been attempted within this reservoir, and may not be allowed due to regulatory, political, or social license restrictions. If HMSF development does not occur, or is not successful, the Company may investigate other development plans. Due to this uncertainty, the contingent resources were sub-classified as development unclarified. The Company plans to clarify this development plan by multi-stage fracturing a Haldimand well once an

approval is obtained. Results of this pilot frac program will allow for more clarity regarding the contingent resource project maturity subclass.

Economic Status

Sproule evaluated the Company's development plan for the contingent resources in the Haldimand area and found these contingent resources to be Economic Status Undetermined.

The Company is working to obtain more information regarding the economic viability by undertaking a pilot multi-stage frac program in the Haldimand area, as well as drilling slim hole multilateral horizontal wells and optimizing pump systems. Results of pilot programs for these development scenarios will allow for more clarity regarding the economic status of this project.

Chance of Development Risk

All contingent resource volumes outlined in this report are classified as Economic Status Undetermined, Development Unclassified and, in Sproule's opinion, have a low probability of becoming a commercial development. In recognition of the risk of commerciality of resource volumes, a 37 percent chance of development risk factor has been applied to the total recoverable volumes. This chance of development risk factor is an aggregation of risk factors attributable to the eight contingencies identified for the project. Regulatory Approval, Economic Factors, Corporate Commitment, Timing of Production and Development, Technology Under Development, Legal Factors, Infrastructure and Market, Political Factors, and Social License have been incorporated as a 37 percent chance of occurrence and applied to the un-risked best estimate contingent resources volumes.

Positive and Negative Factors

Key positive factors relevant to the contingent resource estimate for development in the Haldimand area include:

- Success of horizontal multi-stage frac projects in other tight sandstone reservoirs in North America
- A discovered thick oil column (120+ metres net pay) providing significant in place potential
- Refining facilities in Quebec which would be likely provide a market

Key negative factors relevant to the contingent resource estimate for development in the Haldimand area include:

- Uncertainty as to the suitability of horizontal multi-stage frac technology in this formation
- Historic political and social resistance in Quebec related to hydrocarbon development, specifically fracking technology
- Uncertainty regarding the economic viability of the project

Resource Estimates

Table 3 presents the low, best, and high estimates of volumes of the Company's unrisked contingent resources, and best estimate risked contingent resources in the Haldimand area of Quebec, as of October 31, 2017. Table 3 also summarizes the low, best, and high estimates of petroleum initially-in-place.

According to Sproule's report, the best estimate of the Discovered Petroleum Initially-in-Place (DPIIP) is 87,968 Mbbl. The best's un-risked estimates of the Contingent Resources are 12,354 Mboe (5,373 Mbbl of oil and 41,887 MMcf of solution gas). The contingent resources are sub-classified as "Development Unclassified with a probability of development estimated at 37%. The best risked estimates is 4,571.1 Mboe (1,988.1 Mbbl of oil and 15,498.1 MMcf of solution gas) (Risked = Best*37).

Project Development Forecasts

Due to the early stage of development of this project, production forecasts and economic forecasts were not developed for this report. Table 3 presents the range of unrisked and risked resource estimates for the Haldimand Project as evaluated by Sproule.

Table 3: Low, Best, and High Estimates of Pieridae Energy's P&NG Resources in the Haldimand York River Formation (As of October 31, 2017)

Company Working Interest Volumes (100% WI)							
Area		Discovered Petroleum Initially-In-Place (DPIIP)			Contingent Resources ⁽⁴⁾		
		Unrisked			Unrisked		Risked ⁽⁶⁾
		Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽¹⁾	High ⁽³⁾
Haldimand	Light & Medium Oil (Mbbbl)	13,856	87,968	199,126	574	5,373	12,536
	Solution Gas (MMcf)				4,950	41,887	94,952
	Total (Mboe)				1,399	12,354	28,361

(1) Low represents the P90 volume estimate

(2) Best represents the mean volume estimate

(3) High represents the P10 volume estimate

(4) Contingent Resources are sub-classified as Contingent - Development Unclassified (Risked = Best*37%)

(5) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the chance of commerciality

(6) Risked: A 37 percent chance of development risk (63 percent chance of not proceeding with development)

(7) Oil resources are presented in thousands of barrels, at stock tank conditions

(8) Gas resources are presented in millions of cubic feet, at base conditions of 14.65 psia and 60 degrees Fahrenheit

Gaspé Property 2018 Work Program

Pieridae has planned an Airborne Hydrocarbon Geochemical Sensing System Surveys totaling 882 km of lines to cover Le Ber and Flecher areas located West of Gaspé and South of the Bourque oil discovery and 158 km of lines survey on the Tar Point area, located southeast of the Haldemands discovery. The main target is the Indian Cove fractured carbonates.

Additional to that an optional 1,203 km of Airborne Electromagnetic Survey are also planned on these areas.

These surveys will be acquired in 2018 pending on government authorizations. Budgets have been approved by the management.

These surveys were previously planned to be acquired in 2017. The provincial permits necessary before to proceed with the acquisition were not obtained yet.

Bourque Property

A new report concerning the Bourque area consists of an evaluation of the low, best and high estimate contingent and prospective P&NG resources of the Company's interest in the Bourque project (4 exploration licenses) was published. This report was prepared Sproule in August to October 2017 and entitled "Evaluation of the Contingent and Prospective Resources of Petrolia Inc. in the Bourque Area of Quebec, Canada (as of September 30, 2017) – Summary Report".

Discussion

The Company's land holdings in the Bourque area of Quebec is located in the northwestern portion of the Gaspé Peninsula 30 km east of Murdochville and 50 km

west of the town of Gaspé. This property consists of four permits, 51.03 percent owned by Pétrolia Inc.

License numbers for the four permits are: 2009PG496, 2009PG497, 2009PG498, and 2009PG504. These four Bourque permits cover approximately 74,267 gross ha and 37,876.2 net acres (Table 2 and Table 7).

General Data

The Bourque Project area is situated along the northern arm of the Gaspé Peninsula in eastern Quebec. The Bourque Property is located 50 km northwest of the city of Gaspé.

The acquired 3D seismic data was processed at the end of 2008 and several drilling prospects were identified when the data was interpreted in early 2009. In 2015, the Company had reprocessed the 66 km² of the seismic data and a PSDM seismic volume was produced as part of its development program.

In April 2012, the Company drilled two wells. Bourque No. 1, drilled an 865 metre section of the Early Devonian Forillon Formation in the Bourque No. 1 well which exhibited good porosity and flowed wet gas during DST's with trace of light oil in the tool chamber.

The Bourque No. 2 well localised at a few kilometers North of Bourque No. 1 completed drilling on December 19, 2012 and with several gas and oil shows encountered, mainly in the Forillon section, during drilling. Drill stem test results showed that there was no measurable wet gas with light oil recovered in the drill pipe from the Forillon Formation. Both wells were temporarily suspended.

In 2016, the Company drilled two horizontal wells into to evaluate the Forillon reservoir; Bourque HZ No. 1 R1 (from re-entered Bourque No. 1 well) and the Bourque HZ No. 3 (from the same surface pad). Both wells were subsequently acid stimulated and flow tested, however due to technical problems, the Bourque HZ No. 3 well was only acid stimulated at the heel of the well. Both test results indicated the Forillon Formation as a tight light black oil reservoir, with associated solution gas and natural gas liquids.

The Forillon Formation is considered to be the most prospective zone in the Bourque Block and is the only formation where resources have been estimated.

Contingent and Prospective Resources Classification

The resources were classified in accordance with the Canadian Oil and Gas Evaluation Handbook (COGE Handbook) definitions that are consistent with NI 51-101 and used by Sproule. Petroleum initially-in-place (PIIP) on the Company-interest lands were classified as discovered accumulations in areas offsetting the Bourque HZ No. 1 R1 and Bourque HZ No. 3 wells which positively tested for hydrocarbons based on a sustained production test. Bourque HZ No. 3 was landed approximately 10 metres below the top of the Forillon Formation, and the Bourque No. 1 R1 was landed approximately 84 metres below the top of the Forillon. The top 114 metres of the reservoir within the discovered area is classified as discovered, assuming that the Bourque HZ No. 1 R1 will be fracture stimulated and will recover hydrocarbons from 30 metres below the wellbore. Below 114 metres, the reservoir is classified as undiscovered. Sproule estimated a net to gross ratio of 0.56 within the discovered area, resulting in a net pay estimate of 64 metres.

PIIP within areas which are not directly offsetting the Bourque HZ No. 1 R1 and Bourque HZ No. 3 wells were classified as undiscovered. Bourque No. 2 did record gas and light oil on a DST test, but due to the limited information obtained from the DST, the area surrounding Bourque No. 2 is classified as undiscovered. The area which is classified as discovered is within the Bourque South block.

The reported Discovered Petroleum Initially-In-Place (DPIIP) and Undiscovered Petroleum Initially-In-Place (UPIIP), presented in Table 6 are low, best, and high estimates which were estimated using the probabilistic method. Ranges were estimated for area, net pay thickness, porosity, water saturation, formation volume factor, oil recovery factor, and gas recovery factor.

Estimates of the volumes of Company interest recoverable oil, recoverable gas and recoverable natural gas liquids are provided as low, best and high estimates, recognizing the uncertainty of those volumes being recovered. Recoverable volumes were estimated using a probabilistic model, incorporating the recovery factor uncertainty in conjunction with the parameters used to estimate petroleum initially-in place.

The estimated recoverable sales volumes are presented in Table 4 for the Company's working interest volume and Table 5 for the pool interest volumes. Recoverable volumes estimated from discovered areas are classified as contingent resources. Recoverable volumes estimated from undiscovered areas are classified as prospective resources.

The contingent resources are further sub-classified as development unclarified, as discussed further in the Recovery Technology section of this report.

The prospective resources are further sub-classified as a prospect, based on their proximity to a discovered accumulation.

Recovery Technology

The Company's proposed development plan relies on HMSF development. HMSF development has proven successful in a variety of tight oil and gas reservoirs in western Canada and the United States. Development using HMSF technology has also occurred in other areas of the world.

The Forillon Reservoir is estimated to be in the 0.01-0.02 mD permeability range. Analogous reservoirs of this permeability range have been successfully developed using HMSF technology, however, most of these analogous reservoirs are in tight sandstone and shale reservoirs. Fewer analogies are available for tight carbonate reservoirs using HMSF technology. Two analogies which were considered were the Slave Point carbonate reservoir in Alberta and the Austin Chalk reservoir in Texas. Both of these reservoirs have been successfully developed using HMSF technology, however, are not considered to be good analogues due the difference in reservoir parameters. Thus, horizontal multi-stage frac technology is classified as Technology under Development for the Forillon Reservoir.

Contingencies

Regulatory Approval

The Company has not submitted a regulatory application to develop for the remaining contingent resource volumes, which coincide with the contingent resource volumes in the Bourque area. The absence of the submission of an application to expand the development has resulted in the contingency. Once the application has been submitted and approved, this contingency would be lifted.

Economic Factors

The future pricing market and capital costs associated with this project will affect the future commerciality. When the capital costs and product prices reach a level where the project economics are acceptable to the Company, this contingency would be lifted.

Due to the uncertainty regarding the future production profile of the wells in the reservoir, the future cost and price requirements which are needed to commercially produce the Bourque assets are unknown.

Corporate Commitment

There has been no final investment decision and endorsement from the Company to move forward with commercial development of this asset. It is likely that a final investment decision to approve this project will not occur for several years. Additionally, a detailed development plan has not been determined and further work needs to be completed to confirm how the resources will be developed. It is anticipated that as the development plan is refined, the Company would be able to make a final investment decision, at which point this contingency would be lifted.

Timing of Production and Development

The timing of production and development detailed in this report is estimated to commence beyond the reasonable time periods described in the COGE Handbook as a requirement for classification as reserves. It is expected that as development planning continues, the timing of production and development will fall within the timeframes and certainty required for reserves classification, at which time this contingency would be lifted.

Market Access

Current infrastructure in the Bourque area does not allow access to pipelines or existing facilities. This has restricted the volumes of produced hydrocarbon from the Bourque area that can access viable markets. The Company will need to build pipelines and facilities to allow for the product to reach markets. Once this has been completed or will be completed in the near term, this contingency would be lifted.

Technology Under Development

The technology required to commercially develop the Bourque area is not currently available, nor is it under active development. When the technology becomes available for the Company to proceed with development, this contingency would be lifted.

As noted above in the Recovery Technology section, HMSF technology has not been attempted in this reservoir. This technology has been successfully implemented in other carbonate reservoirs, for example the Slave Point reservoir in Alberta and the Austin Chalk reservoir in Texas. These reservoirs indicate the potential of this technology in the Forillon reservoir, but are not considered good analogues. The Company plans to address this contingency by applying HMSF technology to the Forillon reservoir in the Bourque wells.

Political Factors

The Government of Quebec had previously imposed a hydraulic fracturing moratorium within the province of Quebec. This ban was lifted in late 2016. While no hydraulic fracturing moratorium currently exists, there is still a chance that political pressures could cause new moratoriums to be implemented. Once horizontal multi-stage fractured wells are developed in Quebec with no change to applicable policies, this contingency would be lifted.

Social License

The Company is currently developing the Bourque area in the Gaspé region of Quebec. Quebec has previously restricted certain types of development due to environmental concerns. Protests at other oil and gas sites in the province, in which HMSF development did not occur, indicate that the Bourque development may have similar or larger protests. Such protests could delay the project, or put pressure on the commerciality of the project. The Company will need to obtain an agreement to

develop the lands, and show that HMSF development can occur within Quebec, at which point this contingency would be lifted.

Contingencies identified in the COGE Handbook Volume 2 Section 2.5.4 that were not identified as applicable to the Bourque area development at this time include Evaluation Drilling and Legal Factors.

Project Evaluation Status

Sproule classifies the project evaluation status of both the contingent and prospective resource volumes attributed to development in the Bourque area to be at the Conceptual studies level. Further work to delineate the accumulation and to estimate recoverable volumes is needed before the project moves to the Pre-development study status.

Project Maturity Subclass

Horizontal multi-stage frack technology has not yet been attempted within this reservoir, and may not be allowed due to regulatory, political, or social license restrictions. If HMSF development does not occur, or is not successful, the Company may investigate other development plans. Due to this uncertainty, the contingent resources were sub-classified as development unclarified. The Company plans to clarify this development plan by multi-stage fracking of the Bourque No. 1 R1 well and the Bourque No. 3 well. This pilot frack program is estimated to be obtained in 2018 and may be delayed up to 2019 and will allow for more clarity regarding the contingent resource project maturity subclass.

The prospective resource volumes in this report are classified as a Prospect. As the prospective areas are in the same formation and are adjacent to the discovered resource area, the prospective areas represent a viable drilling target.

Economic Status

Sproule evaluated the Company's development plan for the contingent resources in the Bourque area and found these contingent resources to be Economic Status Undetermined.

The Company is working to obtain more information regarding the economic viability by undertaking a pilot multi-stage frack program on the Bourque No. 1 R1 and Bourque No. 3 wells. Results of this pilot frack program is estimated to be obtained in 2018-2019 and will allow for more clarity regarding the economic status of this project.

Chance of Development Risk

All contingent resource volumes outlined in this report are classified as Economic Status Undetermined, Development Unclarified and, in Sproule's opinion, have a low probability of becoming a commercial development. In recognition of the risk of commerciality of resource volumes, a 30 percent chance of development risk factor has been applied to the total recoverable volumes. This chance of development risk

factor is an aggregation of risk factors attributable to the eight contingencies identified for the project. Regulatory Approval, Economic Factors, Corporate Commitment, Timing of Production and Development, Technology Under Development, Legal Factors, Infrastructure and Market, Political Factors, and Social License have been incorporated as a 30 percent chance of occurrence and applied to the un-risked best estimate contingent resources volumes.

Prospective resources carry an additional risk related to chance of discovery. Sproule estimates the chance of discovery of the prospective resources to be 90 percent. Combined with the above chance of development risk, a 26 percent chance of occurrence is applied to the un-risked best estimate prospective resources volumes.

Positive and Negative Factors

Key positive factors relevant to the contingent resource estimate for development in the Bourque area include:

- Success of horizontal multi-stage frac projects in other naturally fractured carbonate reservoirs in North America
- A discovered thick oil column (300+ meters net pay) providing significant in place potential
- Refining facilities in Quebec which would be likely provide a market
- A commercial project in the Forillon reservoir (Junex Inc Galt project) indicating a chance of commerciality in the area

- Key negative factors relevant to the contingent resource estimate for development in the Bourque area include:
- A lower porosity than the analogue Slave Point carbonate reservoir which has been successfully developed
- Uncertainty as to the suitability of horizontal multi-stage frac technology in this formation
- Historic political and social resistance in Quebec related to hydrocarbon development, specifically fracking technology
- Uncertainty regarding the economic viability of the project

Resource Estimates

Table 4 presents the low, best, and high estimates of the pool volume un-risked contingent and prospective resources, and the best estimate risked contingent and prospective resources in the Bourque area of Quebec, as of September 30, 2017. Table 5 presents the low, best, and high estimates of volumes of the Company's un-risked contingent and prospective resources, and best estimate risked contingent and prospective resources in the Bourque area of Quebec, as of September 30, 2017.

Table 6 summarizes the low, best, and high estimates of petroleum initially-in-place. Risked contingent resources have been risked for chance of commerciality. Risked prospective resources have also been risked for chance of discovery, which is incorporated into the risked chance of commerciality.

Pieridae has a working interest of 51.03% in the Bourque Project.

According to Sproule's report, the best estimate of the Total Petroleum Initially-in-Place (TPIIP) for the pool volume is 827,000 Mbbl (Table 6). The Discovered Petroleum Initially-in-Place (DPIIP) is estimated at 62,000 Mbbl and the Undiscovered Petroleum Initially-in-Place (UPIIP) is estimated at 765,000 Mbbl.

For Pieridae Working Interest, the Total Petroleum Initially-in-Place (TPIIP) in the pool volume is 422,018 Mbbl. The Discovered Petroleum Initially-in-Place (DPIIP) is estimated for the Company at 31,639 Mbbl and the Undiscovered Petroleum Initially-in-Place (UPIIP) is estimated at 390,380 Mbbl.

The best estimate of the un-risked Contingent Resources for the pool volume is 5,714.7 Mboe (2,241.0 Mbbl of oil, 17,753 MMcf of solution gas and 514.8 Mbbl of NGL). The best estimate of the Company un-risked Contingent Resources is 2,926.2 Mboe (1,143.6 Mbbl of oil, 9,059.6 MMcf of solution gas and 262.7 Mbbl of NGL). The contingent resources are sub-classified as "Development Unclassified".

The best estimate of the un-risked Prospective Resources in the pool volume is 44,294.2 Mboe (16,062.0 Mbbl of oil, 144,287 MMcf of solution gas and 4,184.3 Mbbl of NGL). The best estimate of the un-risked Company Prospective Resources is 22,603.3 Mboe (8,196.4 Mbbl of oil, 73,629.7 MMcf of solution gas and 2,135.3 Mbbl of NGL). The Prospective Resource is sub-classified as prospective (Prospect).

A 30% chance of development risk (70% chance of not proceeding with development) is assigned by Sproule to Contingent Resources. A 26% chance of development risk (74% chance of not proceeding with development) is assigned by Sproule to Prospective Resources.

The best estimate of the risked Contingent Resources for the pool volume is 1,714.4 Mboe (672.3 Mbbl of oil, 5,326 MMcf of solution gas and 154.5 Mbbl of NGL). The best estimate of the Company risked Contingent Resources is 874.9 Mboe (343.1 Mbbl of oil, 2,717.9 MMcf of solution gas and 78.8 Mbbl of NGL). The contingent resources are sub-classified as "Development Unclassified".

The best estimate of the risked Prospective Resources in the pool volume is 11,516.5 Mboe (4,176.1 Mbbl of oil, 37,515 MMcf of solution gas and 1,087.9 Mbbl of NGL). The best estimate of the risked Company Prospective Resources is 5,876.9 Mboe (2,131.1 Mbbl of oil, 19,143.7 MMcf of solution gas and 555.2 Mbbl of NGL). The Prospective Resource is sub-classified as prospective (Prospect).

Project Development Forecasts

Due to the early stage of development of this project, production forecasts and economic forecasts were not addressed in this evaluation.

**Table 4: Low, Best, and High Estimates of Pieridae Energy's P&NG Resources in the Bourque Forillon Formation by Sub-Area
(As of September 30, 2017)**

Pool Volumes (100% Working Interest)									
Areas		Contingent Resources⁽⁵⁾				Prospective Resources⁽⁶⁾			
		Unrisked			Risked⁽⁸⁾	Unrisked			Risked⁽⁹⁾
		Low⁽¹⁾	Best⁽²⁾	High⁽³⁾	Best⁽²⁾	Low⁽¹⁾	Best⁽²⁾	High⁽³⁾	Best⁽²⁾
Bourque North	Light & Medium Oil (Mbbl)	0.0	0.0	0.0	0.0	479.0	1,978.0	8,157.0	514.3
	Solution Gas (MMcf)	0	0	0	0	6,527	19,710	59,826	5,125
	NGL (Mbbl)	0.0	0.0	0.0	0.0	189.3	571.6	1,734.9	148.6
	Total (Mboe)	0.0	0.0	0.0	0.0	1,756.1	5,834.6	19,862.9	1,517.0
Bourque South	Light & Medium Oil (Mbbl)	390.0	2,241.0	2,536.2	672.3	3,277.0	12,404.0	47,418.0	3,225.0
	Solution Gas (MMcf)	5,460	17,753	34,856	5,326	45,106	124,410	342,327	32,347
	NGL (Mbbl)	158.3	514.8	1,010.8	154.5	1,308.1	3,607.9	9,927.5	938.0
	Total (Mboe)	1,458.4	5,714.7	9,356.4	1,714.4	12,102.8	36,746.8	114,399.9	9,554.2
Bourque-2 Area	Light & Medium Oil (Mbbl)	0.0	0.0	0.0	0.0	422.0	1,680.0	6,559.0	436.8
	Solution Gas (MMcf)	0	0	0	0	59	167	481	44
	NGL (Mbbl)	0.0	0.0	0.0	0.0	1.7	4.9	13.9	1.3
	Total (Mboe)	0.0	0.0	0.0	0.0	433.4	1,712.8	6,653.0	445.3
Grand Total⁽⁴⁾	Light & Medium Oil (Mbbl)	390.0	2,241.0	2,536.2	672.3	4,178.0	16,062.0	62,134.0	4,176.1
	Solution Gas (MMcf)	5,460	17,753	34,856	5,326	51,692	144,287	402,633	37,515
	NGL (Mbbl)	158.3	514.8	1,010.8	154.5	1,499.1	4,184.3	11,676.4	1,087.9
	Total (Mboe)	1,458.4	5,714.7	9,356.4	1,714.4	14,292.3	44,294.2	140,915.9	11,516.5

(1) Low represents the P90 volume estimate

(2) Best represents the mean volume estimate

(3) High represents the P10 volume estimate

(4) Summation of the Low and High is provided for convenience and does not reflect the statistical P90 and P10 values

(5) Contingent Resources are sub-classified as Contingent - Development Unclassified (Risked = Best*30%)

(6) Prospective Resources are sub-classified as Prospective - Prospect (Risked=Best*26%)

(7) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the chance of commerciality

(8) Risked: A 30 percent chance of development risk (70 percent chance of not proceeding with development)

(9) Risked: A 26 percent chance of development risk (74 percent chance of not proceeding with development)

(10) Oil resources are presented in thousands of barrels, at stock tank conditions

(11) Gas resources are presented in millions of cubic feet, at base conditions of 14.65 psia and 60 degrees Fahrenheit

(12) Natural gas liquids resources are presented in thousands of barrels, at base conditions of 60 degrees Fahrenheit and equilibrium pressure

**Table 5: Low, Best, and High Estimates of Pieridae Energy's P&NG Resources in the Bourque Forillon Formation by Sub-Area
(As of September 30, 2017)**

Company Working Interest Volumes (51.03% Working Interest)									
Areas		Contingent Resources⁽⁵⁾				Prospective Resources⁽⁶⁾			
		Unrisked			Risked⁽⁸⁾	Unrisked			Risked⁽⁹⁾
		Low⁽¹⁾	Best⁽²⁾	High⁽³⁾	Best⁽²⁾	Low⁽¹⁾	Best⁽²⁾	High⁽³⁾	Best⁽²⁾
Bourque North	Light & Medium Oil (Mbbbl)	0.0	0.0	0.0	0.0	244.4	1,009.4	4,162.5	262.4
	Solution Gas (MMcf)	0	0	0	0	3,331	10,058	30,529	2,615
	NGL (Mbbbl)	0.0	0.0	0.0	0.0	96.6	291.7	885.3	75.8
	Total (Mboe)	0.0	0.0	0.0	0.0	896.1	2,977.4	10,136.0	774.1
Bourque South	Light & Medium Oil (Mbbbl)	199.0	1,143.6	2,536.2	343.1	1,672.3	6,329.8	24,197.4	1,645.7
	Solution Gas (MMcf)	2,786	9,060	17,787	2,718	23,018	63,486	174,689	16,506
	NGL (Mbbbl)	80.8	262.7	515.8	78.8	667.5	1,841.1	5,066.0	478.7
	Total (Mboe)	744.2	2,916.2	6,016.5	874.9	6,176.0	18,751.9	58,378.3	4,875.5
Bourque-2 Area	Light & Medium Oil (Mbbbl)	0.0	0.0	0.0	0.0	215.3	857.3	3,347.1	222.9
	Solution Gas (MMcf)	0	0	0	0	30	85	245	22
	NGL (Mbbbl)	0.0	0.0	0.0	0.0	0.9	2.5	7.1	0.6
	Total (Mboe)	0.0	0.0	0.0	0.0	221.2	874.0	3,395.0	227.2
Grand Total⁽⁴⁾	Light & Medium Oil (Mbbbl)	199.0	1,143.6	2,536.2	343.1	2,132.0	8,196.4	31,707.0	2,131.1
	Solution Gas (MMcf)	2,786.4	9,059.6	17,787.1	2,717.9	26,378.2	73,629.7	205,463.6	19,143.7
	NGL (Mbbbl)	80.8	262.7	515.8	78.8	765.0	2,135.3	5,958.4	555.2
	Total (Mboe)	744.2	2,916.2	6,016.5	874.9	7,293.4	22,603.3	71,909.4	5,876.9

(1) Low represents the P90 volume estimate

(2) Best represents the mean volume estimate

(3) High represents the P10 volume estimate

(4) Summation of the Low and High is provided for convenience and does not reflect the statistical P90 and P10 values

(5) Contingent Resources are sub-classified as Contingent - Development Unclassified (Risked = Best*30%)

(6) Prospective Resources are sub-classified as Prospective - Prospect (Risked=Best*26%)

(7) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the chance of commerciality

(8) Risked: A 30 percent chance of development risk (70 percent chance of not proceeding with development)

(9) Risked: A 26 percent chance of development risk (74 percent chance of not proceeding with development)

(10) Oil resources are presented in thousands of barrels, at stock tank conditions

(11) Gas resources are presented in millions of cubic feet, at base conditions of 14.65 psia and 60 degrees Fahrenheit

(12) Natural gas liquids resources are presented in thousands of barrels, at base conditions of 60 degrees Fahrenheit and equilibrium pressure

Table 6: Low, Best, and High Estimate of Pieridae Energy's Petroleum Initially-In-Place in the Bourque Forillon Formation
(As of September 30, 2017)

Areas	Total Petroleum Initially-In-Place (TPIIP)			Discovered Petroleum Initially-In-Place (DPIIP)			Undiscovered Petroleum Initially-In-Place (UPIIP)		
	Pool Volumes (100% Working Interest) (Mbbl)								
	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾
Bourque North	26,000	99,000	199,000	0	0	0	26,000	99,000	199,000
BourqueSouth	206,000	647,000	1,246,000	23,000	62,000	115,000	183,000	585,000	1,131,000
Bourque-2 Area	24,000	81,000	161,000	0	0	0	24,000	81,000	161,000
Grand Total ⁽⁴⁾	256,000	827,000	1,606,000	23,000	62,000	115,000	233,000	765,000	1,491,000

Areas	Total Petroleum Initially-In-Place (TPIIP)			Discovered Petroleum Initially-In-Place (DPIIP)			Undiscovered Petroleum Initially-In-Place (UPIIP)		
	Company Working Interest Volumes (51.03% WI) (Mbbbl)								
	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾	Low ⁽¹⁾	Best ⁽²⁾	High ⁽³⁾
Bourque North	13,268	50,520	101,550	0	0	0	13,268	50,520	101,550
Bourque South	105,122	330,164	635,834	11,737	31,639	58,685	93,385	298,526	577,149
Bourque-2 Area	12,247	41,334	82,158	0	0	0	12,247	41,334	82,158
Grand Total ⁽⁴⁾	130,637	422,018	819,542	11,737	31,639	58,685	118,900	390,380	760,857

(1) Low represents the P90 volume estimate

(2) Best represents the mean volume estimate

(3) High represents the P10 volume estimate

(4) Summation of the Low and High is provided for convenience and does not reflect the statistical P90 and P10 values

Gastonguay, Edgar and Marcel Tremblay Properties

These three properties are in the east-central part of the Gaspé Peninsula (Figure 1 and Table 7).

The Company has not conducted any major activities over on those properties during the last fiscal year as it has given higher priority to Anticosti, Bourque and Haldimand projects. . Works obligations and rents are in good standing. No work is planned in 2018.

On those properties, very little exploration has been done to date being at a grassroots stage in terms of exploration. Various exploration targets, including the Forillon are worthy of further exploration works. Given success in the Bourque project a second look to those properties will be addressed.

Gaspésia Property

The Gaspésia Property (Figure 1 and Table 7) is located in the western part of the Gaspé Peninsula where important structural features and fault traps are interpreted from surface geology and are also observed on existing seismic data within the Devonian and Silurian sections. Based on available geological and geophysical data, this property has interesting gas and oil potential. Thermal maturity studies indicate that the sedimentary section in the general area is gas prone but, locally, in the north-central part, it could still be in the oil window.

A 169.5 km² Pseudo 3D seismic survey is planned to define a major structure mapped with already acquired 2D seismic lines. The new survey is designed to confirm the structural closure.

1,090 km of Airborne Hydrocarbon Geochemical Sensing System survey and optional 1,194 km of Airborne Electromagnetic Survey are also planned to confirms the prospectively of this feature.

Those surveys where supposed to be acquired in 2017. The provincial permits necessary before to proceed with acquisition were not obtained yet.

The exploration budget has been authorized by the management. The company is waiting for the legal authorizations in order to proceed. Pending on Authorizations those surveys are planned for the summer and fall of 2018. Given positive results, the drilling of an exploratory well is tentatively forecast for 2019 drilling season. The main objectives are the Val-Brilliant Silurian sandstones and Sayabec Silurian carbonates. This is a dry gas prospect.

Matapédia and Restigouche Properties

The Matapédia Property is located in the southern part of Lac Matapédia area, adjacent to the Gaspésie project (Figure 1). The six licenses of the property were initially acquired by Gastem in 2009. In 2013 the licenses were acquired by the 50/50 joint venture between Pétrolia and the French company Maurel & Prom (Saint-Aubin Énergie S. A. S.) (Table 7).

In September 2013 the Company drilled the core hole Pétrolia La Vérendrye 2013, to confirm the presence of gas shows in the nearby well Great Plains Noël et al No.1 La Vérendrye drilled in 1972. The new core hole has drilled through two reservoir targets, the Val Brilliant and the shallower Saint Leon formations. Core analysis and gas samples taken into the mud confirms the presence of natural gas. As this was considered as a test corehole it was abandoned as per regulations.

The Company will continue to work up the data on this play. The low porosity nature of the reservoirs will most likely require some form of wellbore stimulation. Pieridae and its partner Saint-Aubin Énergie S. A. S. has not planned future works for 2018.

The Restigouche property is located in the southern Gaspé Peninsula, (Figure 1) on the north shore of Chaleur Bay and is included with the Matapédia Property. The seven licenses of the property were initially acquired by Gastem in 2007. In 2013 the licenses were acquired by the 50/50 joint venture between Pétrolia and the French company Maurel & Prom (Saint-Aubin Énergie S. A. S.) (Table 7).

Exploration Costs

In the last fiscal year, the Company expended \$2,480,619 on exploration activities on its permits less exploration subsidies and a partner contribution of \$1,307,119. As of December 31, 2017, the Company had cumulative exploration expenditures on its oil and gas properties of \$75,389,905.

The Company has met all of the required current financial obligations on all permits.

Wells Drilled In 2017

No wells were drilled in 2017

Completion work and Production tests have been done on Bourque HZ No. 1R and Bourque HZ No. 3.

Report Date

This Technical Review was completed in March 2018. The data and information contained herein relate to Pétrolia's and Pieridae Energy's activities during the period January 1, 2017 through December 31, 2017. The effective date of this report is December 31, 2017. Where appropriate, notes have been included in the text to indicate where changes have occurred over the year.

Reserves and Production

As of December 31, 2017 no oil or natural gas reserves have been assigned to any of the properties in which Pieridae has an interest. Pieridae however did produce oil on a test basis from the Haldimand area as well as on the Bourque area as part of its ongoing evaluation of those properties.

Resources

As of December 31, 2017 contingent oil resources have been assigned to the Haldimand discovery area and to the Bourque area in the Gaspé Property, Québec. Prospective resources have been assigned to the Bourque area in the Gaspé Property, Québec.

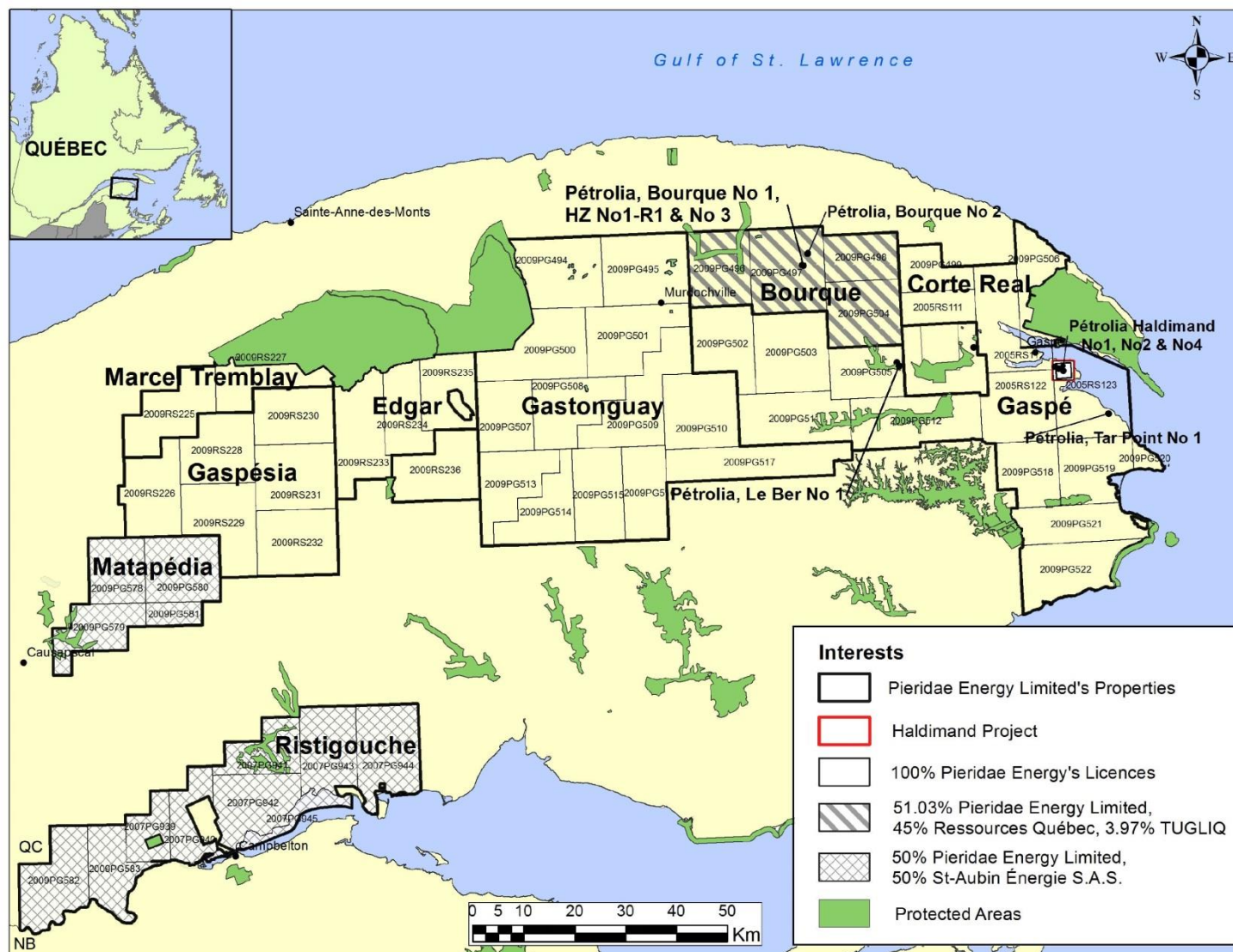


Figure 1: Oil and gas properties held by Pieridae in Québec as of December 31, 2017.

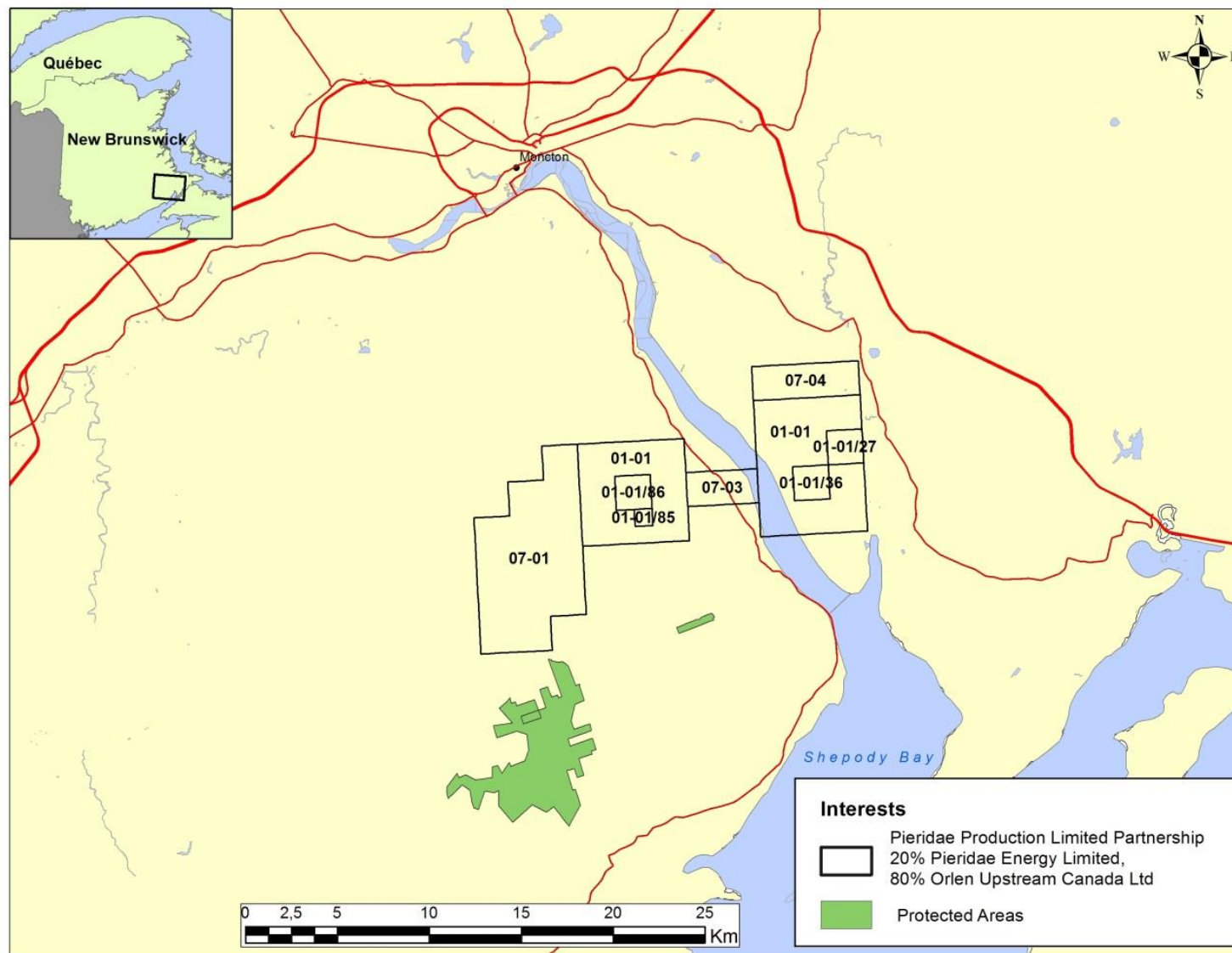


Figure 2: Oil and gas properties held by Pieridae in New Brunswick As of December 31, 2017

Table 7: Pieridae Land Holdings with List of Licences and working Interest of Pieridae

PROPERTY	PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
Gaspé Property Licenses - Haldimand Block "100% Pieridae"	2005RS112 ⁽¹⁾	2005-11-21	20,249	100%	20,249
	2005RS122 ⁽¹⁾	21/11/2005	19,539	100%	19,539
	2005RS123	21/11/2005	23,043	100%	23,043
	2005RS123 ⁽¹⁾ & ₍₂₎	21/11/2005	900	100%	900
	2009PG499 ⁽¹⁾	04/28/2009	10,634	100%	10,634
	2009PG502 ⁽¹⁾	04/28/2009	17,395	100%	17,395
	2009PG503 ⁽¹⁾	04/28/2009	22,901	100%	22,901
	2009PG505 ⁽¹⁾	04/28/2009	14,842	100%	14,842
	2009PG506 ⁽¹⁾	04/28/2009	12,369	100%	12,369
	2005RS111 ⁽¹⁾	21/11/2005	9,415	100%	9,415
	2009PG511	04/28/2009	21,595	100%	21,595
	2009PG512	04/28/2009	24,873	100%	24,873
	2009PG518	04/28/2009	14,448	100%	14,448
	2009PG519	04/28/2009	16,695	100%	16,695
	2009PG520	04/28/2009	2,251	100%	2,251
	2009PG521	04/28/2009	17,353	100%	17,353
	2009PG522	04/28/2009	20,641	100%	20,641
	SUB-TOTAL		269,143		269,143.0
Bourque Property Licenses "51% Pieridae "	2009PG496 ⁽¹⁾	04/28/2009	17,898	51%	9,128
	2009PG497 ⁽¹⁾	04/28/2009	24,120	51%	12,301
	2009PG498 ⁽¹⁾	04/28/2009	13,419	51%	6,844
	2009PG504 ⁽¹⁾	04/28/2009	18,830	51%	9,603
	SUB-TOTAL		74,267		37,876.2

PROPERTY	PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
Gastonguay Property Licenses "100% Pieridae"	2009PG494	28/04/2009	21,977	100%	21,977
	2009PG495	28/04/2009	23,278	100%	23,278
	2009PG500	28/04/2009	22,645	100%	22,645
	2009PG501	28/04/2009	21,284	100%	21,284
	2009PG507	28/04/2009	15,186	100%	15,186
	2009PG508	28/04/2009	18,496	100%	18,496
	2009PG509	28/04/2009	24,174	100%	24,174
	2009PG510	28/04/2009	21,596	100%	21,596
	2009PG513	28/04/2009	17,483	100%	17,483
	2009PG514	28/04/2009	16,374	100%	16,374
	2009PG515	28/04/2009	18,057	100%	18,057
	2009PG516	28/04/2009	15,800	100%	15,800
	2009PG517	28/04/2009	22,665	100%	22,665
	SUB-TOTAL		259,015		259,015
Edgar - Property Licenses "100% Pieridae"	2009RS233	28/04/2009	21,157	100%	21,157
	2009RS234	28/04/2009	14,128	100%	14,128
	2009RS235	28/04/2009	14,725	100%	14,725
	SUB-TOTAL		50,010		50,010
Marcel Tremblay - Property Licenses "100% Pieridae"	2009RS225	28/04/2009	19,563	100%	19,563
	2009RS227	28/04/2009	13,602	100%	13,602
	SUB-TOTAL		33,165		33,165
Gaspésia - Property Licenses "100% Pieridae"	2009RS226	28/04/2009	19,061	100%	19,061
	2009RS228	28/04/2009	18,580	100%	18,580
	2009RS229	28/04/2009	21,004	100%	21,004
	2009RS230	28/04/2009	17,538	100%	17,538
	2009RS231	28/04/2009	20,517	100%	20,517
	2009RS232	28/04/2009	20,577	100%	20,577
	2009RS236	28/04/2009	19,723	100%	19,723
	SUB-TOTAL		137,000		137,000

PROPERTY	PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
Matapédia Restigouche - Property Licenses "50% Pieridae"	2009PG578	01/09/2009	14,254	50%	7,127
	2009PG579	01/09/2009	15,309	50%	7,655
	2009PG580	01/09/2009	19,007	50%	9,504
	2009PG581	01/09/2009	5,100	50%	2,550
	2009PG582	01/09/2009	21,000	50%	10,500
	2009PG583	01/09/2009	14,722	50%	7,361.0
	2007PG939	23/10/2007	9,216	50%	4,608
	2007PG940	23/10/2007	11,128	50%	5,564
	2007PG941	23/10/2007	13,439	50%	6,720
	2007PG942	23/10/2007	18,998	50%	9,499
	2007PG943	23/10/2007	18,200	50%	9,100
	2007PG944	23/10/2007	22,327	50%	11,164
	2007PG945	23/10/2007	6,576	50%	3,288
	SUB-TOTAL		189,276		94,638
QUEBEC	SUB-TOTAL		1,011,876		880,847
New Brunswick Property "20% Pieridae"	01-01	2014-01-01	6,376	20%	1,275.2
	01-01/27	2014-01-02	359	20%	71.8
	01-01/36	2014-01-03	359	20%	71.8
	01-01/85 ijop	2014-01-04	90	20%	18.0
	01-01/86	2014-01-05	359	20%	71.8
	07-01	2014-01-06	5,032	20%	1,006.5
	07-03	2014-01-07	718	20%	143.7
	07-04	2014-01-08	1,077	20%	215.3
NEW BRUNSWICK	SUB-TOTAL		14,371		2,874
	TOTAL		1,026,247		883,721

(1) Subject to a royalty of 5.0 percent to 7.5 percent on future production

(2) Haldimand underground reservoir license

Appendixes

APPENDIX "A" - Form 51-101F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator

National Instrument 51-101

This report was prepared for the purpose of evaluating the Company's contingent resources in the York River Formation in the Haldimand area of Quebec, according to the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") reserve definitions and standards, which are consistent with National Instrument 51-101 (NI 51-101).

The following form presents a Report on Resources Data by Independent Qualified Reserves Evaluator.

Form 51-101F2

Report on Contingent Resources Data by Independent Qualified Reserves Evaluator or Auditor

To the Board of Directors of Pieridae Energy (the "Company"):

1. We have evaluated the Company's contingent resources data in the Haldimand area of Quebec, as at October 31, 2017. The contingent resources data are risked estimates of volume as at October 31, 2017.
2. The contingent resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the contingent resources data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook"), maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the contingent resources data are free of material misstatement. An evaluation also includes assessing whether the contingent resources data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table sets forth the risk volume contingent resources attributed to best estimate contingent resources, included in the Company's statement prepared in accordance with Form 51-101F1, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Classification	Independent Qualified Reserves Evaluator or Auditor	Effective Date	Location of Resources Other than Reserves (Country)	Risk Volume Light & Medium Oil (Mbbbl)	Risk Volume Solution Sales Gas (MMcf)	Risk Volume Total (Mboe)
Development Unclassified Best Estimate Contingent Resources	Sproule	October 31, 2017	Canada	1,988	15,498	4,571

6. In our opinion, the contingent resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the contingent resources data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report, entitled "Evaluation of the Contingent Resources of Pieridae Energy in the Haldimand Area of Quebec, Canada (As of October 31, 2017)".
8. Because the contingent resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
February _26___, 2018

Original Signed by Matthew J. Tymchuk, P.Eng.

Matthew J. Tymchuk, P.Eng.
Manager, Engineering

Original Signed by Alexey Romanov, Ph.D., P.Geo

Alexey Romanov, Ph.D., P.Geo.
Senior Geoscientist

Original Signed by Suryanarayana Karri, P.Geoph.

Suryanarayana Karri, P.Geoph.
Petrophysical Specialist

Original Signed by Alec Kovaltchouk, P.Geo.

Alec Kovaltchouk, P.Geo.
VP, Geoscience

National Instrument 51-101

This report was prepared for the purpose of evaluating the Company's contingent and prospective resources in the Forillon Formation in the Bourque area of Quebec, according to the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") reserve definitions and standards, which are consistent with National Instrument 51-101 (NI 51-101).

The following form presents a Report on Resources Data by Independent Qualified Reserves Evaluator.

Form 51-101F2

Report on Contingent and Prospective Resources Data by Independent Qualified Reserves Evaluator or Auditor

To the Board of Directors of Petrolia Inc. (the "Company"):

1. We have evaluated the Company's contingent and prospective resources data in the Bourque area of Quebec, as at September 30, 2017. The contingent and prospective resources data are risked estimates of volume as at September 30, 2017.
2. The contingent and prospective resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the contingent and prospective resources data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook"), maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the contingent and prospective resources data are free of material misstatement. An evaluation also includes assessing whether the contingent resources data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following tables set forth the risk volume of contingent and prospective resources attributed to best estimate contingent and prospective resources, included in the Company's statement prepared in accordance with Form 51-101F1, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Classification	Independent Qualified Reserves Evaluator or Auditor	Effective Date	Location of Resources Other than Reserves (Country)	Risk Volume Light & Medium Oil (Mbbl)	Risk Volume Solution Gas (MMcf)	Risk Volume NGL (Mbbl)	Risk Volume Total (Mboe)
Development Unclarified Best Estimate Contingent Resources	Sproule	September 30, 2017	Canada	343	2,718	79	875

Classification	Independent Qualified Reserves Evaluator or Auditor	Effective Date	Location of Resources Other than Reserves (Country)	Risk Volume Light & Medium Oil (Mbbl)	Risk Volume Solution Gas (MMcf)	Risk Volume NGL (Mbbl)	Risk Volume Total (Mboe)
Best Estimate Prospective Resources - Prospect	Sproule	September 30, 2017	Canada	2,131	19,144	555	5,877

6. In our opinion, the contingent and prospective resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the contingent resources data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report, entitled "Evaluation of the Contingent and Prospective Resources of Petrolia Inc. in the Bourque Area of Quebec, Canada (As of September 30, 2017)".
8. Because the contingent and prospective resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
February _26_, 2018

Original Signed by Matthew J. Tymchuk, P.Eng.

Matthew J. Tymchuk, P.Eng.
Manager, Engineering

Original Signed by Suryanarayana Karri, P.Geoph.

Suryanarayana Karri, P.Geoph.
Petrophysical Specialist

Original Signed by Alec Kovaltchouk, P.Geo.

Alec Kovaltchouk, P.Geo.
VP, Geoscience

Appendix B –National Instrument 51-101, Disclosure of Resources

The following text has been excerpted from Sections 5.9 and 5.10 of National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, effective July 01, 2015.

5.9 Disclosure of Resources Other than Reserves

(1) If a *reporting issuer* discloses *anticipated results* from *resources* which are not currently classified as *reserves*, the *reporting issuer* must also disclose in writing, in the same document or in a *supporting filing*:

- (a) the *reporting issuer's* interest in the *resources*;
- (b) the location of the *resources*;
- (c) the *product types* reasonably expected;
- (d) the risks and the level of uncertainty associated with recovery of the *resources*; and
- (e) in the case of *unproved property*, if its value is disclosed,
 - (i) the basis of the calculation of its value; and
 - (ii) whether the value was prepared by an *independent* party.

(2) If disclosure referred to in subsection (1) includes an estimate of a quantity of *resources* other than *reserves* in which the *reporting issuer* has an interest or intends to acquire an interest, or an estimated value attributable to an estimated quantity, the estimate must

- (a) have been prepared or audited by a *qualified reserves evaluator or auditor*;
- (b) have been prepared or audited in accordance with the *COGE Handbook*;
- (c) be classified in the most specific category of *resources* other than reserves, as required by section 5.3; and
- (d) be accompanied by the following information:
 - (i) a definition of the *resources* category used for the estimate;
 - (ii) the *effective date* of the estimate;
 - (iii) the significant positive and negative factors relevant to the estimate;
 - (iii.1) a description of the applicable project or projects including the following
 - (A) the estimated total cost required to achieve *commercial* production;
 - (B) the general timeline of the project, including the estimated date of first *commercial production*;
 - (C) the recovery technology;
 - (D) whether the project is based on a *conceptual* or *pre-development study*;

(iv) in respect of *contingent resources*, the specific contingencies which prevent the classification of the *resources* as *reserves*; and

(v) a cautionary statement that is proximate to the estimate to the effect that:

(A) in the case of *discovered resources* or a subcategory of *discovered resources* other than *reserves*: "There is no certainty that it will be commercially viable to produce any portion of the resources."; or

(B) in the case of *undiscovered resources* or a subcategory of *undiscovered resources*: "There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources."

(3) Paragraphs (1) (d) and (e) and subparagraphs (2)(d)(iii),(iii.1) and (iv) do not apply if:

(a) the *reporting issuer* includes in the written disclosure a reference to the title and date of a previously filed document that complies with those requirements; and

(b) the *resources* in the written disclosure, taking into account the specific *properties* and interests reflected in the *resources* estimate or other *anticipated result*, are *materially* the same *resources* addressed in the previously filed document.

(4) Any disclosure made under subsection (1) or (2) must indicate whether the *anticipated results* from *resources* which are not currently classified as *reserves* or the estimate of a quantity of *resources* other than *reserves* were prepared by an *independent qualified reserves evaluator or auditor*.

5.10 Analogous Information

(1) Sections 5.2, 5.3, 5.9 and 5.16 do not apply to the disclosure of *analogous information* provided that the *reporting issuer* discloses the following:

(a) the source and date of the *analogous information*;

(b) whether the source of the *analogous information* was *independent*;

(c) if the *reporting issuer* is unable to confirm that the *analogous information* was prepared by a *qualified reserves evaluator or auditor* or in accordance with the *COGE Handbook*, a cautionary statement to that effect proximate to the disclosure of the *analogous information*; and

(d) the relevance of the *analogous information* to the *reporting issuer's oil and gas activities*.

(2) For greater certainty, if a *reporting issuer* discloses information that is an *anticipated result*, an estimate of a quantity of *reserves* or *resources*, or an estimate of value attributable to an estimated quantity of *reserves* or *resources* for an area in which it has an interest or intends to acquire an interest, that is based on an extrapolation from *analogous information*, sections 5.2, 5.3, 5.9 and 5.16 apply to the disclosure of the information.

APPENDIX "C"

Form 51-101F3

Report of Management and Directors on Reserves Data and Information

Management of Pieridae Energy Limited (the "Company") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with the securities regulatory requirements.

This information includes resources data, which are estimates of contingent and prospective resources as at December 31, 2017.

An independent qualified reserve evaluator has evaluated and reviewed the Corporation's resources data.

The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Corporation has:

- (a) reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the resources data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of the Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the contingent and prospective resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

March 15, 2018

(signed) Alfred Sorensen

Alfred Sorensen,
Chief Executive Officer

(signed) Mario Racicot

Mario Racicot,
Chief Financial Officer