

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in Ontario, British Columbia and Alberta but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about any information contained herein and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

May 26, 2017



ADVANTAGEWON OIL CORP.

Advantagewon Oil Corp.

1,666,667 Common Shares

This prospectus is being filed with the securities regulatory authorities in the provinces of Ontario, British Columbia and Alberta to enable Advantagewon Oil Corp. (“**Advantagewon**” or the “**Corporation**”) to become a reporting issuer under applicable securities legislation in the provinces of Ontario, British Columbia and Alberta and in connection with its intention to apply for the listing of the common shares of the Corporation on the Canadian Securities Exchange (“**CSE**”), notwithstanding that no sale of its securities is contemplated herein. Since no securities are being sold pursuant to this prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this prospectus will be paid by the Corporation.

This prospectus also qualifies the distribution of 1,666,667 common shares of the Corporation by Gunpowder Capital Corp. to its shareholders. See “*Corporate Structure – General Development of the Business*”.

Advantagewon is a junior oil and natural gas exploration and development company with a focus on development opportunities in Texas, USA.

As at the date of this prospectus, none of the securities of the Corporation are listed or quoted, and the Corporation has not applied to list or quote, and does not intend to apply to list or quote, any of the securities of the Corporation on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America. Once the Corporation becomes a reporting issuer under applicable securities legislation in Ontario, British Columbia and Alberta, the Corporation may file a short form prospectus to qualify the issue and distribution of preferred shares or common shares or debt securities of the Corporation. The details of any such distribution, including the details of the use of the proceeds of any such distribution, will be described in a short form prospectus to be filed for that purpose.

There is currently no market through which any of the securities of the Corporation may be sold and holders of the Corporation's securities may not be able to resell any such securities. This may affect the pricing of the Corporation's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “*Risk Factors*”.

If Advantagewon becomes a “reporting issuer” in Ontario, British Columbia and Alberta it may apply to list its common shares on a stock exchange. Listing will be subject to Advantagewon’s fulfillment of all of the listing requirements of any exchange it applies to be listed on.

No underwriter has been involved in the preparation of this prospectus or performed any review or any independent due diligence of the contents of this prospectus.

The head office of the Corporation is located at 47 Colborne Street, Suite 307, Toronto Ontario, M5E 1P8.

This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

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ABOUT THIS PROSPECTUS

The Corporation is not offering to sell securities under this prospectus. An investor should rely only on the information contained in this prospectus and is not entitled to rely on parts of the information contained in this prospectus to the exclusion of others. The Corporation has not authorized anyone to provide investors with additional or different information. The information contained in this prospectus is accurate only as of the date of this prospectus or the date indicated, regardless of the time of delivery of this prospectus.

FORWARD-LOOKING STATEMENTS AND FORWARD-LOOKING INFORMATION

This prospectus contains forward-looking statements that are based on current expectations, estimates, forecasts, projections, beliefs and assumptions made by management of the Corporation about the industry in which it operates. Such statements include, in particular, statements about Advantagewon's plans, strategies and prospects under the headings "Summary", "Risk Factors", and "Management's Discussion and Analysis". Words such as "expect", "anticipate", "intend", "plan", "believe", "seek", "estimate", and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Advantagewon does not intend, and disclaims any obligation, to update any forward-looking statements after it files this prospectus, whether as a result of new information, future events or otherwise, except as required by the securities laws. These forward looking statements are made as of the date of this Prospectus.

In particular, this Prospectus may contain forward-looking statements pertaining to the following:

- oil and natural gas production levels;
- capital expenditure programs;
- the quantity of oil and natural gas reserves;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions, exploration and development; and
- treatment under governmental regulatory regimes.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- volatility in market prices for oil and natural gas;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility; and
- the other factors discussed under "Risk Factors".

These factors should not be considered exhaustive. The Corporation undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

EXCHANGE RATE DATA

The Corporation publishes its technical reports in US dollars. In this Prospectus, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to “CDN\$” or “\$” are to Canadian dollars and references to “USD” or “US\$” are to US dollars.

The following table sets forth certain exchange rates based on the noon rate as reported by the Bank of Canada. Such rates are set forth as US dollars per CDN\$1.00 and are the inverse of noon rates quoted by the Bank of Canada for Canadian dollars per US\$1.00. On May 25, 2017, the daily exchange rate reported by the Bank of Canada was US\$1.3544 per CDN\$1.00.

	Year Ended December 31,		
	2016	2015	2014
High.....	\$0.8002	0.8527	0.9422
Low.....	\$0.6821	0.7148	0.8589
Average ⁽¹⁾	\$0.7548	0.7820	0.9054
Period end.....	\$0.7448	0.7225	0.8620

Notes:

(1) The average of the exchange rates on the last day of each month during the applicable period.

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Prospectus. This is not an exhaustive list of defined terms used in this Prospectus and additional terms are defined throughout. Terms and abbreviations used in the financial statements of the Corporation are defined. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

“**Advantagewon**” or the “**Corporation**” means Advantagewon Oil Corp., a corporation existing under the OBCA;

“**Advantagewon US**” means Advantagewon Oil US Corp., a corporation incorporated under the laws of the State of Texas, U.S.A;

“**Affiliate**” means a Company that is affiliated with another Company as described below:

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (c) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (d) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

“Annual Financial Statements” means the audited consolidated financial statements of the Corporation for the years ended December 31, 2016 and 2015, together with the notes thereto and the auditors' report thereon, attached hereto as Appendix “D”;

“Annual MD&A” means the consolidated management's discussion and analysis of the financial condition and results of operations of the Corporation for the years ended December 31, 2016 and 2015, attached hereto as Appendix “F”;

“Associate” when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial benefit interest or in respect of which a person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person, including
 - (i) that person's spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

“COGE Handbook” means the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum;

“Common Shares” means common shares in the capital of Advantagewon;

“Company” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“Control Person” means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“CRA” means the Canada Revenue Agency;

“CSE” means the Canadian Securities Exchange;

“Exchange” or **“TSX-V”** means the TSX Venture Exchange Inc.;

“Future Net Revenue” means a forecast of revenue, estimated using forecast prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs;

"GAAP" means generally accepted accounting principles in Canada, which is **"IFRS"** meaning International Financial Reporting Standards;

"Insider" if used in relation to an issuer, means:

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of the Issuer,
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities;

"Interim Financial Statements" means the unaudited condensed interim consolidated financial statements of the Corporation for the three month periods ended March 31, 2017 and 2016, together with the notes thereto, attached hereto as Appendix "E";

"Interim MD&A" means the consolidated management's discussion and analysis of the financial condition and results of operations of the Corporation for the three month period ended March 31, 2017, attached hereto as Appendix "G";

"La Vernia Property" means the properties in which Advantagewon holds a working interest in petroleum and natural gas rights located in Guadalupe and Wilson Counties, in Texas, United States of America;

"La Vernia Report" means the report entitled "Appraisal of Certain Oil and Gas Properties Located in Guadalupe and Wilson Counties Texas" effective December 31, 2016 and prepared on February 15, 2017 by MKM;

"MKM" means MKM Engineering Inc, Oil and Gas Consulting Services, located at 3905 Sagamore Hill Court, Plano, Texas, 75025, United States of America;

"Named Executive Officers" has the meaning ascribed thereto in National Instrument 51-102F6 - *Statement of Executive Compensation*;

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

"Non-Arm's Length Party" means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person;

"OBCA" means the *Business Corporations Act* (Ontario);

"Options" means issued and outstanding options to purchase Common Shares;

"Option Plan" means the incentive stock option plan of the Corporation;

"Person" means a Company or individual;

"Promoter" means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business;

"Properties" means the Saratoga Property and the La Vernia Property, collectively;

“Saratoga Property” means the properties in which Advantagewon holds a working interest in petroleum and natural gas rights located in Hardin County, in Texas, United States of America;

“Saratoga Report” means the report entitled “Appraisal of Certain Oil and Gas Properties Located in Hardin County Texas” effective December 31, 2016 and prepared on February 15, 2017 by MKM;

“Shareholders” means holders from time to time of Common Shares;

“Tax Act” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended;

“U.S. Securities Act” means the *United States Securities Act of 1933*, as amended;

“US” or **“U.S.A”** means the United States of America; and

“Warrants” means warrants for the purchase of Common Shares.

ABBREVIATIONS

API	API American Petroleum Institute	MMBOE	millions of barrels of oil equivalent
bbbl	barrel, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	MBOE/d	thousands of barrels of oil equivalent per day
bbls/d	barrels per day	Mcf	thousand cubic feet
Bcf	billion cubic feet	Mcf/d	thousand cubic feet per day
BOE	barrels of oil equivalent	MMcf/d	million cubic feet per day
BOEPD	barrels of oil equivalent per day	MMBTU	million British Thermal Units
BOPD	barrels of oil per day	MMcf	million cubic feet
Mbbls	thousands of barrels	MMstb	million stock tank barrels
MBOE	thousands of barrels of oil equivalent	stb	stock tank barrel, a barrel volume of a fluid at standard (stock tank) conditions

CONVERSIONS

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units and the (or metric Units).

To convert from	To	Multiply by
Mcf	cubic metres	28.328
cubic metres	cubic feet	35.301
bbl	cubic metres	0.159
cubic metres	Bbl	6.290
feet	Metres	0.305
metres	Feet	3.281
miles	Kilometres	1.609
kilometres	Miles	0.621
acres	Hectares	0.4047
hectares	Acres	2.471

OIL & GAS INFORMATION

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved and probable reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of oil, natural gas liquids and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the Corporation's natural gas and petroleum reserves does not represent the fair market value of the Corporation's reserves.

Definitions

Certain terms used in this Prospectus in describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations used in this short form prospectus, but not defined or described, are defined in NI 51-101 or the COGE Handbook and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook.

Reserves

Reserves are 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: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) 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 as follows:

"Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

"gross" means: (a) in relation to an issuer's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the issuer; (b) in relation to wells, the total number of wells in which an issuer has an interest; and (c) in relation to properties, the total area of properties in which an issuer has an interest.

Interests in Reserves, Production, Wells and Properties

"net" means: (a) in relation to an issuer's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves; (b) in relation to an issuer's interest in wells, the number of wells obtained by aggregating the issuer's working interest in each of its gross wells; and (c) in relation to an issuer's interest in a property, the total area in which the issuer has an interest multiplied by the working interest owned by the issuer.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is 90% likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will exceed the estimated proved probable reserves.

"Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of

production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

“**working interest**” means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the issuer the right to “work” the property (lease) to explore for, develop, produce and market the leased substances.

SUMMARY

The following is a summary of some of the information contained in this prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

The Corporation

Advantagewon was incorporated under the *Business Corporations Act* (Ontario) on July 10, 2013 and is a Toronto-based oil and gas company with a focus on development opportunities in the State of Texas, U.S.A. through its 100% wholly-owned subsidiary “Advantagewon Oil US Corp.” which was incorporated under the laws of the State of Texas, U.S.A. See “*Corporate Structure – Name and Incorporation*”.

The Business

Advantagewon is a junior oil company that is engaged in the exploration for, and the development, production and marketing of small yet profitable oil opportunities in Texas. At present, Advantagewon’s sole interest is in its two properties located in state of Texas. See “*Corporate Structure - The Business*”.

No Proceeds Raised

No proceeds will be raised pursuant to this prospectus. See “*No Proceeds Raised*”.

Risk Factors

Advantagewon will be subject to certain risks which should be carefully considered. These risks include Advantagewon’s limited operating history and uncertainty of achieving future profitability, exploration and development activities, risks relating to future capital requirements, including obtaining financing for development of the La Vernia Property, dependence upon the ability to develop markets, dependence on key personnel, competition, risks of managing growth, government regulation, risks relating to conflicts of interest, compliance with environmental regulations and the inability to pay dividends.

Future operations would be subject to all of the risks normally incident to the operation and development of oil and natural gas properties and the drilling of oil and natural gas wells, which could result in personal injuries, loss of life and damage to property of Advantagewon and others. The marketability and price of oil and natural gas that may be acquired or discovered by Advantagewon will be affected by numerous factors beyond the control of Advantagewon. The Corporation will be subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties relating to the proximity of its reserves to pipelines and processing facilities and extensive government regulations. The oil and gas industry is intensely competitive and Advantagewon must compete in all aspects of their operations with a number of other entities that may have greater technical ability and/or financial resources. Title to oil and natural gas interests is often not capable of conclusive determination, without incurring substantial expense.

See “*Risk Factors*”.

Summary Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the Annual Financial Statements and the Interim Financial Statements, and the notes thereto (included as Appendix “D” and Appendix “E” to this Prospectus), and should be read in conjunction with the respective management’s discussion and analysis thereto, attached at Appendix “F” and “G” hereto.

	For Year Ended December 31, 2015 (audited) (\$)	For Year Ended December 31, 2016 (audited) (\$)	Three Months Ended March 31, 2017 (unaudited) (\$)
Total Revenue	434,357	465,366	133,872
Comprehensive loss	(1,589,173)	(1,365,275)	(673,941)
Total Assets	7,527,203	8,237,881	11,808,017
Total Shareholders' Equity & Liabilities	7,527,203	8,237,881	11,808,017

See "Selected Financial Information".

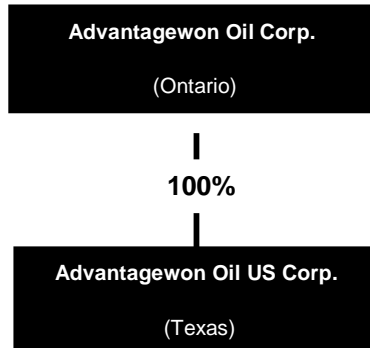
CORPORATE STRUCTURE

Name and Incorporation

Advantagewon was incorporated under the *Business Corporations Act* (Ontario) ("OBCA") on July 10, 2013 as "Advantagewon Acquisition Corp.". On November 30, 2013, it changed its name to "Advantagewon Oil Corp.". Advantagewon is a Toronto-based oil and gas company with a focus on development opportunities in the State of Texas, U.S.A. through its 100% wholly-owned subsidiary "Advantagewon Oil US Corp." ("Advantagewon US") which was incorporated under the laws of the State of Texas, U.S.A.

Intercorporate Relationships

The Corporation currently has one material wholly-owned operating subsidiary: Advantagewon US. The corporate structure of the Corporation is outlined in the diagram below and is current as at the date of filing of this Prospectus.



THE BUSINESS

Overview of Business

Advantagewon is a junior oil company that is engaged in the exploration for, and the development, production and marketing of, small yet profitable oil opportunities, with a current focus on properties in Texas. The Corporation is focused on inexpensive drilling opportunities that can still provide economic wells in the current low oil price environment in which the Corporation operates. At present, through Advantagewon US, the Corporation owns two properties located in the State of Texas, being the Saratoga property located in Hardin County, Texas (the "**Saratoga Property**") and the La Vernia property located in Guadalupe County, Texas (the "**La Vernia Property**"). Advantagewon is assessing other acquisition opportunities both inside and outside of Texas, and management hopes to continue to grow the Corporation's land position of low cost economical drilling opportunities.

The Saratoga Property

The Corporation acquired the Saratoga Property over the course of 2013 and 2014 when it acquired leases on approximately 400 acres in Hardin County in an area known as Saratoga. Advantagewon acquired its interest in the Saratoga Property through the issuance of 22,760,000 Common Shares (at a deemed value of \$1,800,175), payment in cash of \$55,685, and through the assumption of certain liabilities totaling \$434,007.

The Saratoga Property has two producing wells, referred to as Caswell #1 and Marlatt #1. The Saratoga Property also has a salt water disposal well and a development well, referred to as Caswell #12. The Saratoga Property sits on top of a salt dome, a unique geological feature in which a vent of salt has pushed up to form a dome shaped structure where surrounding formations were pushed up with the dome to form additional structures. Management believes that these formations have the potential to trap significant oil and gas production.

The Corporation commissioned an independent report pursuant to National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”), prepared by MKM dated February 15, 2017 (the “**Saratoga Report**”). The Saratoga Report indicates a net present value (“**NPV**”) discounted at 10% of proven and probable reserves of \$24,264,700 as of December 31, 2016. The management of Advantagewon believes that significant production can be found in this area. For additional information on the Saratoga Property and the Saratoga Report, see “*Statement of Reserves Data and other Oil and Gas Information*” below.

The La Vernia Property

Advantagewon acquired its interest in a portion of the La Vernia Property on May 30, 2014 when it acquired Ainsle Oil Corp. through the issuance of 2,651,806 Common Shares (with a deemed value of \$196,000) and 183,045 warrants for the purchase of Common Shares (with a deemed value of \$5,738). In 2014 to 2017, Advantagewon expanded the La Vernia Property by acquiring leases of approximately 1,500 acres, and the La Vernia Property field currently consists of over 10,000 acres. The field was discovered in 1939 and has produced over 7 million BOE. The management of Advantagewon believes that there are many infill drilling opportunities that exist in the La Vernia Property.

In 2015, the Corporation drilled its first well on the La Vernia Property – the Weisman 30 well. The Weisman 30 came on at over 24 BOEPD and has estimated reserves of 13,600 BOE. The Corporation commissioned an independent NI 51-101 report on the La Vernia Property prepared by MKM dated February 15, 2017 (the “**La Vernia Report**”), which indicates a NPV discounted at 10% of proven and probable reserves of \$39,779,870 as of December 31, 2016. For additional information on the La Vernia Property and the La Vernia Report, see *Statement of Reserves Data and other Oil and Gas Information* below.

General Development of the Business

Since incorporation, the Corporation has achieved the following operational milestones:

- In April of 2014, Advantagewon US, completed drilling on the Marlatt #1 well on its fully owned Saratoga Property. The Marlatt #1 well had an initial flow rate of over 100 BOPD and proven reserves of almost 70,000 barrels of oil and possible reserves of over 100,000 barrels.
- In December of 2014, Advantagewon US drilled the Caswell #12 well on its fully owned Saratoga Property. The Caswell #12 well has proven reserves of almost 75,000 barrels of oil with possible reserves in excess of over 125,000 barrels. The Corporation conducted a water flooding program in 2016 and it was unsuccessful. The Corporation believes that the Carswell #12 is faulted off. There is no impact on the Corporation as the lease of Saratoga Property is held through production and another well (Carswell #1) is currently producing oil.
- In October of 2015, Advantagewon US drilled its first well on the La Vernia Property. The well has proven reserves of almost 14,000 barrels of oil and had an initial flow rate of over 20 BOPD and settled to steady state production of 11 BOPD.

- In 2016, the Corporation acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Corporation also will issue between 266,000 and 487,000 Common Shares with the quantity dependent on the amount of production from the wells and the costs incurred. A 5% overriding royalty interest will be paid to the vendors after the Corporation recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any further drilling on the lease resulting in a producing well.
- In October 2016, Advantagewon entered into an agreement with Gunpowder Capital Corp. ("**Gunpowder**") to assist with the listing of the Common Shares of the Corporation on the CSE (the "**Advisory Agreement**"). In connection to the Advisory Agreement, 1,666,667 Common Shares were issued to Gunpowder at a deemed value of \$0.15 per share for a total value of approximately \$250,000. In order to provide Advantagewon with a sufficient public float, Gunpowder intends to distribute such shares as stock dividend to the shareholders of Gunpowder. The Corporation intends to qualify such distribution under this Prospectus. Upon successful listing of the Common Shares on the CSE, the Corporation will issue an additional \$250,000 worth of Common Shares to Gunpowder. In addition, the Corporation paid Gunpowder a one-time advisory fee of \$30,000 plus expenses upon entering into the Advisory Agreement.
- In November 2016, Advantagewon acquired a 100% working interest and a 75% net revenue interest in the Mills Lease located in Texas for 516,891 Common Shares. On January 10, 2017, the Corporation completed the purchase.
- In November 2016, Advantagewon acquired a 23.6% working interest in the Opal and Lerma Lease located in Texas for US\$10,000 cash consideration, 20,000 Common Shares, and a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well payable to the vendor. In addition, in early 2017, Advantagewon acquired 100% of the issued and outstanding shares of Albaro Oil Corp., which holds a 56.25% working interest in the Opal and Lerma lease, for consideration of the issuance of 20,300,000 Common Shares and 14,550,000 Warrants (the "**Albaro Acquisition**"). Each Warrant is exercisable into one Common Share at \$0.25 for 24 months. Thus, Advantagewon now has a 79.85% working interest in the Opal and Lerma Lease.
- On January 23, 2017, the Corporation purchased the Junsen Transue lease (the "**Junsen Transue Lease**") from Own The Well Inc. for US\$18,000 cash consideration.
- On January 31, 2017, the Corporation purchased the Black and Morris Lease in exchange for 40,000 Common Shares.
- On February 27, 2017, the Corporation purchased seven leases from LT Oil, LLC for US\$150,000 of cash consideration and the issuance of 300,000 Common Shares: (i) the Forrester lease, (ii) Richter lease, (iii) the Schlather lease, (iv) the Webb lease, (v) the Wishert lease, and (vi) the Vorphal lease (collectively, the "**LT Oil Leases**").
- On February 27, 2017, the Corporation purchased 100% working interest and a 80% net revenue interest in the R.J. Huebinger Lease for US\$18,000 in cash.

Business Objectives and Strategy

The Corporation is planning to provide growth for shareholders by acquiring inexpensive onshore oil production opportunities in Texas, US. Properties acquired are expected to have both current production and development opportunities. The Corporation sees a real void in Texas for the acquisition of smaller properties that are not of interest to major companies. The goal of the Corporation is to become self sustaining from current production and then leverage its current production and fund raising opportunities to drill additional wells. All the leases owned by the Corporation are held by production and the Corporation is not required to spend additional funds on these properties to keep them in good standing, other than drilling a well on the La Vernia Property by the end of June 2017.

For the remainder of this year, the Corporation hopes to raise additional funds and become listed on the CSE. Once sufficient funds are available, the Corporation intends to complete drilling on another well such that it reaches its goal to be self sustaining. The Corporation requires approximately 10 BOPD net per day to generate profits.

Relationship with Gunpowder

Gunpowder is a shareholder of the Corporation, owning approximately 1.06% of the issued and outstanding Common Shares. The Corporation retained Gunpowder in October 2016 to assist with the listing of the Common Shares on the CSE.

Gunpowder (formerly Silver Shield Resources Corp.) is a merchant bank and advisory services firm. As a merchant bank and advisory services firm, Gunpowder provides financial capital and capital markets advisory services. Gunpowder offers a variety of financing options including mezzanine debt, bridge loans, convertible debentures and straight loans as well as equity financing.

Mr. Frank Kordy, a director and Corporate Secretary of the Corporation, is also a director and the Interim Chief Executive Officer of Gunpowder. Mr. Paul Haber, President, Chief Executive Officer and Promoter of the Corporation, is also the Chief Financial Officer of Gunpowder.

Completed Financings

- Between December 31, 2013 and September 12, 2014, Advantagewon completed a private placement of units for aggregate gross proceeds of \$570,000. Each unit consisted of one Common Share and one-half of one Warrant, with each Warrant exercisable for the purchase of one Common Share at a price of \$0.20 for a period of two years from the date of issuance.
- On October 14, 2014, Advantagewon completed a private placement of units for aggregate gross proceeds of \$770,000. Each unit consisted of one Common Share and one-half of one Warrant, with each Warrant exercisable for the purchase of one Common Share at a price of \$0.40 for a period of two years from the date of issuance.
- On December 8, 2014, Advantagewon completed a private placement of units for aggregate gross proceeds of \$454,500. Each unit consisted of one Common Share and one-half of one Warrant, with each Warrant exercisable for the purchase of one Common Share at a price of \$0.50 for a period of two years from the date of issuance.
- On March 16, 2015, Advantagewon completed a \$100,000 financing of convertible debentures maturing on March 16, 2017. The debentures bear interest at 20% per annum. Each debenture is convertible at the holder's option into one Common Share at any time prior to maturity at a conversion price of \$0.35 per Common Share.
- On March 23, 2015, Advantagewon completed a \$250,000 financing of convertible debentures maturing on March 23, 2016. The debentures bear interest at 20% per annum. Each debenture is convertible at the holder's option into one Common Share at any time prior to maturity at a conversion price of \$0.35 per Common Share.
- On September 9, 2015, the Corporation entered into a definitive agreement (the "**RTO Agreement**") with Black Birch Capital Acquisition II Corp. ("**Black Birch**"), a capital pool corporation existing under the laws of Ontario, which outlined the general terms and conditions pursuant to which the Corporation and Black Birch intended to complete a transaction that would result in Black Birch acquiring all the issued and outstanding securities of the Corporation. The transaction would constitute Black Birch's qualifying transaction under the policies of the TSX Venture Exchange. However, subsequent to December 31, 2015, the RTO Agreement was terminated.
- On July 19, 2016, the Corporation completed a private placement of 5,446,667 units for aggregate gross proceeds of \$817,000. Each unit consisted of one Common Share and one Warrant, with each Warrant

exercisable for the purchase of one Common Share at a price of \$0.25 each for a period of 36 months from the date of issuance.

- On October 30, 2016, the Corporation issued 2,166,667 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of \$325,000. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- On November 21, 2016, the Corporation issued 833,332 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of approximately \$125,000. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- On December 16, 2016, the Corporation issued 1,390,000 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of \$208,500. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- On January 11, 2017, the Corporation issued 3,099,998 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of approximately \$465,000. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- On January 27, 2017, the Corporation issued 5,673,331 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of approximately \$851,000. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- On February 9, 2017, the Corporation issued 246,666 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of approximately \$37,000. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- On March 1, 2017, the Corporation issued 113,333 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of approximately \$17,000. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- On March 29, 2017, the Corporation issued 2,468,066 units of the Corporation at a price of \$0.15 per unit for total gross proceeds of approximately \$370,210. Each unit consists of one Common Share and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.

Employees, Specialized Skill and Knowledge

As of the date of this Prospectus, the Corporation and Advantagewon US has seven individuals working on a consulting basis and no full time or part-time employees. The operations of the Corporation are managed by its directors and officers. The Corporation engages other consultants from time to time as required to assist in the evaluation and conduct of work programs.

The Corporation's directors and officers possess a wide range of professional skills and relevant to pursuing and executing its business strategy. In addition, the Corporation has available to it various specialized consultants to assist in various areas where full time employees are not required. These professional skills include, but are not limited to, geology, geophysics, engineering, financial and business skills, which are widely available in the industry.

Drawing on significant experience in the oil and natural gas business, the Corporation believes management has a demonstrated track record of bringing together all of the key components for a successful exploration and production Corporation, such as strong technical skills, expertise in planning and financial controls, ability to execute on business development opportunities, capital markets expertise, and entrepreneurial experience which will allow the Corporation to effectively identify, evaluate and execute on value added initiatives.

Competitive Conditions

The oil and natural gas industry is highly competitive. The Corporation encounters competition from other independent operators and from major oil companies in: acquiring oil and natural gas properties suitable for exploration, development and production; contracting for drilling equipment; securing trained personnel; obtaining transportation access to storage, refining and production infrastructure, and for capital to finance such activities. Many of these competitors have financial resources and personnel resources available to them that are substantially larger than that of the Corporation. See "*Risk Factors*".

Foreign Operations

The La Vernia Property and Saratoga Property are located in the U.S.A. As such, the Corporation's business is exposed to various degrees of political, economic and other risks and uncertainties. See "*Risk Factors*".

Environmental Protection

The Corporation is committed to high environmental standards and carries out its activities and operations in compliance with all relevant and applicable environmental regulations and best industry practices. Costs of environmental regulatory compliance are not expected to be significant relative to the cost of drilling and remedial well work operations.

The Corporation has operating general liability insurance in place. Included in the general liability policy is sudden and accidental Pollution coverage for up to \$1,000,000 per occurrence and \$2,000,000 aggregate claims per year. The Corporation also maintains a \$2,000,000 general liability umbrella policy. In addition to general liability insurance, the Corporation will maintain control of well insurance in the amount of \$1,000,000 which will also include sudden and accidental pollution coverage overlapping the general liability coverage.

Industry Overview

The oil and gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements, all of which should be carefully considered by investors in the oil and gas industry. All current legislation is a matter of public record and the Corporation is unable to predict what additional legislation or amendments may be enacted.

Pricing and Marketing - Oil

Producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. Oil may be exported from the United States, however all such exports are subject to short supply export controls under the U.S. Export Administration Regulations.

Pricing and Marketing - Natural Gas

The price of natural gas sold is determined by negotiation between natural gas producers, marketers and purchasers. Natural gas exported from the United States is subject to regulation requiring authorization from the U.S. Department of Energy.

Environmental Regulation

The oil and natural gas industry is subject to environmental regulation pursuant to local, state and federal legislation. Environmental legislation provides for restrictions and prohibitions on releases or emissions and regulation on the storage and transportation of various substances produced or utilized in association with certain oil and gas industry operations and can affect the location and operation of wells and facilities and the extent to which exploration and development is permitted. Applicable environmental laws may impose remediation obligations with respect to property designated as a contaminated site upon certain responsible persons, which include persons responsible for the substance causing the contamination, persons who caused the release of the substance and any past or present owner, tenant or other person in possession of the site. Compliance with such legislation can require significant expenditures and a breach of such legislation may result in the suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, the imposition of fines and penalties or the issuance of clean-up orders.

Summary Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the audited consolidated annual financial statements for the years ended December 31, 2016 and 2015 (the “**Annual Financial Statements**”) and the interim condensed unaudited consolidated financial statements for the three months ended March 31, 2017 and 2016, included as Appendix “D” and Appendix “E”, respectively, to this Prospectus, and should be read in conjunction with the management’s discussion and analysis thereto, attached at Appendix “F” and Appendix “G” to this Prospectus.

	For Year Ended December 31, 2015 (audited) (\$)	For Year Ended December 31, 2016 (audited) (\$)	For Three Months Ended March 31, 2017 (unaudited) (\$)
Total Revenue	434,357	465,366	133,872
Comprehensive loss	(1,589,173)	(1,365,275)	(673,941)
Total Assets	7,527,203	8,237,881	11,808,017
Total Shareholders’ Equity & Liabilities	7,527,203	8,237,881	11,808,017

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The statement of reserves data and other oil and gas information set forth below – the “Saratoga Property Oil and Gas Operations” and the “La Vernia Property Oil and Gas Operations” – is dated February 15, 2017, with the effective date thereof being December 31, 2016. All of the Corporation’s reserves herein reported were evaluated by MKM, an independent qualified reserves evaluator, in accordance with NI 51-101 for the fiscal year ended December 31, 2016. The reserves data set forth below (the “**Reserves Data**”) was prepared by MKM with an effective date of December 31, 2016 and a preparation date of February 15, 2017 and summarizes the oil, liquids and natural gas reserves of the Corporation and the net present values of future net revenue for these reserves using forecast prices and costs. The Reserves Data conforms with the requirements of NI 51-101.

The reports on reserves data in Form 51-101F2, being the Saratoga Report and the La Vernia Report, are attached as Appendix “A” and “B”, respectively, to this Prospectus.

The report of management and directors on reserves data and other information in Form 51-101F3 is attached as Appendix “C” to this Prospectus.

All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. **It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Saratoga Property or the La Vernia Property, as applicable. There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGLs and natural gas reserves may be greater than or less than the estimates provided herein.**

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of crude oil reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. **Actual crude oil reserves may be greater than or less than the estimates provided herein.**

SARATOGA PROPERTY OIL AND GAS OPERATIONS

Reserves and Future Net Revenue as of December 31, 2016

The following tables set forth certain information relating to the oil and natural gas reserves of the Saratoga Property. The information set forth below is derived from the Saratoga Report, which was prepared by an independent qualified reserves evaluator, in accordance with the standards contained in the Canadian Oil and Gas Evaluation (“COGE”) Handbook and the reserves definitions contained in NI 51-101. The effective date of the Saratoga Report and of the information contained below is December 31, 2016.

The information below includes an evaluation of the Saratoga Property’s Proved Developed Producing (PDP), Proved Non-Producing (PNP), Proved Undeveloped (PUD) and Probable Undeveloped (PrUD) reserves as of December 31, 2016.

The estimates of reserves and future net revenue for the Saratoga Property may not reflect the same confidence level as estimates of reserves and Future Net Revenue for both Properties, due to the effects of aggregation.

A full copy of the Saratoga Report is attached as Appendix “A” hereto.

Disclosure of Reserves Data

SUMMARY OF OIL AND GAS RESERVES AS AT DECEMBER 31, 2016 FORECAST PRICES AND COSTS

RESERVES CATEGORY	LIGHT AND MEDIUM OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
	Gross (Mbbbls)	Net (Mbbbls)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbls)	Net (Mbbbls)
Proved						
Developed Producing	18	14	-	-	-	-
Developed Non-Producing	72	54	-	-	-	-
Undeveloped	298	221	-	-	-	-
Total Proved	388	289	-	-	-	-
Probable	465	345	-	-	-	-
Total Proved Plus Probable	853	634	-	-	-	-

NET PRESENT VALUES OF FUTURE NET REVENUE BASED ON FORECAST PRICES AND COSTS

BEFORE INCOME TAXES DISCOUNTED AT (%/YEAR)	AFTER INCOME TAXES DISCOUNTED AT (%/YEAR)
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RESERVES CATEGORY	0 (T\$)	5 (T\$)	10 (T\$)	15 (T\$)	20 (T\$)	0 (T\$)	5 (T\$)	10 (T\$)	15 (T\$)	20 (T\$)
Proved										
Developed Producing	553	505	463	427	395	332	308	288	270	254
Developed Non-Producing	2,781	2,274	1,889	1,591	1,355	1,669	1,387	1,170	1,000	864
Undeveloped	10,862	8,767	7,151	5,886	4,886	6,517	5,335	4,407	3,670	3,077
Total Proved	14,196	11,546	9,503	7,904	6,636	8,518	7,030	5,865	4,940	4,195
Probable	21,864	17,818	14,762	12,404	10,552	13,119	10,865	9,140	7,793	6,722
Total Proved Plus Probable	36,060	29,364	24,265	20,308	17,188	21,637	17,895	15,005	12,733	10,917

T\$ = Thousands in USD

**TOTAL FUTURE NET REVENUE UNDISCOUNTED AS AT DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

Reserves Category	Revenue (US\$)	Royalties, Burden and NPI (US\$)	Property and Mineral Taxes (US\$)	Operating Costs (US\$)	Development Costs (US\$)	Abandonment and Reclamation Costs (US\$)	Future Net Revenue Before Tax (US\$)	Income Tax (US\$)	Future Net Revenue After Tax (US\$)
Total Proved	26,578,150	6,780,860	1,407,950	1,977,160	2,125,770	90,000	14,196,400	5,678,560	8,517,840
Proved Plus Probable	58,691,670	15,023,390	3,105,610	2,286,160	2,125,770	90,000	36,060,750	14,424,300	21,636,450

**FUTURE NET REVENUE BY PRODUCTION GROUP BEFORE TAX, DISCOUNTED AT 10%/YEAR
AS AT DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

Reserves Category	Production Group	Future Net Revenue (\$US)	Unit Value (US\$/bbl)
Total Proved	Oil	9,503,020	32.86
Proved + Probable	Oil	24,264,710	38.24

Pricing Assumptions

The following tables detail the benchmark reference prices reflected in the reserves data disclosed above. These pricing assumptions were provided by MKM.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
AS OF DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

Year	Escalated Case WTI Cushing (\$US/bbl)	Flat Case WTI Cushing (\$US/bbl)	Inflation Rate %/Year
Forecast:			
2017	55.00	42.75	2%
2018	58.70	42.75	2%
2019	62.40	42.75	2%
2020	69.00	42.75	2%
2021	75.80	42.75	2%
2022	77.30	42.75	2%
2023	78.80	42.75	2%
2024	80.40	42.75	2%
2025	82.00	42.75	2%
2026	83.70	42.75	2%
2027	85.30	42.75	2%
Thereafter	89.01	42.75	2%

Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of our gross proved, gross probable and gross proved plus probable reserves as at December 31, 2016 against such reserves as at December 31, 2015 based on forecast prices and assumptions.

RECONCILIATION OF ADVANTAGEWON GROSS RESERVES BY PRODUCT TYPE

Factors	Light and Medium Oil (Mbbbl)			Natural Gas (MMcf)		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
December 31, 2015	395	465	860	0	0	0
Extensions & Improved Recovery	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-

Economic Factors	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
Technical Productions	(7)		(7)	-	-	-
December 31, 2016	388	465	853	0	0	0

Work Programs

Advantagewon is not required to drill wells on the property and does not have any plans to complete drilling activities at this time.

Additional Information Relating to Reserves Data

Undeveloped Reserves

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away from gathering systems. In addition, such reserves may relate to planned infill drilling locations. Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The Saratoga Report contains proved and probable undeveloped reserves that have been estimated in accordance with the procedures and standards contained in the COGE Handbook. Prior to the end of the year, Advantagewon anticipates in participating in the drilling of four additional infill wells. With the drilling of infill wells, workovers and re-completions of the existing wells planned during the next two years, this will provide Advantagewon with the opportunity to evaluate additional reserves and other potential productive zones. The upgrading of the existing infrastructure will also allow for Advantagewon to change the undeveloped reserves to proved producing reserves. During the next two years, Advantagewon expects to prove up the probable undeveloped reserves with the drilling of infill wells and the re-completion of certain zones in existing wells.

The following tables set forth the gross proved undeveloped reserves and the gross probable undeveloped reserve, each by product type, attributed to the Saratoga Property for the period for the year ended December 31, 2016, based on forecast prices and costs.

PROVED UNDEVELOPED RESERVES

Year	Light and Medium Oil (Mbbl)		Natural Gas (MMcf)	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
Year ended December 31, 2016	298	298	0	0

PROBABLE UNDEVELOPED RESERVES

Year	Light and Medium Oil (Mbbbl)		Natural Gas (MMcf)	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
Year ended December 31, 2016	465	465	0	0

Significant Factors or Uncertainties

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, commodity prices and economic conditions. The properties and reserves are evaluated by MKM, an independent engineering firm.

Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and governmental restrictions. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. Advantagewon's actual production, revenues, taxes, development and operating expenditures with respect to its reserves may vary from such estimates, and such variances could be material. Advantagewon does not anticipate that any important economic factors or significant uncertainties would affect particular components of the reserves data. Notwithstanding that, a number of factors which are beyond Advantagewon's control can significantly affect the reserves, including product pricing, royalty and tax regimes, changing operating and capital costs, surface access issues, availability of services and processing facilities and technical issues affecting well performance. See also "*Risk Factors*".

LA VERNIA PROPERTY OIL AND GAS OPERATIONS

Reserves and Future Net Revenue as of December 31, 2016

The following tables set forth certain information relating to the oil and natural gas reserves of the La Vernia Property. The information set forth below is derived from the La Vernia Report, which was prepared by an independent qualified reserves evaluator, in accordance with the standards contained in the COGE Handbook and the reserves definitions contained in NI 51-101. The effective date of the La Vernia Report and of the information contained below is December 31, 2016.

The information below includes an evaluation of the La Vernia Property's Proved Developed Producing (PDP), Proved Non-Producing (PDNP), Proved Undeveloped (PUD) and Probable Undeveloped (PrUD) reserves. The effective date of this report is December 31, 2016.

The estimates of reserves and Future Net Revenue for the La Vernia Property may not reflect the same confidence level as estimates of reserves and future net revenue for both Properties, due to the effects of aggregation.

A full copy of the La Vernia Report is attached as Appendix "B" hereto.

Disclosure of Reserves Data

**SUMMARY OF OIL AND GAS RESERVES
AS AT DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

RESERVES CATEGORY	LIGHT AND MEDIUM OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
	Gross (Mbbbls)	Net (Mbbbls)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbls)	Net (Mbbbls)
Proved						
Developed Producing	21	16	-	-	-	-
Developed Non-Producing	62	46	-	-	-	-
Undeveloped	2,256	1,752	-	-	-	-
Total Proved	2,339	1,814	-	-	-	-
Probable	635	487	-	-	-	-
Total Proved Plus Probable	2,974	2,301	-	-	-	-

**NET PRESENT VALUES OF FUTURE NET REVENUE
FORECAST PRICES AND COSTS**

RESERVES CATEGORY	BEFORE INCOME TAXES DISCOUNTED AT (%/YEAR)					AFTER INCOME TAXES DISCOUNTED AT (%/YEAR)				
	0	5	10	15	20	0	5	10	15	20
	(T\$)	(T\$)	(T\$)	(T\$)	(T\$)	(T\$)	(T\$)	(T\$)	(T\$)	(T\$)
Proved										
Developed Producing	465	344	261	205	166	279	210	162	129	106
Developed Non-Producing	2,842	1,575	1,028	744	576	1,705	960	637	468	367
Undeveloped	72,353	45,789	29,610	19,360	12,658	43,412	27,935	18,355	12,188	8,091
Total Proved	75,660	47,708	30,899	20,309	13,400	45,396	29,105	19,154	12,785	8,564
Probable	23,053	13,788	8,881	6,002	4,197	13,829	8,407	5,497	3,768	2,670
Total Proved Plus Probable	98,713	61,496	39,780	26,311	17,597	59,225	37,512	24,651	16,553	11,234

T\$ = Thousands in USD

**TOTAL FUTURE NET REVENUE UNDISCOUNTED AS AT DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

Reserves Category	Revenue (US\$)	Royalties, Burden and NPI (US\$)	Property and Mineral Taxes (US\$)	Operating Costs (US\$)	Development Costs (US\$)	Abandonment and Reclamation Costs (US\$)	Future Net Revenue Before Tax (US\$)	Income Tax (US\$)	Future Net Revenue After Tax (US\$)
Total Proved	182,157,880	40,936,630	10,041,450	20,095,730	33,542,000	1,882,500	75,659,570	30,263,830	45,395,740
Proved Plus Probable	233,012,220	52,803,200	12,813,540	24,528,690	41,822,000	2,332,500	98,712,300	39,487,920	59,224,380

**FUTURE NET REVENUE BY PRODUCTION GROUP BEFORE TAX, DISCOUNTED AT 10%/YEAR
AS AT DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

Reserves Category	Production Group	Future Net Revenue (US\$)	Unit Value (US\$/bbl)
Total Proved	Oil	30,898,860	17.03
Proved + Probable	Oil	39,779,860	17.29

Forecast Prices and Costs as of December 31, 2016

Summary of Pricing and Inflation Rate Assumptions as of December 31, 2016 Forecast Prices and Costs. The following tables detail the benchmark reference prices reflected in the reserves data disclosed above. These pricing assumptions were provided by MKM.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
AS OF DECEMBER 31, 2016
FORECAST PRICES AND COSTS**

Year	Escalated Case WTI Cushing (\$US/bbl)	Flat Case WTI Cushing (\$US/bbl)	Inflation Rate %/Year
Forecast:			
2017	55.00	42.75	2%
2018	58.70	42.75	2%
2019	62.40	42.75	2%
2020	69.00	42.75	2%
2021	75.80	42.75	2%
2022	77.30	42.75	2%
2023	78.80	42.75	2%
2024	80.40	42.75	2%
2025	82.00	42.75	2%
2026	83.70	42.75	2%
2027	85.30	42.75	2%

Year	Escalated Case WTI Cushing (\$US/bbl)	Flat Case WTI Cushing (\$US/bbl)	Inflation Rate %/Year
Thereafter	94.42	42.75	2%

Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of our gross proved, gross probable and gross proved plus probable reserves as at December 31, 2016 against such reserves as at December 31, 2015 based on forecast prices and assumptions.

RECONCILIATION OF ADVANTAGEWON GROSS RESERVES BY PRODUCT TYPE

Factors	Light and Medium Oil (Mbbbl)			Natural Gas (MMcf)		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
December 31, 2015	1,992	360	2,352	0	0	0
Extensions & Improved Recovery	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-
Acquisitions	348	275	623	-	-	-
Technical Productions	(1)	-	1	-	-	-
December 31, 2016	2,339	635	2,974	0	0	0

Work Programs

Advantagewon does not expect to perform significant drilling activities in 2017. Advantagewon has 12 leases for the La Vernia Property. Only one of the leases is currently in the production stage. The Corporation plans to drill three wells this year. The Corporation is required to drill one well prior to June 2017 in order to preserve one existing lease. The estimated cost to drill the three wells is \$225,000. In addition, the Corporation plans to rework existing wells and drill a test well to deepen an existing well to test for oil at other depths. The estimated cost for the rework is approximately \$50,000.

Additional Information Relating to Reserves Data

Undeveloped Reserves

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away from gathering systems. In addition, such reserves may relate to planned infill drilling locations. Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The La Vernia Report contains proved and probable undeveloped reserves that have been estimated in accordance with the procedures and standards contained in the COGE Handbook. Prior to the end of the year, Advantagewon anticipates in participating in the drilling of four additional infill wells. With the drilling of infill wells, workovers and re-completions of the existing wells planned during the next two years, this will provide Advantagewon with the opportunity to evaluate additional reserves and other potential productive zones. The upgrading of the existing infrastructure will also allow for Advantagewon to change the undeveloped reserves to proved producing reserves. During the next two years, Advantagewon expects to prove up the probable undeveloped reserves with the drilling of infill wells and the re-completion of certain zones in existing wells.

The following tables set forth the gross proved undeveloped reserves and the gross probable undeveloped reserve, each by product type, attributed to the La Vernia Property for the period for the year ended December 31, 2016, based on forecast prices and costs.

PROVED UNDEVELOPED RESERVES

Year	Light and Medium Oil (Mbbbl)		Natural Gas (MMcf)	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
Year ended December 31, 2016	1,986	1,986	0	0

Probable Undeveloped Reserves

PROBABLE UNDEVELOPED RESERVES

Year	Light and Medium Oil (Mbbbl)		Natural Gas (MMcf)	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
Year ended December 31, 2016	360	360	0	0

Significant Factors or Uncertainties

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on

current production forecasts, commodity prices and economic conditions. The properties and reserves are evaluated by MKM, an independent engineering firm.

Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and governmental restrictions. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. Advantagewon's actual production, revenues, taxes, development and operating expenditures with respect to its reserves may vary from such estimates, and such variances could be material. Advantagewon does not anticipate that any important economic factors or significant uncertainties would affect particular components of the reserves data. Notwithstanding that, a number of factors which are beyond Advantagewon's control can significantly affect the reserves, including product pricing, royalty and tax regimes, changing operating and capital costs, surface access issues, availability of services and processing facilities and technical issues affecting well performance. See also "Risk Factors".

OTHER OIL AND GAS INFORMATION

Oil and Gas Wells

The following table sets forth the number and status of wells in which the Corporation has a working interest as at December 31, 2016:

	Oil Wells				Natural Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
United States	6	6	5	5	0	0	0	0

Properties with No Attributed Reserves

The following table sets out the Corporation's land holdings that have no attributed reserves as at December 31, 2016:

	Unproved Properties			
	Gross Acres		Net Acres	
	Gross	Net	Gross	Net
United States	1359	1359	1087	1087

Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

The reserves for the properties with no attributed reserves are affected by governmental policies and uncertainties of supply and demand, the product prices and costs to be incurred to recover of any reserves. The Corporation is a low cost producer and is able to operate in a low price oil environment. The Corporation is comfortable drilling new wells when the price of oil is above US\$45 per barrel as it believes this provides a good return. The Corporation is prepared to workover older wells it acquires when the price of oil is above US\$35 per barrel. Workovers are generally

in the range of \$5,000 per well and have resulted in increased production of approximately 2 to 3 barrels per well. At these average prices we can recover our investment in under 3 months.

The cost for drilling wells has decreased significantly. With respect to the La Vernia property (our primary area of focus) we can drill a well for approximately \$75,000 depending on the depth. At the price noted above we would need to recover just under 1,700 BOE to breakeven and on average wells on the La Vernia property over history have returned 7,000 BOE per well.

Costs to plug well are not material at this time, the average cost to date for the Corporation has been \$6 per foot. The wells we drill are all low cost operating wells relying on just electricity and a pumper to operate. We sell our oil based on current spot prices and do not enter into forward contracts.

Forward Contracts

The Corporation is not bound by an agreement directly or through an aggregator, under which it may be precluded from fully realizing, or may be protected from the full effect of, future market prices for oil and gas.

Tax Horizon

The Corporation is not required to pay income taxes for the financial year 2016. The Corporation expects to pay income taxes in 2018.

Costs Incurred

The following table summarizes the capital expenditures (net of incentives, non-cash items and net of certain proceeds and including capitalized general and administrative expenses) related to the Corporation's activities for the period ended December 31, 2016:

Expenditures	Period Ended December 31, 2016
Property acquisition costs (proved properties)	Nil
Property acquisitions costs (unproved properties)	Nil
Exploration costs	\$559,585
Development costs	\$51,126
Total:	\$610,711

Exploration and Development Activities

During the 12 months ended December 31, 2016, there has been no exploration and development activities.

Production Estimates

The following table sets out the volume of our production estimated for the years ended December 31, 2016 and 2017, which is reflected in the estimate of gross proved reserves and gross probable reserves disclosed in the tables contained under "Disclosure of Reserves Data" above:

Reserves Category	Year ended December 31, 2017				Year ended December 31, 2016			
	Light and Medium Oil (Mbbl)		Natural Gas (MMcf)		Light and Medium Oil (Mbbl)		Natural Gas (MMcf)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<i>Proved Producing</i>								
Saratoga	6	4	0	0	8	6	0	0
La Vernia	2	1	0	0	1	1	0	0
Other Properties	0	0	0	0	0	0	0	0
Total: Proved Producing	8	5	0	0	9	7	0	0
<i>Proved Developed Nonproducing</i>								
Saratoga	5	4	0	0	4	3	0	0
La Vernia	3	2	0	0	0	0	0	0
Other Properties	0	0	0	0	0	0	0	0
Total: Proved Developed Nonproducing	8	6	0	0	4	3	0	0
<i>Proved Undeveloped</i>								
Saratoga	23	17	0	0	0	0	0	0
La Vernia	36	28	0	0	1	0	0	0
Other Properties	0	0	0	0	0	0	0	0
Total: Proved Undeveloped	59	45	0	0	1	0	0	0
<i>Total Proved</i>								
Saratoga	34	25	0	0	12	9	0	0
La Vernia	41	31	0	0	2	1	0	0
Other Properties	0	0	0	0	0	0	0	0
Total: Proved	75	56	0	0	14	10	0	0
<i>Total Probable</i>								
Saratoga	35	26	0	0	0	0	0	0
La Vernia	17	13	0	0	0	0	0	0
Other Properties	0	0	0	0	0	0	0	0
Total: Probable	52	39	0	0	0	0	0	0
<i>Proved Plus Probable</i>								
Saratoga	69	51	0	0	12	9	0	0
La Vernia	58	44	0	0	2	1	0	0

Other Properties	0	0	0	0	0	0	0	0
Total: Proved Plus Probable	127	95	0	0	14	10	0	0

Production History

The following table summarizes certain information in respect of sales volumes, product prices received and operating expenses made by the Corporation for the periods indicated below:

	2016				2015			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31
Average Daily Sales Volumes								
United States (Boed/d)	26.59	28.48	22.21	25.51	42.67	19.14	8.96	8.70
Average Price Received								
United States (US\$/Boe)	28.61	43.08	43.05	46.66	45.67	55.61	44.64	34.77
Royalties								
United States (US\$/Boe)	6.53	9.75	9.69	10.62	10.28	12.51	10.04	7.89
Operating Expenses								
United States (US\$/Boe)	17.85	15.96	21.10	45.17	19.01	28.34	87.91	123.20
Netback Received								
United States (US\$/Boe)	21.06	31.78	31.83	34.38	33.76	41.11	33.00	25.64

NO PROCEEDS RAISED

Since no securities are being sold pursuant to this prospectus, no proceeds will be raised.

Funds Available

The Corporation generates revenue from oil production and has negative cash flows from operating activities. The Corporation anticipates that it will continue to have negative cash flow until such time that commercial production is achieved at a particular project. To the extent that the Corporation has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Corporation will be required to raise additional funds through the issuance of additional equity securities or through further loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all. See "*Risk Factors*".

As of April 30, 2017, the Corporation has cash on hand of approximately \$3,264,670 and the working capital balance is \$2,147,925. Once the Corporation becomes a reporting issuer, \$403,000 of the convertible debentures and \$381,523 of current accounts payable will convert to equity. Based upon management's current intentions, the

estimated expenditures for which the total available funds will be used in the 12 months after the date hereof are as follows:

Sources	Milestones	Available Funds
Working capital as of April 30, 2017 ⁽¹⁾		\$2,147,925
Conversion of convertible debentures and accounts payable ⁽¹⁾		\$784,523
Total Available Funds		\$2,932,448
Principal Uses		
Listing on the CSE	End of June 2017	\$35,000
Drilling of two additional wells on the La Vernia Property	June 2017	\$150,000
Drilling of an additional well on the La Vernia Property and other work on existing wells	December 2017	\$125,000
General and administrative expenses ⁽²⁾	Ongoing for the next 12 months	\$480,000
Unallocated working capital to fund ongoing operations and for reviewing business opportunities	Ongoing for the next 12 months	\$2,142,448
Total Funds Used		\$2,932,448

Notes:

- (1) \$403,000 of convertible debentures and \$381,523 of current accounts payable will convert to equity upon the Corporation becoming a reporting issuer.
- (2) See *"No Proceeds Raised – Administrative Costs"*.

The Corporation intends to spend the funds available to it in order to drill another well on the La Vernia Property, complete the listing on the CSE and further acquire inexpensive onshore oil production opportunities in Texas, US. The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Due to the nature of the oil and gas industry, budgets are regularly reviewed with respect to the success of the expenditures and other opportunities which may become available to the Corporation. The amounts and time of the expenditures will vary depending upon a number of factors, including drilling success, availability of drilling equipment and any future properties acquired, unexpected expenses and other factors referred to under "Risk Factors". Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations.

Milestones

The available funds will be used by the Corporation to accomplish the Corporation's stated business objectives. See *"Corporate Structure – Business Objectives and Strategy"*.

Future milestones for the next 12 months include: completion of listing of the Common Shares on the CSE, drilling three wells on the La Vernia Property and acquiring inexpensive onshore oil production opportunities in Texas.

Following the filing of this Prospectus and receiving the receipt thereof, the Corporation intends to file a listing statement with the CSE to have its Common Shares listed on the CSE. The drilling of the wells on the La Vernia Property may allow the Corporation to reach breakeven from its operations, allowing the Corporation to use available capital to drill additional properties. If the additional wells do not materialize, there will be no negative financial impact on the Corporation as one of the lenders providing the funds for the drilling is offering farm-in terms, which mean that the lender's money is at risk if the Corporation drills dry wells.

Administrative Costs

The Corporation's working capital available to fund ongoing operations will be sufficient to meet its administrative costs for the following 12 months. An estimate of the general and administrative expenses of the Corporation for the next 12 months is as follows:

Items:	Yearly Cost
Salaries	\$210,000
Legal and accounting fees	\$45,000
Technical studies	\$10,000
Consulting fees	\$20,000
Rent and overhead	\$48,000
Insurance	\$17,000
Interest on Debts	\$120,000
Regulatory filing fees and transfer agent fees	\$10,000
Total	\$480,000

DIVIDENDS OR DISTRIBUTIONS

In 2014, the Corporation declared a cash dividend of \$0.01 per Common Share, for a total cash dividend payment of \$282,316. The Corporation has not declared nor paid any dividends on its Common Shares thereafter. Although the Corporation's dividend policy given the current low price of oil is to conserve cash internally, its long term goal is to declare and pay out a dividend on its Common Shares on a regular basis.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected financial information for the Corporation, summarized from its Audited Financial Statements and Interim Financial Statements, attached as Appendix "D" and Appendix "E" hereto.

	For year ended December 31, 2015	For year ended December 31, 2016	For three months ended March 31, 2017
	\$	\$	\$
Total expenses	2,352,527	1,175,398	646,508
Cash	120,368	606,693	729,458
Total assets	7,527,203	8,237,881	11,808,017

Total liabilities	3,472,954	3,616,619	3,383,973
Shareholder's equity	4,054,249	4,620,963	8,424,044

MANAGEMENT'S DISCUSSION AND ANALYSIS

Attached to this Prospectus as Appendix "F" is the Corporation's consolidated management's discussion and analysis of the financial condition and results of operations of the Corporation for the year ended December 31, 2016 (the "**Annual MD&A**"). The Annual MD&A provides an analysis of the Corporation's financial results for the years ended December 31, 2016 and 2015, and should be read in conjunction with the financial statements of the Corporation for the period, and the notes thereto respectively.

Also attached hereto as Appendix "G" is the Corporation's management's discussion and analysis of the financial condition and results of operations for the three months ended March 31, 2017 (the "**Interim MD&A**") which provides an analysis of the Corporation's financial results for the three month period ended March 31, 2017, and should be read in conjunction with the financial statements of the Corporation for the period, and the notes thereto respectively.

Certain information included in the Annual MD&A and Interim MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements and Forward-Looking Information*" for further detail.

DESCRIPTION OF THE SECURITIES

The authorized capital of Advantagewon includes an unlimited number of common shares (the "**Common Shares**") without nominal or par value, of which 157,062,525 Common Shares were issued and outstanding as fully paid and non-assessable as of the date hereof. As at the date of this Prospectus, there were 7,875,000 options to purchase Common Shares ("**Options**") and 35,988,062 warrants for the purchase of Common Shares ("**Warrants**") outstanding.

Each holder of Common Shares (a "**Shareholder**") is entitled to receive notice of and to attend and vote at all meetings of Shareholders and at each such meeting shall have one vote for each Common Share held. Shareholders are entitled to vote separately as a class pursuant to section 170 of the OBCA, upon a proposal to amend the Articles of the Corporation in the case of an amendment of a kind referred to in subsection (1) of such section.

Shareholders are entitled to receive a dividend, if, as and when declared by Advantagewon's board of directors. The Common Shares rank equally as to dividends and all dividends declared in any fiscal year shall be declared and paid in equal or equivalent amounts per Common Share on all Common Shares at the time outstanding without preference or distinction. In the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, all property and assets of Advantagewon will be paid and distributed equally to the Shareholders without preference or distinction.

Capitalization

There have been no material changes in the share capitalization or in the indebtedness of the Corporation since March 31, 2017.

The following chart sets out the capitalization of Advantagewon as at March 31, 2017 and the date of this Prospectus:

Designation of Security	Amount Authorized	Amount Outstanding as of March 31, 2017	Amount Outstanding as of May 26, 2017
Common shares ⁽¹⁾	Unlimited	157,062,526 Common Shares	157,062,525 Common Shares
Stock Options ⁽¹⁾	10% of the outstanding Common Shares	7,875,000 Options	7,875,000 Options
Warrants ⁽¹⁾	N/A	35,988,063 Warrants	35,988,063 Warrants
Convertible Debentures	N/A	\$403,698 ⁽²⁾	\$403,000
Outstanding Loans	N/A	\$250,618 ⁽³⁾	\$694,000

Notes:

(1) See Note 10 to the Interim Financial Statements of Advantagewon at Appendix "D" for additional information.

(2) See Note 9 to the Interim Financial Statements of Advantagewon at Appendix "D" for additional information.

(3) See Note 8 to the Interim Financial Statements of Advantagewon at Appendix "D" for additional information.

Options to Purchase Common Shares

In 2014, the Corporation adopted a stock option plan (the "**Option Plan**"), under which the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares. As at March 31, 2017, there were 7,875,000 outstanding options under the Option Plan.

The principal purposes of the Option Plan are to provide the Corporation with the advantages of the incentive inherent in equity ownership on the part of directors, officers, employees and consultants of the Corporation who are responsible for the continued success of the Corporation, to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation, to retain the services of such persons, and to attract new directors, officers, employees and consultants.

Pursuant to the Option Plan, the Corporation may issue Options for such period and exercise price as may be determined by the Board, and in any case not exceeding ten years from the date of grant. The Corporation may issue Options equal to not more than 10% of the then issued and outstanding Common Shares. The minimum exercise price of an option granted under the Option Plan must not be less than the fair market value of a Common Share on the date such option is granted, and if the Common Shares are listed on a recognized stock exchange, will be subject to the minimum exercise price permitted by such stock exchange.

Unless accelerated in accordance with the Option Plan, unvested options shall terminate immediately upon the optionee resigning from or the Corporation terminating the optionee's employment or contractual relationship with the Corporation or any related company for any reason whatsoever, including death or disability. Options that have vested shall be terminated, to the extent not previously exercised, upon the occurrence of the first of the following events: (i) the expiration of the option as designated by the Board; (ii) in the case of termination of employment by the Corporation without cause, or the failure of a director standing for election to be re-elected, or the failure of the Corporation to renew a contract for services at the end of its terms, the date which is 90 days after the date of termination; (iii) in case of the death of the optionee, the date which is one year after the death; (iv) in the case of disability or retirement of the optionee, the date which is 180 days after the date of termination; and (v) in all other cases, the date of termination. For purposes of the Option Plan, unless otherwise defined in the stock option agreement between the Corporation and the optionee, "disability" shall mean a physical or mental incapacity or disability that prevents the optionee from performing the essential duties of the optionee's employment or service with the Corporation, and which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Corporation employing or engaging the optionee, as determined by the Board for the purposes of this Plan.

The foregoing summary of the Option Plan is not complete and is qualified in its entirety by reference to the Option Plan, which is attached hereto as Appendix "H".

The table below summarizes information about the stock options outstanding as at the date of this Prospectus:

Optionee	Number of Common Shares under Option	Exercise Price ⁽¹⁾	Expiry Date ⁽¹⁾
Executive Officers ⁽¹⁾	1,500,000	\$0.10 and \$0.15	April 30, 2019 and January 24, 2020
Independent Directors ⁽¹⁾	1,150,000	\$0.15 and \$0.25	July 9, 2019 and January 24, 2020
Consultants ⁽¹⁾	5,225,000	\$0.10, \$0.15 and \$0.25 ⁽¹⁾	September 2017, December 2019 and January 24, 2020

Note:

(1) Please see table below

Grant date	Expiry date	# Outstanding	# Exercisable	Exercise price (\$)	Estimated fair value expense (\$)
April 20, 2014	April 30, 2019	2,000,000	2,000,000	0.10	127,900
July 9, 2014	July 9, 2019	550,000	550,000	0.25	36,000
September 1, 2014	September 1, 2017	700,000	700,000	0.25	42,000
December 1, 2014	December 1, 2019	2,000,000	1,500,000	0.25	287,598
January 24, 2017	January 24, 2020	2,625,000	2,625,000	0.15	201,512
		7,875,000	7,375,000		\$695,010

PRIOR SALES

Since incorporation the following Common Shares have been issued:

Date	Number of Common Shares	Issue price per Common Share	Type of Consideration Received
July 10, 2013	500,000	0.00002	cash
December 31, 2013 ⁽¹⁾	2,400,000	0.10	cash
November 18, 2013 ⁽²⁾	4,875,000	0.10	property
Fiscal 2014 ⁽²⁾	17,885,000	Weighted avg. \$0.08	property
February 27, 2014 ⁽¹⁾	1,500,000	0.10	cash
May 27, 2014 ⁽¹⁾	800,000	0.10	cash
May 30, 2014 ⁽¹⁾	950,000	0.10	cash
May 30, 2014 ⁽³⁾	2,651,806	0.25	property
Sept. 12, 2014 ⁽¹⁾	50,000	0.10	cash
Fiscal 2014 ⁽⁴⁾	7,320,000	0.10	cash
Fiscal 2014 ⁽⁵⁾	1,925,000	Implied value of \$0.12	services
Fiscal 2014 ⁽⁶⁾	3,470,000	0.20	cash
October 14, 2014 ⁽⁷⁾	3,080,000	0.25	cash
December 8, 2014 ⁽⁸⁾	1,298,571	0.35	cash
Fiscal 2014 ⁽⁹⁾	2,714,001	Implied value of \$0.075	services
June 8, 2015 ⁽⁹⁾	4,667,447	Implied value of \$0.25	services
November 20, 2015 ⁽¹⁰⁾	200,000	0.10	cash
December 8, 2015 ⁽¹¹⁾	46,489,485	0.02	cash
January 4, 2016 ⁽¹¹⁾	1,000,000	0.02	cash
January 22, 2016 ⁽¹²⁾	8,900,000	Implied value of \$0.25	services
July 19, 2016 ⁽¹³⁾	5,446,667	\$0.15	cash
October 25, 2016 ⁽¹⁴⁾	1,666,667	\$0.15	cash
October 30, 2016 ⁽¹³⁾	2,166,667	\$0.15	cash

Date	Number of Common Shares	Issue price per Common Share	Type of Consideration Received
November 21, 2016 ⁽¹³⁾	833,332	\$0.15	cash
November 21, 2016 ⁽¹⁵⁾	2,124,565	Implied value of \$0.15	services
December 16, 2016 ⁽¹³⁾	1,390,000	\$0.15	cash
December 19, 2016 ⁽¹⁶⁾	516,891	Implied value of \$0.15	property
January 11, 2017 ⁽¹³⁾	3,099,998	\$0.15	cash
January 27, 2017 ⁽¹³⁾	5,673,331	\$0.15	cash
January 31, 2017 ⁽¹⁷⁾	40,000	\$0.15	property
February 9, 2017 ⁽¹³⁾	246,666	\$0.15	cash
February 9, 2017 ⁽¹⁸⁾	20,300,000	Implied value of \$0.15	property
March 1, 2017 ⁽¹³⁾	113,333	\$0.15	cash
March 29, 2017 ⁽¹³⁾	2,468,066	\$0.15	cash

Notes:

- (1) Private placement of units, each unit consisting of one Common Share and one-half of one Warrant, each whole Warrant exercisable for the purchase of one Common Share at a price of \$0.20 until two years from the date of issue. 450,000 of these Warrants expired unexercised on December 31, 2015.
- (2) Acquisition of working interests on the Saratoga Property. 700,000 of these shares were re-purchased by Advantagewon, however the original holder retains an option to purchase 700,000 Common Shares at a price of \$0.25 until September 1, 2017.
- (3) Acquisition of Ainslie Oil Corp. and the La Vernia Property. 185,045 Warrants issued to former Ainslie warrant holders expired unexercised on January 22, 2016.
- (4) Shares issued on conversion of debentures. Convertible debentures in the aggregate principal amount of \$20,000 convertible into Common Shares at \$0.10 per share.
- (5) Shares issued to certain directors, officers and service providers. See note 10(a)(vii) to Advantagewon's Annual Financial Statements attached at Appendix "D".
- (6) 3,295,000 Warrants were exercised as of December 8, 2014 pursuant to an incentive program whereby subscribers were issued, in addition to Common Shares, replacement Warrants each exercisable for the purchase of one Common Share at a price of \$0.40 until November 15, 2016.
- (7) Private placement of units, each unit consisting of one Common Share and one-half of one Warrant, each Warrant exercisable for the purchase of one Common Share at a price of \$0.40 until two years from the date of issue.
- (8) Private placement of units, each unit consisting of one Common Share and one-half of one Warrant, each Warrant exercisable for the purchase of one Common Share at a price of \$0.50 until two years from the date of issue.
- (9) Compensation bonus shares issued as part of a debt financing. See note 10(a)(xii) to Advantagewon's Annual Financial Statements at Appendix "D".
- (10) Common Shares issued upon conversion of debentures of Advantagewon in the aggregate principal amount of \$20,000.
- (11) Common Shares issued on a private placement basis to existing securityholders.
- (12) Anti-dilution shares issued to debt holder as a consequence of AOC's private placement to existing securityholders.
- (13) Private placement of units, each unit consisting of one Common Share of the Corporation and one Warrant. Each Warrant allows the holder to purchase one Common Share at \$0.25 per share for 36 months from the date of issuance.
- (14) On October 25, 2016, the Corporation retained Gunpowder to assist with the Corporation's proposed going public transaction.
- (15) Common Shares issued to settle approximately \$319,000 in accounts payable, including approximately \$91,000 that was owing to a previous officer of the Corporation.
- (16) On November 16, 2016, the Corporation purchased the Mills Lease in Texas in exchange for 516,891 Common Shares.
- (17) On January 31, 2017, the Corporation purchased the Black and Morris Lease in exchange for 40,000 Common Shares.
- (18) During 2017, the Corporation entered into a purchase agreement to acquire 100% of the issued and outstanding shares of Albaro Oil Corp., which holds a 56.25% working interest in the Opal and Lerma Lease, for consideration of the issuance of 20,300,000 Common Shares and 14,550,000 Warrants. Each Warrant is exercisable into one Common Share at \$0.25 for 24 months.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Corporation as of the date hereof, the following is the only person that beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation:

Name	Shares (and % of Outstanding Shares) Owned, Controlled or Directed ⁽¹⁾
Fountain Asset Corp. ⁽²⁾	21,281,478 (13.5%)

Notes:

(1) Percentage is based on 157,062,525 Common Shares issued and outstanding as of the date hereof.

(2) Jason Ewart is a director and CEO of Fountain Asset Corp.

DIRECTORS AND EXECUTIVE OFFICERS

The names, municipalities of residence, number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, excluding Common Shares issuable on the exercise of the outstanding options and the offices held by each in the Corporation and the principal occupation of the directors and senior officers of the Corporation during the past five years are as follows:

Name and municipality of residence ⁽¹⁾	Office(s) held	Principal occupation during past 5 years	Date Joined	Number of Common Shares beneficially owned	% of the Common Shares beneficially owned
Paul Haber (Whitby, ON)	President, Chief Executive Officer and Promoter	Chairman of Black Birch Capital Inc.	July 2013	3,292,856 ⁽³⁾	2.10%
Graham Warren (Toronto, ON)	Chief Financial Officer	President of Graham C. Warren Consulting	November 2016	Nil	Nil
Frank Kordy ⁽²⁾ (Toronto, ON)	Director & Corporate Secretary	CEO of Gunpowder Capital Corp. (CSE:GPC)	November 2016	Nil	Nil
Stan Dimakos ⁽²⁾ (Orangeville, ON)	Director	Principal, Rockford Group	June 2014	5,371,428	3.42%
Jason G. Ewart ⁽²⁾ (Toronto, ON)	Director	CEO of Fountain Asset Corp.	November 2016	Nil	Nil

Notes:

(1) The information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective persons individually.

(2) Audit Committee member.

(3) 2,842,856 Common Shares are registered to Black Birch Capital Inc., where Paul Haber is currently the Chairman.

Paul Haber – President, Chief Executive Officer and Promoter

Mr. Haber has been involved in corporate finance and capital markets for over 18 years. He has helped many companies navigate the IPO/RTO process and has participated in numerous M&A and financing transactions. Mr. Haber currently sits on the board of directors of two junior mining companies, Tri Metals Mining Inc. (TSXV:TMI) and Chinapintza Mining Corp. (TSXV:CPA). Mr. Haber is a past director of High Desert Gold Corp., China Health and Diagnostics Ltd., IND Dairytech Inc., Migao Corporation. Mr. Haber is also active in the TSX Venture Capital Pool Company program having helped found the Black Birch Capital Acquisition series of CPCs as well as many others. Mr. Haber started his career with Coopers & Lybrand (now PricewaterhouseCoppers LLP). He is both a Chartered Accountant and a Certified Public Accountant, with an Honours Bachelors of Arts Degree in Management from the University of Toronto. Mr. Haber was awarded his Chartered Director designation from the DeGroot School of Business in partnership with the Conference Board of Canada. Mr. Haber is 45 years old and commits 50% of his time to the business of the Corporation. He is an independent contractor of the Corporation and has not entered into a non-competition, non-solicitation or non-disclosure agreement with the Corporation.

Graham Warren – Chief Financial Officer

Mr. Warren BComm, CPA, CMA, is a Senior Financial Executive with over 30 years of experience in the mining, oil and gas, environmental, biotech, service and tech sectors both domestically and internationally. He has been involved with numerous financings and M&A transactions for both private and public companies and has guided a number of companies through the going public process. Mr. Warren has served as CFO and/or Director of numerous public companies and is currently the CFO of Pangolin Diamonds Corp. (TSXV:PAN) and a reporting issuer Arehada Mining Limited. He is a past director of Changfeng Energy, Cordoba Minerals Corp, Exile Resources Inc., Active Control Technology and Hanfeng Evergreen Inc. Mr. Warren has had extensive involvement in all facets of organizations including finance, human resources, sales, marketing and operations. Mr. Warren is 56 years old and allocates such amount of his time as is required to the business of the Corporation. He is an independent contractor of the Corporation and has not entered into a non-competition, non-solicitation or non-disclosure agreement with the Corporation.

Frank Kordy – Director & Corporate Secretary

Mr. Kordy currently serves as the CEO of Gunpowder Capital Corp.(CSE:GPC) formally Silver Shield Resources Corp. (CSE:SSR). Since 1997, Mr. Kordy has assisted publicly traded companies with their investor relations, corporate communication and marketing endeavors. Mr. Kordy is 42 years old and commits 25% of his time to the business of the Corporation. Mr. Kordy is an independent contractor of the Corporation and has not entered into a non-competition, non-solicitation or non-disclosure agreement with the Corporation.

Stan Dimakos – Director

Mr. Dimakos serves as Director at Advantagewon. He is a principal in the Rockford Group, a real estate investment company with holdings in commercial and residential investment properties. Mr. Dimakos is also the founder and owner of the iconic Champ Burger restaurant on highway 10 north of Orangeville. Currently, serves on the board of PACE credit union and savings, with over \$800 million in assets. Mr. Dimakos holds a business degree from Ryerson University. Mr. Dimakos is 39 years old and allocates such amount of his time as is required to the business of the Corporation. He is an independent contractor of the Corporation and has not entered into a non-competition, non-solicitation or non-disclosure agreement with the Corporation.

Jason G. Ewart – Director

Mr. Ewart is the Chief Executive Officer of Toronto based merchant bank, Fountain Asset Corp. since June 2004, as well as Director and Chief Operating Officer of Fountain Asset Corp. since July 2003. Mr. Ewart has been a market analyst with A & E Capital Funding Inc. and Bradstone Equity Partners Inc. between 1998 and 2002 and Vice-President of Quest Investment Corporation between 2002 and 2003. He has experience with bridge financing, financial analysis, quantitative modeling, equities trading and mergers and acquisitions. Mr. Ewart holds an economics degree from McGill University and is currently Director of the Northumberland County Community Futures Development Corporation. Mr. Ewart is 45 years old and allocates such amount of his time as is required to the business of the Corporation. Mr. Ewart is an independent contractor of the Corporation and has not entered into a non-competition, non-solicitation or non-disclosure agreement with the Corporation.

Corporate Cease Trade Orders and Bankruptcies

Except as disclosed below, to the Corporation's knowledge, no existing or proposed director, officer or promoter of the Corporation or a securityholder anticipated to hold a sufficient number of securities of the Corporation to affect materially the control of the Corporation, within 10 years of the date of this Prospectus, has been a director, officer or promoter of any person or company that, while that person was acting in that capacity,

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or

- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Paul Haber was a director of CY Oriental Holdings Ltd. ("**CY Oriental**") from June 2009 to November 2010 while it was subject to certain cease trade orders resulting from events that preceded Mr. Haber's election as a director. On July 3, 2008, CY Oriental was issued a cease trade order by the British Columbia Securities Commission for failure to file interim financial statements and management discussion and analysis for the three-month period ended March 31, 2008 and for its failure to file financial statements and management discussion and analysis for the year ended December 31, 2007. The securities commissions of Ontario and Alberta issued related cease trade orders on July 18, 2008 and October 3, 2008, respectively. These cease trade orders remain in effect. CY Oriental was delisted from the TSXV effective July 6, 2009.

Paul Haber was the chief financial officer of Cline Mining Corporation ("**Cline**") from June 2013 to July 2015. Mr. Haber was part of a new management team brought on by the secured debt holder to help lead a sales or recapitalization process. As a result of difficult market conditions for junior mining companies Cline was unable to find a buyer and the secured lender took control of the assets in a CCAA process in July of 2015.

Frank Kordy is a Director of Gunpowder Capital Corp (CSE:GPC) formally Silver Shield Resources Corp. (CSE:SSR) ("**Silver Shield**"), a company formally listed on the TSX-V. On May 8, 2014, Silver Shield was placed under a cease trade order as it was unable to fund the preparation of its annual financial statements for fiscal 2013. It was subject to a cease trade order issued by the British Columbia Securities Commission ("**BCSC**") on May 8, 2014, a cease trade order issued by the Ontario Securities Commission ("**OSC**") on May 20, 2014 and a cease trade order issued by the Alberta Securities Commission ("**ASC**") on June 19, 2014 for failure to file financial statements. Silver Shield had its common shares listed on the TSX-V. Arising from the issuance of the cease trade orders, the TSX-V suspended trading in the common shares of Silver Shield. On May 8, 2015, the cease trade orders were collectively revoked and the common shares of Silver Shield were reinstated for trading on May 21, 2015.

Jason Ewart was a Director of Tanenbaum Landscape & Design Inc. ("**TLD**"), a private Canadian corporation, until February 4, 2014. On April 8, 2014, TLD filed for bankruptcy.

Graham Warren is the Director and CFO of Arehada Mining Limited ("**Arehada**") which has been unable to complete its statutory filings due to funding constraints. As a result of Arehada's failure to file audited financial statements for the year ended December 31, 2010, the accompanying management's discussion and analysis, related CEO and CFO certifications and annual information form (collectively, the "**2010 Annual Filings**") by the prescribed deadline, the OSC issued a temporary cease trade order against Arehada on April 6, 2011. The OSC, the BCSC and the ASC issued permanent cease trade orders against Arehada on April 18, 2011, April 8, 2011 and July 21, 2011, respectively, which cease trade orders against Arehada still remain in effect as of the date hereof (the "**Cease Trade Orders**"). Due to the delay in filing of the 2010 Annual Filings, Arehada was also unable to file the unaudited interim financial statements for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011, the accompanying management's discussion and analysis and related CEO and CFO certifications (collectively, the "**2011 Interim Filings**") by the prescribed deadline. Arehada subsequently filed the 2010 Annual Filings and 2011 Interim Filings but abandoned an application to revoke the Cease Trade Orders. In addition, Arehada failed to file the audited financial statements for the years ended December 31, 2011 and 2012, the accompanying management's discussion and analysis, related CEO and CFO certifications by the prescribed deadline, and Arehada has failed to file any interim financial statements, the interim accompanying management's discussion and analysis and related CEO and CFO certifications for any interim period since September 30, 2011. As a result, the Cease Trade Orders are still in effect and Arehada does not expect the Cease Trade Orders to be revoked.

Penalties or Sanctions

To the Corporation's knowledge, no existing or proposed director, officer or promoter of the Corporation, or a securityholder anticipated to hold sufficient securities of the Corporation to affect materially the control of the Corporation, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision in regards to the Corporation.

Personal Bankruptcies

To the Corporation's knowledge, no existing or proposed director, officer or promoter of the Corporation, or a securityholder anticipated to hold sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of such persons has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or promoter.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Corporation that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name of director, officer or promoter	Name of reporting issuer	Exchange	Position	Term	
Paul Haber	Gunpowder Capital Corp. (Formally Silver Shield Resources Corp.)	CSE:GPC	CFO	December 2015 – Present	
	Cline Mining Corp.	Formally TSXV:CMK (delisted June 2013)	CFO Secretary Director	June 2013 – February 2014	
	Northern Uranium Corp. (MPVC Inc.)	TSXV: UNO	CFO	May 2013 – August 2014	
	TriMetals Mining Inc. (Formerly South American Silver Corp.)	TSX: TMI	Director	February 2007 – May 2016	
	SEL Exchange Inc. (Penfold Capital Acquisition IV)	TSXV: SEL	CFO	May 2013 – August 2014	
	China Health Labs & Diagnostics Ltd.	Formerly TSXV: CHO (Delisted Jan 2014)	Director	October 2010 – February 2014	
	Chinapintza Mining Corp. (formerly Black Birch Capital Acquisition II Corp.)	TSXV: CPA	Director President CEO CFO Secretary	October 2010 – Present	

Name of director, officer or promoter	Name of reporting issuer	Exchange	Position	Term
	CRS Electronics Inc.	TSXV: LED	Director	May 2009 – September 2012
	High Desert Gold Corporation	TSXV: HDG.V	Director	October 2007 – February 2014
	Minco Base Metals Corporation	TSX: MMM	Director	March 2011 – Present
	Nesscap Energy Inc. (formerly, Asian Resource Global Strategies Inc.)	TSXV: NCE	CFO	January 2011 – February 2012
	Oremex Gold Inc. (formerly Black Birch Capital Acquisition I Corp.)	TSXV: OAU	CFO	July 2009 – December 2012
	Monarca Minerals Inc. (formerly Oremex Silver Inc.)	TSXV: OAG	CFO	April 2009 – December 2012
	New Sage Energy Corp.	TSXV: NSG	CFO	March 2009 – December 2012
	Black Birch Capital Acquisition III Corp.	NEX: BBCH	CFO	January 2013 – Present
	SEL Exchange Inc. (formerly Penfold Capital Acquisition IV Corporation)	TSXV: SEL	CFO	May 2013 – August 2014
Graham Warren	Pangolin Diamonds Corp.	TSXV: PAN	CFO	March 2011 – Present
	Arehada Mining Ltd.	Formerly TSX (delisted May 2011)	CFO Director	May 2007 – Present
	Dacha Strategic Metals Inc.	Formerly TSXV:DSM (delisted August 2014)	CFO	November 2012 – August 2015
	Changfeng Energy Inc.	TSXV:CFY	CFO Director	April 2006 – July 2015
	Active Control Technology Inc.	Formerly TSXV: ACT (delisted July 2014)	CFO Director	January 2004 – August 2014
	UrtheCast Corp. (formerly Longford Energy Inc.)	TSX:UR	CFO	October 2012 – July 2013
	Cordoba Minerals Corp.	TSXV: CBD	CFO Director	April 2011 – April 2014
	Oando Energy Resources Inc. (formerly Exile Resources Inc.)	Formerly TSXV: OER (delisted May 2016)	CFO Director	August 2005 – April 2011
	Hanfeng Evergreen Inc.	Formerly TSX: HF (delisted August 2014)	CFO Director	February 2003 – March 2008

Name of director, officer or promoter	Name of reporting issuer	Exchange	Position	Term
Frank Kordy	Gunpowder Capital Corp. (Formally Silver Shield Resources Corp.)	CSE:GPC	CEO Director	Dec 2013 – Present
Jason Ewart	Bradstone Capital Corp.	CSE: BCA	Director	October 2012 to present
	Bison Gold Resources Inc.	TSXV: BGE	Director	February 2011 – May 2012
	Knightscope Media Corp.	TSXV: KC	Director	November 2007 – April 2011
	Fountain Asset Corp. (formerly, GC – Global Capital Corp.)	TSV: GDE	CEO and Director	October 2003 – Present

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation does not have a compensation committee or a formal compensation policy. For the period commencing since incorporation, officers were paid on a consultancy basis pursuant to agreements with the Corporation. The Corporation relies solely on its board of directors (the “**Board**”) to determine the compensation of its executive officers. In determining compensation, the Board considers industry standards and the Corporation’s financial situation but does not currently have any formal objectives or criteria. The performance of each executive officer is informally monitored by the Board, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

Compensation of Directors

It is anticipated that the Corporation will pay no compensation (including salaries, director’s fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the directors for services rendered) to the directors for services rendered as directors only. Executive officers of the Corporation who also act as directors of the Corporation are expected not to receive any additional compensation for services rendered in such capacity, other than to be paid by the Corporation to such executive officers in their capacity as executive officers.

Compensation of Executive Officers

The summary compensation table sets the compensation anticipated to be paid to the individuals who are the Chief Executive Officer (Paul Haber), the Chief Financial Officer (Graham Warren) and Corporate Secretary (Frank Kordy) (the “**Named Executive Officers**” or “**NEOs**”) once the Corporation becomes a reporting issuer. The Corporation does not have any executive officers whose total salary and other compensation during is anticipated to exceed \$150,000. The anticipated compensation set out herein is based on current conditions in the oil market and on the associated approximate allocation of time for each NEO, and is as such subject to adjustments based on changing market conditions and corresponding changes to required time commitments.

Name and Principal Position	Salary (\$)	Share based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Paul Haber President & CEO	\$60,000	Nil	Nil	Nil	Nil	Nil	\$60,000
Graham Warren CFO	\$66,000	Nil	Nil	Nil	Nil	Nil	\$66,000
Frank Kordy Corporate Secretary	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards

The Corporation intends to continue its Option Plan. In considering new grants to executive officers, the Board will consider the number of Options, if any, previously granted to each executive officer.

Pension Plan Benefits

The Corporation does not anticipate having any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefit

The Corporation may enter into management consulting agreements with certain members of its management team. Such management consulting agreements may contain termination or change of control benefit in favour of such persons. The Corporation entered into a management consulting agreement with Paul Haber that provides termination and change of control benefit in favour of Mr. Haber.

On December 1, 2013, the Corporation entered into an executive employment agreement with Paul Haber (the "**Haber Agreement**"). Pursuant to the Haber Agreement, the Corporation may terminate Mr. Haber's employment without notice or any payment in lieu of notice for just cause. Mr. Haber may terminate his employment for any reason by providing at least three months' notice in writing. However, the Corporation may waive such notice in its sole and absolute discretion. If the Corporation elects to terminate the employment of Mr. Haber without just cause, and provided Mr. Haber is in compliance with the relevant terms and conditions of the Haber Agreement, the Corporation shall be obligated to provide a severance package to Mr. Haber as follows: (a) a cash payment equating to an aggregate of 18 months of the then monthly salary, less any required statutory deductions, if any; and (b) subject to the then Option Plan and rules and policies of any regulatory authority and stock exchange having jurisdiction over the Corporation, any stock options held by Mr. Haber shall immediately vest and be exercisable by Mr. Haber until the earlier of (i) the date that is 12 months after the date of such notice is given; and (ii) the original expiry date of such options.

If, within 12 months following a Change of Control (defined herein below), the Corporation terminates the engagement of Mr. Haber without cause or if Mr. Haber resigns for certain reasons, Mr. Haber shall be entitled to a payment equal to 24 times his then monthly salary and any outstanding stock options held by Mr. Haber will vest immediately and remain exercisable for the duration of their original term. If, within the period commencing on the 90th day following the Change of Control, Mr. Haber resigns other than for certain reasons outlined in the respective management consulting agreement, then Mr. Haber shall be entitled to a payment equal to 18 times his then monthly salary and any outstanding stock options held by Mr. Haber will vest immediately and remain exercisable for the duration of their original term. Mr. Haber is required to provide the Corporation with at least one month's advance written notice of his intention to resign.

For the purposes of the Haber Agreement, the occurrence of any one or more of the following events shall constitute a change of control (a "**Change of Control**"):

- a) A consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of the outstanding shares of the Corporation prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
- b) The sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its subsidiaries which have an aggregate book value greater than 75% of the book value of the assets, rights and properties of the Corporation and its subsidiaries to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its subsidiaries;
- c) A resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- d) Any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including, without limitation the right to vote or direct the voting) of voting securities of the Corporation which, when added to the voting securities owned or beneficially by the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 35% or more of the votes attached to all of the Corporation's outstanding voting securities which may be cast to elect directors of the Corporation or the successor corporation’
- e) As a result of or in connection with:
 - i. a contested election of directors; or
 - ii. a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity;

the nominees named in the most recent management information circular for the Corporation for election to the Board of Directors of the Corporation shall not constitute a majority of the Board of Directors of the Corporation; or

- f) The Board of Directors of the Corporation adopts a resolution to the effect that a “Change of Control” as defined herein has occurred or is imminent.

Policy on Hedging

The Corporation does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, none of the directors and executive officers of the Corporation or Associates of such persons is indebted to the Corporation or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDIT COMMITTEE

The current members of the Corporation's Audit Committee are Frank Kordy, Stan Dimakos and Jason Ewart. All members of the Audit Committee are financially literate. Frank Kordy is not considered to be an independent member of the Audit Committee by virtue of his position as Corporate Secretary of the Corporation. All of the members of the Audit Committee have sufficient knowledge and experience to carry out their responsibilities as such.

Role of Audit Committee

The Audit Committee's role is to assist the Board in promoting and improving the credibility and objectivity of financial reports. The Audit Committee oversees the accounting and financial reporting processes of the Corporation including its management reporting and internal control procedures and systems, and reviews and recommends for approval by the Board disclosure relating to financial matters. The Audit Committee manages the relationship between the Corporation and its external auditors by overseeing the work of the external auditors and by making recommendations to the Board on the engagement, remuneration and termination of the external auditors based on its evaluation of their performance.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has any recommendation of the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "De Minimus Non-Audit Services" or any exemption provided by Part 8 of NI 52-110 – *Audit Committees*.

Charter of Audit Committee

The full text of the Charter of the Corporation's Audit Committee is attached to this Prospectus as Appendix "I".

Fees Paid to External Auditors

The aggregate fees billed by the external auditors of the Corporation for the years ended December 31, 2016 and 2015 for the following fees are:

Fiscal Period Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2016	\$101,000	Nil	Nil	Nil
December 31, 2015	\$30,000	Nil	Nil	Nil

CORPORATE GOVERNANCE

On June 30, 2005, the Canadian Securities Administrators ("CSA") enacted National Policy 58-201 *Corporate Governance Guidelines* (the "**Governance Policy**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The Governance Policy provides guidelines on corporate governance practices while NI 58-101 requires Canadian reporting Corporations to disclose their corporate governance practices in accordance with the disclosure items set out in Form 58-101F1.

Advantagewon has reviewed its own corporate governance practices in light of the guidelines contained in the Governance Policy. The Corporation's practices comply generally with the guidelines, however, the current directors of the Corporation consider that some of the guidelines are not suitable for the Corporation at its current state of development and therefore the Corporation's governance practices do not reflect these particular guidelines. Given that Advantagewon is a relatively small corporation in terms of both activities and market capitalization, the directors of the Corporation believe that the current governance structure is cost-effective and appropriate for the needs of the Shareholders.

Set out below is a description of Advantagewon's corporate governance practices as required to be disclosed by NI 58-101.

Board of Directors

At the date of filing of this Prospectus, the Board consisted of three directors, two of whom, Stan Dimakos and Jason Ewart, are independent. The other director is Frank Kordy, Corporate Secretary of the Corporation.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Throughout 2015, the Board did not hold any meetings in person and all board matters were dealt with by means of signed resolutions. Although the Board does not have an appointed chair, Frank Kordy as the Chair of the Audit Committee acts as a de-facto chair for meetings of independent directors. Please see *"Directors and Executive Officers - Other Reporting Issuer Experience"*.

Board Mandate

The Board has adopted a detailed Board Mandate and Governance Guidelines policy which provides that the Board is responsible for the stewardship of the Corporation and management is responsible for the day-to-day operation of the Corporation. Under the Governance Policy, the Board's mandate is to enhance long-term value for Shareholders of the Corporation.

Position Description

Because the Board is a small, working board, it has not developed written position descriptions and does not have a process for assessing the performance of the directors or the chair of the Board committees.

The Chief Executive Officer of the Corporation is responsible for the general management of the day-to-day affairs of the Corporation within the guidelines established by the Board, consistent with decisions requiring prior approval of the Board and the Board's expectations of the Chief Executive Officer. The Chief Executive Officer also provides advice and services to the Corporation's investees in order to foster the development, growth and value of the Corporation's investment in these companies.

Orientation and Continuing Education

All of the current directors are intimately familiar with the Corporation's activities. New directors will be oriented on an informal basis.

Ethical Business Conduct

Advantagewon's Board has adopted a written Code of Ethical Conduct and Business Practices (the "**Code**") to ensure that the Corporation's directors, officers and employees act in accordance with applicable laws and observe the highest ethical standards in their business relationships. The Code imposes on every director, officer and employee of the Corporation the responsibility to create and maintain a fair, honest and professional workplace. Given the relatively small size of the Corporation, the Board as a whole is responsible for monitoring and ensuring compliance with the Code. However, the independent directors of the Corporation are encouraged to take a leading role in this process.

A copy of the Code may be obtained by written request to the Corporate Secretary, Advantagewon Oil Corp., Suite 307, 47 Colborne Street, Toronto, Ontario, M5E 1P8.

Nomination of Directors

The Board does not have a nominating committee given the size of the Corporation. Instead, the entire Board works to identify new candidates for nomination.

Assessments

The Board does not regularly make formal assessments of the Board, its committees and its individual directors, owing to the size and composition of the Board. As a small working board, the Board as a whole satisfies itself on an informal basis, from time-to-time, that the Board, its committees, and its individual directors are performing effectively.

Composition of the Compensation Committee

Owing to the size of the Board and the fact that there are only four executive officers, the Board does not have a Compensation Committee. The two independent directors, Stan Dimakos and Jason Ewart, deal with compensation issues as and when required.

Corporate Governance Committee

The Board does not have a Corporate Governance Committee, owing to the size and composition of the Board. The Board as a whole is responsible for matters of corporate governance and for the disclosure of the Corporation's corporate governance practices in accordance with NI 58-101 and other legal and regulatory requirements.

RISK FACTORS

Investment in the Common Shares must be regarded as highly speculative due to the nature of Advantagewon's business and its present stage of development. The following are risk factors associated with Advantagewon.

Volatility of Crude Oil and Natural Gas Prices and Markets

The Corporation's financial condition, operating results and future growth are dependent on the prevailing prices for crude oil and natural gas production. Recently, markets for crude oil and natural gas have been volatile and are likely to continue to be volatile in the future. Prices for crude oil and natural gas are subject to large fluctuations in response to relatively minor changes to the demand for crude oil and natural gas, whether the result of uncertainty or a variety of additional factors beyond the control of the Corporation. The Corporation must periodically negotiate contracts with a limited number of potential purchasers. The price negotiated is influenced by the size of the crude oil or natural gas stream, the nature of the crude oil or natural gas and its location when produced. Any substantial decline in the prices of crude oil and natural gas could have a material adverse effect on the Corporation and the level of its crude oil and natural gas reserves. Additionally, the economics of producing from some wells may change as a result of lower prices, which could result in a suspension of production. No assurance can be given that crude oil and natural gas prices will be sustained at levels which will enable the Corporation to operate profitably. The Corporation may engage in forward sales or other forms of hedging activities from time to time with a view to mitigating its exposure to the risk of price volatility. Such agreements may result in sales of crude oil and natural gas which are greater or less than the prevailing spot prices for such products, which will result in realized or unrealized gains or losses for the Corporation.

Stage of Development

An investment in the Corporation is subject to certain risks related to the nature of the Corporation's business and its early stage of development. There are numerous factors which may affect the success of the Corporation's business which are beyond the Corporation's control including local, national and international economic and political conditions. The Corporation's business involves a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome. There can be no assurances that the Corporation's business will be successful or profitable or that additional commercial quantities of crude oil and natural gas will be discovered by the Corporation. The Corporation is unlikely to pay dividends in the immediate or foreseeable future.

Share Price Volatility

The share price of emerging companies can be highly volatile. The price at which the Common Shares are traded and the price at which investors may realize their Common Shares will be influenced by a large number of factors, some specific to the Corporation and its operations and some which may affect companies trading on exchanges generally. These factors may include the performance of the Corporation, large purchases or sales of Common

Shares, legislative changes and general economic, political or regulatory conditions. Prospective investors should be aware that the value of an investment in the Corporation may go down as well as up and that the market price of the Common Shares may not reflect the Corporation's underlying value. Investors may therefore realize less than, or lose all of, their investment.

Competitive Conditions

The oil and natural gas industry is highly competitive and the Corporation competes with a substantial number of other companies that have greater resources. Many of these companies explore for, produce and market oil and natural gas, carry on refining operations and market the resultant products on a worldwide basis. The primary areas in which the Corporation and its subsidiaries encounter substantial competition are in locating and acquiring desirable leasehold acreage for drilling and development operations, locating and acquiring attractive producing oil and natural gas properties, and obtaining purchasers and transporters of the oil and natural gas they produce. Many of these competitors have financial, technical and other resources substantially greater than those of the Corporation. To the extent that these companies enjoy technological advantages, they may be able to implement new technologies more rapidly than the Corporation. There is also competition between producers of oil and natural gas and other industries producing alternative energy and fuel. The inability to acquire desirable properties, assets or service providers as a result of competition may have a material adverse effect on the Corporation's business, financial condition, results of operations and trading price of the Common Shares.

Negative Operating Cash Flow

The Corporation had negative operating cash flow for the financial year ended December 31, 2016. The Corporation's ability to generate positive operating cash flows will depend upon a number of factors, including, among others, the worldwide market price of crude oil and natural gas and the ability of the Corporation to develop its projects and recover metals from its mineral properties. To the extent that the Corporation continues to have negative operating cash flows in future periods, it will need to deploy its existing working capital to fund such negative cash flows. The Corporation will be required to raise additional funds through the issuance of additional equity securities or through further loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all.

Substantial Capital Requirements

The Corporation anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. The Corporation's current revenues are not sufficient to fund these activities and the Corporation may not have access to the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's business.

Reserves and Future Net Revenue Estimates

There are numerous uncertainties inherent in estimating quantities of proved, probable and possible reserves and cash flows to be derived from reserves, including many factors beyond the control of the Corporation. The reserves and cash flow information set forth in this Prospectus represent estimates only and do not represent fair market value. The reserves and estimated future net cash flows from Advantagewon's properties have been independently evaluated by MKM in the Saratoga Report and the La Vernia Report. Each of the Saratoga Report and the La Vernia Report include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of crude oil and natural gas, operating costs, abandonment and salvage values, royalties, government levies that may be imposed over the producing life of the reserves and reserves which are currently undiscovered but may be discovered at a future date. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of the

Corporation. Actual production and cash flows derived there from will vary from these evaluations, and such variations could be material.

Development of Additional Reserves

The Corporation's future success is dependent upon its ability to develop or acquire additional oil and natural gas reserves that are economically recoverable at attractive acquisition prices. Except to the extent that the Corporation conducts successful activities or acquires properties containing proved reserves, or both, the proved reserves and production of the Corporation's will generally decline as reserves are produced. If prevailing oil and natural gas prices were to increase significantly, the Corporation's costs to add reserves could be expected to increase. The drilling of oil and natural gas wells involves a high degree of risk, especially the risk of a dry hole or of a well that is not sufficiently productive to provide an economic return on the capital expended to drill the well. To the extent that external sources of capital, including the issuance of additional Common Shares, become limited or unavailable, the Corporation's ability to make the necessary capital investments to maintain or expand its oil and natural gas reserves will be impaired. There is strong competition relating to all aspects of the oil and gas industry. The Corporation will actively compete for reserve acquisitions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than the Corporation. There can be no assurance that the Corporation will be successful in developing additional reserves or acquiring reserves on terms that meet the Corporation's investment criteria. Exploitation and development risks are due to the uncertain results of searching for and producing oil and natural gas using imperfect scientific methods.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Corporation may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Corporation's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Corporation will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Corporation.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, the Corporation is not fully insured against all of these risks, nor are all such risks insurable. Although the Corporation maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Corporation could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures,

premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity and financial condition.

Environmental Regulation and Risks

Extensive federal, state and local environmental laws and regulations in the United States affect all of the operations of the Corporation. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards, and establish in certain circumstances obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation. There can be no assurance that the Corporation will not incur substantial financial obligations in connection with environmental compliance.

Significant liability could be imposed on the Corporation for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties purchased by the Corporation or non-compliance with environmental laws or regulations. Such liability could have a material adverse effect on the Corporation. Moreover, the Corporation cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by the Corporation for the installation and operation of systems and equipment for remedial measures, any or all of which may have a material adverse effect on the Corporation and could have a material adverse effect on the Corporation's business, financial condition, results of operations and trading price of the Common Shares.

Title

Although satisfactory title reviews of its properties are conducted in accordance with industry standards, those title reviews do not guarantee or certify that a defect in the chain of title may not arise to defeat the claim of the Corporation to a property.

Expiration of Licences and Leases

The Corporation's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Corporation's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on the Corporation's results of operations and business.

Competition

The oil and natural gas industry is intensely competitive and the Corporation will compete for joint venture partners and capital with a substantial number of other companies which have greater resources. Many such companies not only explore for and produce oil and natural gas, but also carry on refining operations and market petroleum and other products on a worldwide basis and as such have greater and more diverse resources upon which to draw. There is also competition between the oil industry and other industries with respect to the supply of energy and fuel to industrial, commercial and individual customers. Oil and natural gas operations involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations all imposed by various levels of government all subject to amendment from time-to-time. See "*Information Concerning the Oil and Natural Gas Industry.*" The Corporation's operations may require licenses from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary

licenses and permits that may be required to carry out exploration and development at its projects and the obtaining of such licences and permits may delay operations of the Corporation.

There can be no assurance that income tax laws, other laws or government incentive programs relating to the oil and gas industry, such as the status of investment trusts and resource allowance, will not be changed in a manner which will adversely affect the Corporation. There can be no assurance that tax authorities having jurisdiction will agree with how the Corporation calculates its income for tax purposes or that such tax authorities will not change their administrative practices to the detriment of the Corporation.

Reliance on Key Personnel

The Corporation is highly dependent upon the executive officers and key employees of the Corporation. The unexpected loss of the services of any of these individuals could adversely affect the business of the Corporation, and the Corporation does not maintain key man insurance on any of these persons. The success of drilling operations and other activities integral to its business will depend in part on the ability to attract and retain experienced geologists, engineers and other professionals. Competition for experienced geologists, engineers and some other professionals is extremely intense. The Corporation's ability to compete in the oil and natural gas exploration and production industry will be harmed to the extent that the Corporation and its subsidiaries are unable to retain and attract experienced technical personal.

Operating and Insurance Risks

The operations of the Corporation are subject to hazards and risks inherent in drilling for, producing and transporting crude oil and natural gas. These risks include, among others, fires, explosions, geologic formations with abnormal pressures, collapses of casing surrounding the drill pipe in wells, mechanical failures, failure of oilfield drilling and service tools, uncontrollable flows of underground natural gas, oil and formation water, changes in below ground pressure in a formation that causes the surface to collapse or crater, pipeline ruptures and cement failures, and environmental hazards such as leaks, spills and toxic discharges. These risks can cause substantial losses resulting from personal injury or loss of life, damage and destruction of property and equipment, pollution and other environmental damage, regulatory investigations and penalties, and suspension of operations. As protection against operating hazards and in accordance with customary industry practices, the Corporation maintains insurance coverage against some, but not all, potential losses because the insurance coverage is not available or because premium costs are considered too high. Losses could occur for uninsured risks or in amounts exceeding the insurance coverage and these losses could have a materially adverse effect on the Corporation's business, financial condition, results of operations and trading price of the Corporation Shares.

Forward-Looking Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information, including any disclosure of any potential transaction or deal the Corporation may pursue. There can be no assurance that the Corporation will be able to successfully complete such transaction or deal. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this prospectus under the heading "*Forward-Looking Statements and Forward-Looking Information*".

Potential Conflicts of Interest

Some of the directors of the Corporation are also directors of other oil and natural gas corporations, which may from time to time be in competition with the Corporation for working interest partners, property acquisitions, or other limited resources. Where required by law, appropriate disclosure of such conflicts will be made by the applicable directors. In particular, the directors of the Corporation will follow the provisions of the OBCA. These provisions state that in the event that a director has an interest in a contract or proposed contract or agreement, such director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise permitted by the OBCA.

Operating Through Subsidiaries

The Corporation will conduct all of its operations through its subsidiary, Advantagewon US. Therefore, the Corporation will be dependent on the cash flows of Advantagewon US to meet its obligations. The ability of Advantagewon US to make payments to the Corporation may be constrained by, among other things, the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which it operates.

Risks of Foreign Operations

All of the Corporation's crude oil and natural gas properties and operations are located in the United States. As such, the Corporation is subject to political, economic, and other uncertainties, including, but not limited to, changes in energy policies, currency fluctuations and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Corporation's operations are conducted, as well as risks of loss due to terrorism. The Corporation's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Corporation's operations in the United States, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. Accordingly, the Corporation's exploration, development and production activities in the United States could be substantially affected by factors beyond the Corporation's control, any of which could have a material adverse effect on the Corporation's business, financial condition, results of operations and trading price of the Common Shares.

Foreign Exchange

Operating costs incurred by the Corporation are generally paid in the currency of the jurisdiction in which such costs are incurred. World oil prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/U.S. dollar exchange rate that may fluctuate over time. A material increase in the value of the Canadian dollar may negatively impact the Corporation net production revenue. To the extent that the Corporation has engaged or will in the future engage in risk management activities related to commodity prices and foreign exchange rates, through entry into oil and natural gas price hedges and forward foreign exchange contracts or otherwise. The Corporation may be subject to unfavorable price changes and credit risks associated with the counter parties with which it contracts.

Additional Financing

To the extent that external sources of capital, including the issuance of additional Common Shares, become limited or unavailable, the Corporation's ability to make the necessary capital investments to maintain or expand its oil and gas reserves and to invest in assets will be impaired. Also, from time to time the Corporation may enter into transactions to acquire assets or the shares of other entities. These transactions may be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. Depending on future exploration and development plans, the Corporation may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. Neither the Corporation's articles nor its by-laws limit the amount of indebtedness that the Corporation may incur. The level of the Corporation's indebtedness from time to time, could impair the Corporation's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Seasonal Nature of the Business

Seasonal weather conditions and lease stipulations can limit drilling and producing activities and other oil and natural gas operations in certain areas of the Texas Gulf Coast region. These seasonal anomalies can increase competition for equipment, supplies and personnel during the spring and summer months, which could lead to shortages and increase costs or delay operations. Such cost increases or delays could have a material adverse effect on the Corporation's business, financial condition, results of operations and trading price of the Common Shares.

Hedging

From time to time the Corporation may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Corporation will not benefit from such increases and the Corporation may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. Similarly, from time to time the Corporation may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar. The Corporation will not benefit from the fluctuating exchange rate.

Lack of Public Market for Shares

There can be no assurance as to the liquidity of the trading market for the Common Shares. Even if a trading market develops for the Common Shares, those shares could trade at prices that may be higher or lower than historic prices or underlying asset value. The market price for the Common Shares may be affected by prevailing interest rates, results of operations and financial position, changes in general market conditions, fluctuations in the market for equity securities and numerous other factors beyond the control of the Corporation.

Terrorism

On September 11, 2001, the United States was the target of terrorist attacks of unprecedented scope, and the United States and others instituted military action in response. These conditions caused instability in world financial markets and generated global economic instability. The continued threat of terrorism, the impact of military and other action, including U.S. military operations in Iraq and Afghanistan and the geopolitical conditions in the Middle East generally may lead to continued volatility in prices for crude oil and natural gas and could affect the markets for the Corporation's production. In addition, future acts of terrorism could be directed against companies operating in the United States. Further, the U.S. government has issued public warnings that indicate that energy assets might be specific targets of terrorist organizations. These developments have subjected Advantagewon's operations to increased risks and, depending on their ultimate magnitude, could have a material adverse effect on the Corporation's business, financial condition, results of operations and trading price of the Common Shares.

PROMOTERS

Paul Haber and Gunpowder will be executing this Prospectus as promoters of the Corporation. Mr. Haber owns directly and indirectly 3,292,856 Common Shares, representing 2.10% of the issued and outstanding Common Shares. Gunpowder owns directly 1,666,667 Common Shares, representing 1.07% of the issued and outstanding Common Shares. See "*Directors and Executive Officer*" and "*The Business - Gunpowder*" for more information about Mr. Haber and Gunpowder, respectively.

Other than as disclosed in this Prospectus, to the best of the Corporation's knowledge, no person who was a promoter of the Corporation within the last two years:

- (a) received anything of value directly or indirectly from the Corporation or a subsidiary; or
- (b) sold or otherwise transferred any asset to the Corporation or a subsidiary within the last two years.

LEGAL PROCEEDINGS

There are no legal proceedings material to the Corporation to which the Corporation is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Corporation to be contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein below, no director, officer, Insider or Promoter of the Corporation has had any material interest, direct or indirect, in any transaction since incorporation to the date hereof that has materially affected or is reasonably expected to materially affect the Corporation.

In connection with the acquisition of Ainslie Oil Corp. and certain working interests in the Saratoga Property, Advantagewon acquired certain working interests from non-arm's length parties. These acquisitions were done on the same terms and conditions as those with arm's length parties to the transactions.

During the year ended December 31, 2014, Advantagewon issued 2,750,000 Common Shares to certain related parties in relation to the acquisition of the Saratoga Property.

Frank Kordy serves as the CEO and director of Gunpowder. Paul Haber also serves as the CFO of Gunpowder. Both parties have an interest in the Corporation becoming a reporting issuer and having the Common Shares listed on the CSE.

Fountain Asset Corp. provided funds to the Corporation to drill an additional well on the Saratoga Property. Given their interest and investment, Fountain has requested that Jason Ewart sits on the Board of Directors of the Corporation.

AUDITORS

Advantagewon's auditors are UHY McGovern Hurley LLP, Chartered Professional Accountants and Licensed Public Accountants, located at 251 Consumers Road, Suite 800, Toronto, Ontario, M2J 4R3.

TRANSFER AGENT AND REGISTRAR

Advantagewon's transfer agent and registrar is TSX Trust Company (formerly TMX Equity Transfer Services) at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the following are the only material contracts entered into by the Corporation within two years prior to the date of this Prospectus which are currently in effect and considered to be currently material:

- Agreement between Gunpowder and Advantagewon dated October 30, 2016 retaining Gunpowder as a financial advisor as discussed in "*Corporate Structure – General Development of Business*".
- A loan agreement between Fountain Asset Corp. (formerly, GC – Global Capital Corp.) and Advantagewon dated June 10, 2014 concerning a loan of up to \$1,000,000 as described in Note 8 of the Annual Financial Statements (the "**Loan Agreement**").
- Promissory Note from Advantage to Fountain Asset Corp. dated August 11, 2014 for the initial loan of \$600,000 pursuant to the Loan Agreement.
- A loan agreement between Fountain Asset Corp. (formerly, GC – Global Capital Corp.) and Advantagewon dated June 2, 2015 concerning a further advance of \$240,000 pursuant to the Loan Agreement as described in Note 8 of the Annual Financial Statements.
- An amendment agreement between Fountain Asset Corp. (formerly, GC – Global Capital Corp.) and Advantagewon dated September 30, 2015 extending the maturity date and certain terms of the Loan Agreement.

- An amendment agreement between Fountain Asset Corp. (formerly, GC – Global Capital Corp.) and Advantagewon dated February 2, 2016 amending certain terms of the Loan Agreement as described in Note 19 of the Annual Financial Statements.
- Option Plan, see “*Options to Purchase Common Shares*”.

Copies of the material contracts are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- UHY McGovern Hurley LLP (formerly McGovern Hurley Cunningham LLP), Chartered Accountants, the auditors of the Corporation, audited the financial statements for the years ended December 31, 2016 and December 31, 2015 and issued the auditor’s report thereon, attached as Appendix “D” hereto.
- The principal author of the Saratoga Report, attached as Appendix “A” hereto and the La Vernia Report, attached as Appendix “B” hereto is Michele K. Mudrone of MKM Engineering Inc.

UHY McGovern Hurley LLP have advised that they have complied with the Canadian Institute of Chartered Accountant’s rules on auditor independence.

MKM Engineering Inc. does not have any interest in the Saratoga Property, the La Vernia Property or any securities of the Corporation.

McMillan LLP is counsel to the Corporation in connection with the preparation of this Prospectus. To the best of knowledge of McMillan LLP, members of McMillan LLP collectively own less than 1% of the issued and outstanding Common Shares.

EXEMPTIONS FROM PROSPECTUS FORM REQUIREMENTS

The Corporation has applied for relief from section 32.2 of Form 41-101F1 – *Information Required in a Prospectus* (“**Form 41-101F1**”), as prescribed by NI 41-101 in respect of carve-out financial statements of certain leases and Albaro Oil Corp.

In November 2016, the Corporation acquired all the issued and outstanding shares of Albaro Oil Corp., which holds 56.25% working interest in the Opal and Lerma Lease. The Opal and Lerma Lease may form part of the primary business of the Corporation pursuant to section 32.1(b) of Form 41-101F1, which would require the Corporation to provide three years of carve-out financial statements of Albaro Oil Corp. The Corporation has sought relief from the requirement to include audited carve-out financial statements for Albaro Oil Corp. for the years ended December 31, 2016, 2015 and 2014 on the basis that:

- Albaro Oil Corp. has not conducted any exploration with the Opal and Lerma Lease since 2014, no exploration expenditures have been incurred and, therefore, there would be no exploration expenditures or capitalized exploration assets presented in such financial statements;
- there are no liabilities, contingent liabilities or asset-retirement obligations that would have been recorded or disclosed on the balance sheet or in the notes to the financial statements for the three years of carve-out financial statements of Albaro Oil Corp. with respect to the Opal and Lerma Lease; and
- the Corporation has conducted satisfactory due diligence to determine that there are no liabilities present on the Lerma property, including confirmation by the Corporation that there are no liens or encumbrances

registered against the Lerma property. As the carve-out financial statements would be nil statements, no additional information would be provided to shareholders of the Corporation by including such statements in this prospectus.

During 2016 to 2017, the Corporation acquired the Mills Lease, the Rogers Lease, the Black and Morris Lease, the Junsen Transue Lease, the LT Oil Leases and the R.J Huebinger Lease (collectively, the “**Acquired Leases**”). The Leases form part of the primary business of the Corporation pursuant to section 32.1(b) of Form 41-101F1, which would require the Corporation to provide three years of carve-out financial statements of Acquired Leases. The Corporation has sought relief from the requirement to include audited carve-out financial statements for the Acquired Leases for the years ended December 31, 2016, 2015 and 2014 on the basis that:

- (a) the Acquired Leases have been dormant for the last three years, with the exception of the Junsen Transue Lease which has not been active for the last two years; thus, no exploration expenditures have been incurred and, therefore, there would be no exploration expenditures or capitalized exploration assets presented in such financial statements;
- (b) the historical financial information relating to the acquisitions of the Acquired Leases individually and in the aggregate is not significant or otherwise material, having regard to the overall size and value of the Corporation’s business and operations; and
- (c) based on the foregoing, the Corporation does not believe that the financial statements in respect of which the relief was requested are necessary for this Prospectus to contain full, true and plain disclosure of all material facts with respect to the Corporation and its securities.

The Corporation has been advised by staff of the Ontario Securities Commission that the issuance of a receipt for the final prospectus in respect of this distribution will evidence the granting of the relief.

OTHER MATERIAL FACTS

To management’s knowledge, there are no other material facts relating to the Corporation that are not otherwise disclosed in this Prospectus or are necessary for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Corporation.

FINANCIAL STATEMENTS

The following financial statements are included herein:

- Advantagewon Oil Corp. Consolidated Audited Financial Statements for the Years ended December 31, 2016 and 2015, attached hereto as **Appendix “D”**.
- Advantagewon Oil Corp. Unaudited Condensed Interim Consolidated Financial Statements for the Three Months Ended March 31, 2017 and 2016, attached hereto as **Appendix “E”**.

Appendix "A"

SARATOGA REPORT

APPRAISAL OF
CERTAIN OIL AND GAS PROPERTIES
LOCATED IN
HARDIN COUNTY TEXAS
AS OF DECEMBER 31, 2016

PREPARED FOR
ADVANTAGEWON OIL US, CORPORATION
WITH CANADIAN INSTRUMENT 51-101

MKM ENGINEERING
F-009377

Michele K. Mudrone

Michele K. Mudrone, P.E.
February 15, 2017



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NI 51-101

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MKM ENGINEERING
Oil and Gas Consulting Services
3905 Sagamore Hill Court
Plano, Texas 75025

February 15, 2017

Mr. Paul Haber
Advantagewon Oil US, Corporation
10 Pauline Avenue
Brooklin ON Canada
L1M 2H5

Dear Mr. Haber:

As requested, an estimate has been made of certain hydrocarbon reserves owned by Advantagewon Oil US, Corporation (hereinafter referred to as "Advantagewon"). The appraised properties are located in Hardin County, Texas. This appraisal evaluates Advantagewon's Proved Developed Producing (PDP), Proved Non-Producing (PNP), Proved Undeveloped (PUD), and Probable Undeveloped (PrUD) reserves. The effective date of this report is December 31, 2016.

The table below summarizes Advantagewon's net oil and gas reserves and cash flows generated using the requested price decks. Results shown below are presented for your information and should not be construed as our estimate of fair market value. As of December 31, 2016, Advantagewon's net total proved and probable reserves have been estimated to be as follows:

<u>Reserve Category</u>	<u>Net Reserves</u>			<u>Present Worth</u>	<u>Present Worth</u>
	<u>as of Dec. 31, 2016</u>				
	<u>Hydrocarbon</u>	<u>Natural</u>	<u>Future Net</u>	<u>Discounted @</u>	<u>Discounted @</u>
	<u>Liquids</u>	<u>Gas</u>			
	<u>(Bbl)</u>	<u>(Mcf)</u>			
<u>Forecast Price</u>					
Proved Developed Producing	13,690	0	552,950	463,240	426,980
Proved Non-Producing	54,330	0	2,781,160	1,889,160	1,590,560
Proved Undeveloped	<u>221,150</u>	<u>0</u>	<u>10,862,290</u>	<u>7,150,620</u>	<u>5,886,370</u>
Total Proved	289,170	0	14,196,400	9,503,020	7,903,910
Probable Undeveloped	<u>345,420</u>	<u>0</u>	<u>21,864,350</u>	<u>14,761,680</u>	<u>12,404,240</u>
Total Proved + Probable	634,590	0	36,060,750	24,264,700	20,308,150

<u>Reserve Category</u>	<u>Net Reserves</u> <u>as of Dec. 31, 2016</u>			<u>Present Worth</u>	<u>Present Worth</u>
	<u>Hydrocarbon</u>	<u>Natural</u>	<u>Future Net</u>	<u>of FNI</u>	<u>of FNI</u>
	<u>Liquids</u>	<u>Gas</u>		<u>Discounted @</u>	<u>Discounted @</u>
	<u>(Bbl)</u>	<u>(Mcf)</u>	<u>Income, \$</u>	<u>10%/Annum, \$</u>	<u>15%/Annum, \$</u>
<u>Constant Price</u>					
-					
Proved Developed Producing	12,890	0	325,830	284,650	267,020
Proved Non-Producing	51,030	0	1,552,320	1,104,080	944,760
Proved Undeveloped	<u>218,730</u>	<u>0</u>	<u>5,643,620</u>	<u>3,728,690</u>	<u>3,057,430</u>
Total Proved	282,650	0	7,521,770	5,117,420	4,269,210
Probable Undeveloped	<u>345,430</u>	<u>0</u>	<u>13,477,950</u>	<u>9,415,820</u>	<u>8,022,800</u>
Total Proved + Probable	628,080	0	20,999,720	14,533,240	12,292,010

FNI is after deducting estimated operating and future development costs, severance and ad valorem taxes, but before Federal income taxes. Total net Proved and Probable Reserves are defined as those natural gas and hydrocarbon liquid Reserves to Advantagewon's interests after deducting all shrinkage, royalties, overriding royalties, and reversionary interests owned by outside parties that become effective upon payout of specified monetary balances. All Reserves estimates have been prepared using standard engineering practices generally accepted by the petroleum industry and conform to those classifications defined in the Canadian Oil and Gas Evaluation Handbook ("COGEH"). All hydrocarbon liquid Reserves are expressed in United States barrels ("bbl") of 42 gallons. Natural gas Reserves are expressed in thousand standard cubic feet ("Mcf") at the contractual pressure and temperature bases. All monies are expressed in United States dollars ("USD").

RESERVE ESTIMATE METHODOLOGY

The Reserves estimates contained in this report have been prepared using standard engineering practices generally accepted by the petroleum industry. Decline curve analysis was used to estimate the remaining Reserves of pressure depletion reservoirs with enough historical production data to establish decline trends. Reservoirs under non-pressure depletion drive mechanisms and non-producing Reserves were estimated by volumetric analysis, research of analogous reservoirs, or a combination of both. The maximum remaining Reserves life assigned to wells included in this report is 40 years. This report does not include any gas sales imbalances.

FUTURE PRODUCTION RATES

Initial production rates are based on current producing rates for those wells now on production. If a decline trend has been established, this trend was used as the basis for estimating future production rates. For reserves not yet on production, test data and other related information were used to estimate anticipated initial production rates and sales were estimated to commence at a date deemed reasonable based on our experience and judgment.

RESERVE CLASSIFICATION

The Reserves estimates included in this report conform to the guidelines specified by the COGEH. For more information regarding reserve classification definitions see Appendix I.

COMMODITY PRICES

Future hydrocarbon revenues were estimated using the prices outlined below:

Date	PRICES			
	Forecast Price		Constant Price	
	Natural Gas \$/MMBTU	Hydrocarbon Liquids \$/BO	Natural Gas \$/MMBTU	Hydrocarbon Liquids \$/BO
2017	3.40	55.00	2.49	42.75
2018	3.20	58.70	2.49	42.75
2019	3.35	62.40	2.49	42.75
2020	3.65	69.00	2.49	42.75
2021	4.00	75.80	2.49	42.75
2022	4.05	77.30	2.49	42.75
2023	4.15	78.80	2.49	42.75
2024	4.25	80.40	2.49	42.75
2025	4.30	82.00	2.49	42.75
2026	4.40	83.70	2.49	42.75
2027	4.50	85.30	2.49	42.75
Thereafter	4.70	89.01	2.49	42.75

Historical hydrocarbon liquid prices were indexed to the monthly average of the daily closing prices received at the Cushing, Oklahoma delivery point. The average difference between the wellhead oil price and the NYMEX price represents adjustments for crude quality, marketing fees, BS&W, transportation costs and purchaser bonuses. These adjustments were applied to the NYMEX prices listed in table above.

Historical natural gas prices were indexed to the monthly Henry Hub prices posted in the Inside FERC publication. Historical prices were indexed for each month of available accounting data. The average difference between the wellhead price and the NYMEX price represents adjustments for BTU content, marketing, and transportation costs. These adjustments were applied to the NYMEX prices listed in table above.

OPERATING EXPENSES & CAPITAL COSTS

In most cases, the lease operating costs used in this evaluation represent the average of recent historical monthly operating costs. In cases where historical costs were not available or deemed

to be unreliable, operating costs were estimated based on knowledge of analogous wells producing under similar conditions. The lease operating expenses in this report represent field level operating costs and include COPAS charges.

Where available, capital costs were estimated using recent historical information reported for analogous expenditures. Where recent historical information was not available Authority for Expenditure (“AFE”) documents were used to estimate capital costs. AFE documents provided by the operator have been checked for reasonableness. Abandonment and reclamation costs were included for the properties and are shown in the investment column.

Operating expenses and capital costs were escalated at 2% per year in the forecast price case and held constant in the constant price case in this evaluation.

DISCLAIMERS

All information pertaining to the operating expenses, prices, and the interests of Advantagewon in the properties appraised has been accepted as represented. It was not considered necessary to make a field examination of the appraised properties. Data used in performing this appraisal were obtained from Advantagewon, public sources, and our own files. Supporting work papers pertinent to the appraisal are retained in our files and are available to you or designated parties at your convenience.

It was beyond the scope of this MKM Engineering report to evaluate the potential environmental liability costs from the operation and abandonment of these properties. In addition, no evaluation was made to determine the degree of operator compliance with current environmental rules, regulations, and reporting requirements. Therefore, no estimate of the potential economic liability, if any, from environmental concerns is included in the forecasts presented herein.

The Proved and Probable Reserves presented in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered; and, if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the product prices and the costs incurred in recovering these Reserves may vary from the price and cost assumptions in this report. In any case, quantities of Proved and Probable Reserves may increase or decrease as a result of future operations.

Reserves estimates for individual properties included in this report are only valid when considered within the context of the overall report and should not be considered independently. The future net income and net present value estimates contained in this report do not represent an estimate of fair market values.

MKM Engineering is independent with respect to Advantagewon Oil US, Corporation as provided in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

CONCLUSIONS

Attached are summary tables of economic analysis of predicted future performance. Other tables identify the properties appraised with summary Reserves and the economic factors applicable to each. A list of tables is included. Reserves identified for this report are not risked.

We appreciate this opportunity to have been of service and hope that this report will fulfill your requirements.

Respectfully submitted,

MKM ENGINEERING
F-009733

Michele K. Mudrone

Michele K. Mudrone, P.E.



Attachments

CERTIFICATE OF QUALIFICATION

I, Michele K. Mudrone, registered Professional Engineer in the State of Texas, hereby certify:

1. That I am a registered Professional Engineer in the State of Texas, a member of the Society of Petroleum Engineers, and I reside at 3905 Sagamore Hill Court, Plano, Texas.
2. That I graduated from the Colorado School of Mines with a Bachelor of Science degree in Petroleum Engineering in 1976.
3. That I have been employed in the petroleum industry since graduation in 1976. During the time of employment I have been directly involved in reservoir engineering, petrophysical analysis, reservoir simulation, and property evaluation.
4. That I am presently employed by MKM Engineering which prepared an evaluation effective December 31, 2016, for Advantagewon Oil US, Corporation.
5. That the parameters and conditions employed in the evaluation of interests of Advantagewon Oil US, Corporation, effective December 31, 2016, were examined by me and adopted as representative and appropriate in establishing true value of these properties.
6. That I have not received, nor do I expect to receive, any direct or indirect interest in the holdings discussed, or in the securities of the Company.
7. That I have not examined the chain of title for the properties discussed, but have relied on descriptions furnished by the client.
8. That the aforementioned report was not based on a personal field examination of the properties in question; however, such an examination was not deemed necessary in view of the information available from public sources and the files of Advantagewon Oil US, Corporation.

Michele K. Mudrone, P.E.

MKM ENGINEERING
Oil and Gas Consulting Services
3905 Sagamore Hill Court
Plano, Texas 75025

REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR
OR AUDITOR

To the Board of Directors of Advantagewon Oil US, Corporation hereinafter referred to as (the "Company"):

1. We have evaluated the Company's Reserves Data as at December 31, 2016. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2016, estimated using forecast prices and costs.
2. The Reserves Data are the responsibility of the Company's management. Our responsibility is to express an opinion on the Reserves Data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

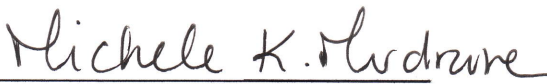
3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of December 31, 2016, 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:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (US\$)	Evaluated (US\$)	Reviewed (US\$)	Total (US\$)
MKM Engineering	Appraisal of Certain Oil and Gas Properties Located in Hardin County, Texas As of December 31, 2016	USA		24,264,710		24,264,710
Total				24,264,710		24,264,710

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

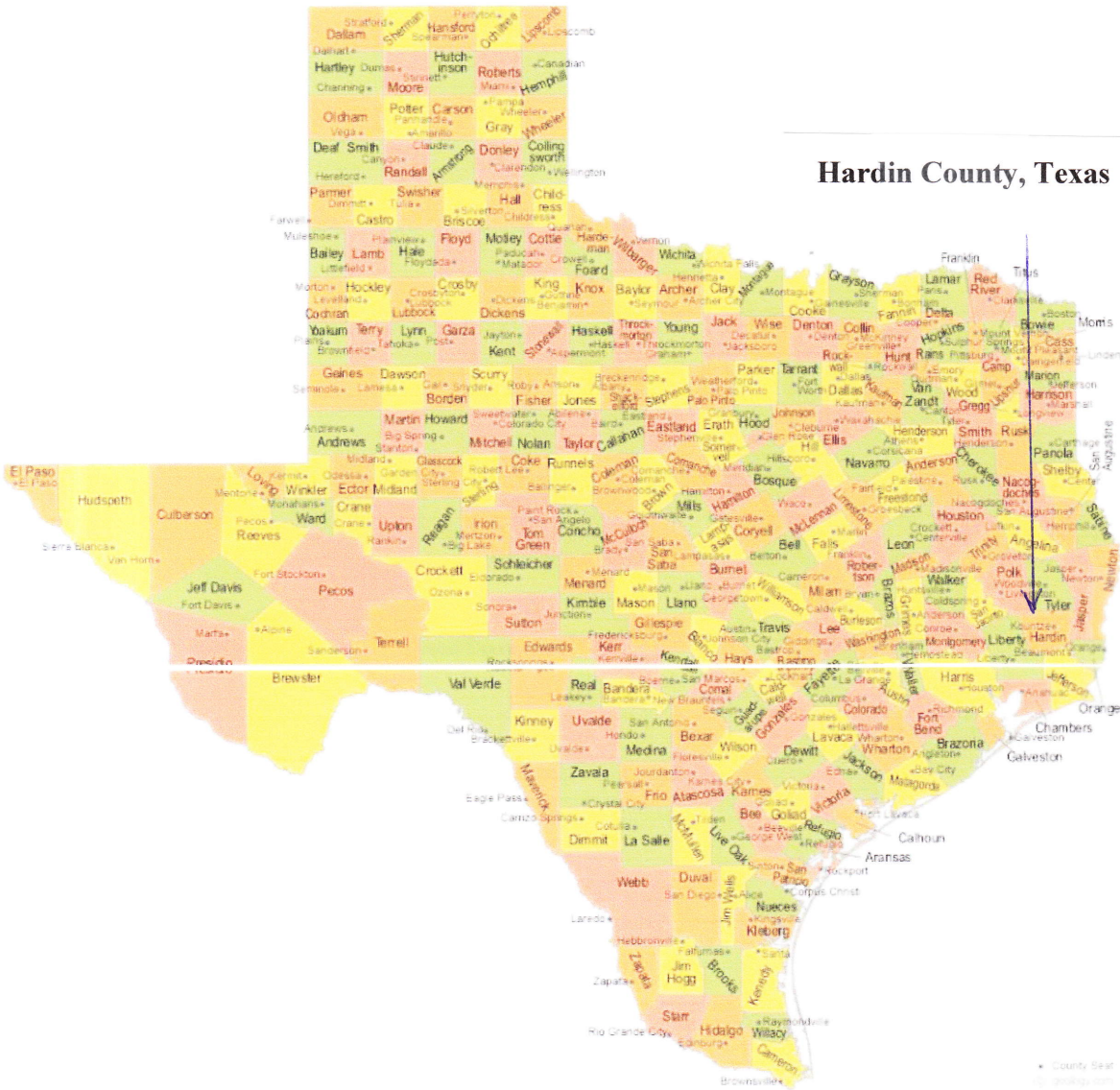
MKM Engineering
F-009377
Dallas, Texas, USA
February 15, 2017

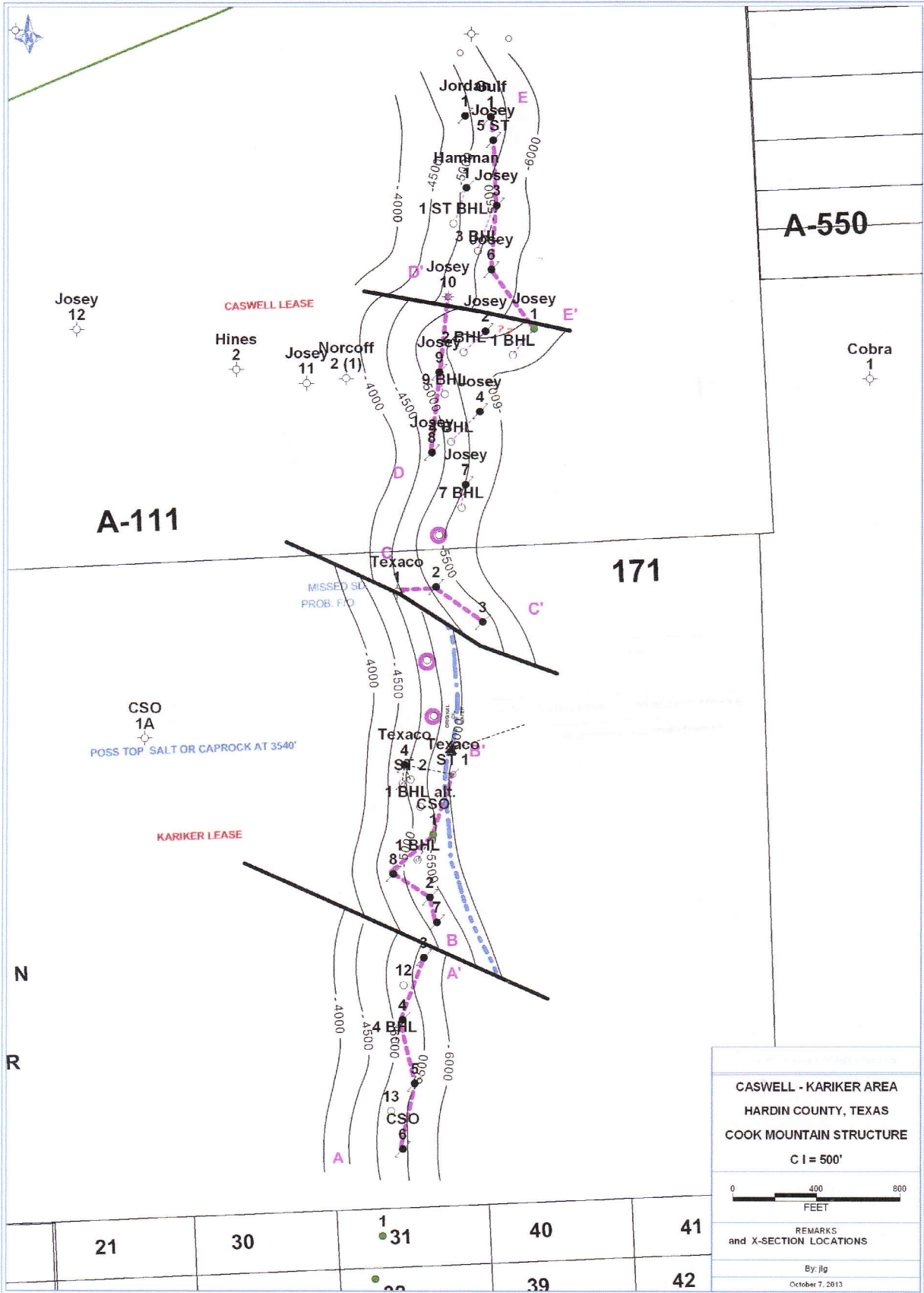

Michele K. Mudrone, P.E

MAPS

Advantagewon Oil US, Corporation

Hardin County, Texas





A-550

A-111

171

Cobra 1

CSO 1A
POSS TOP SALT OR CAPROCK AT 3540'

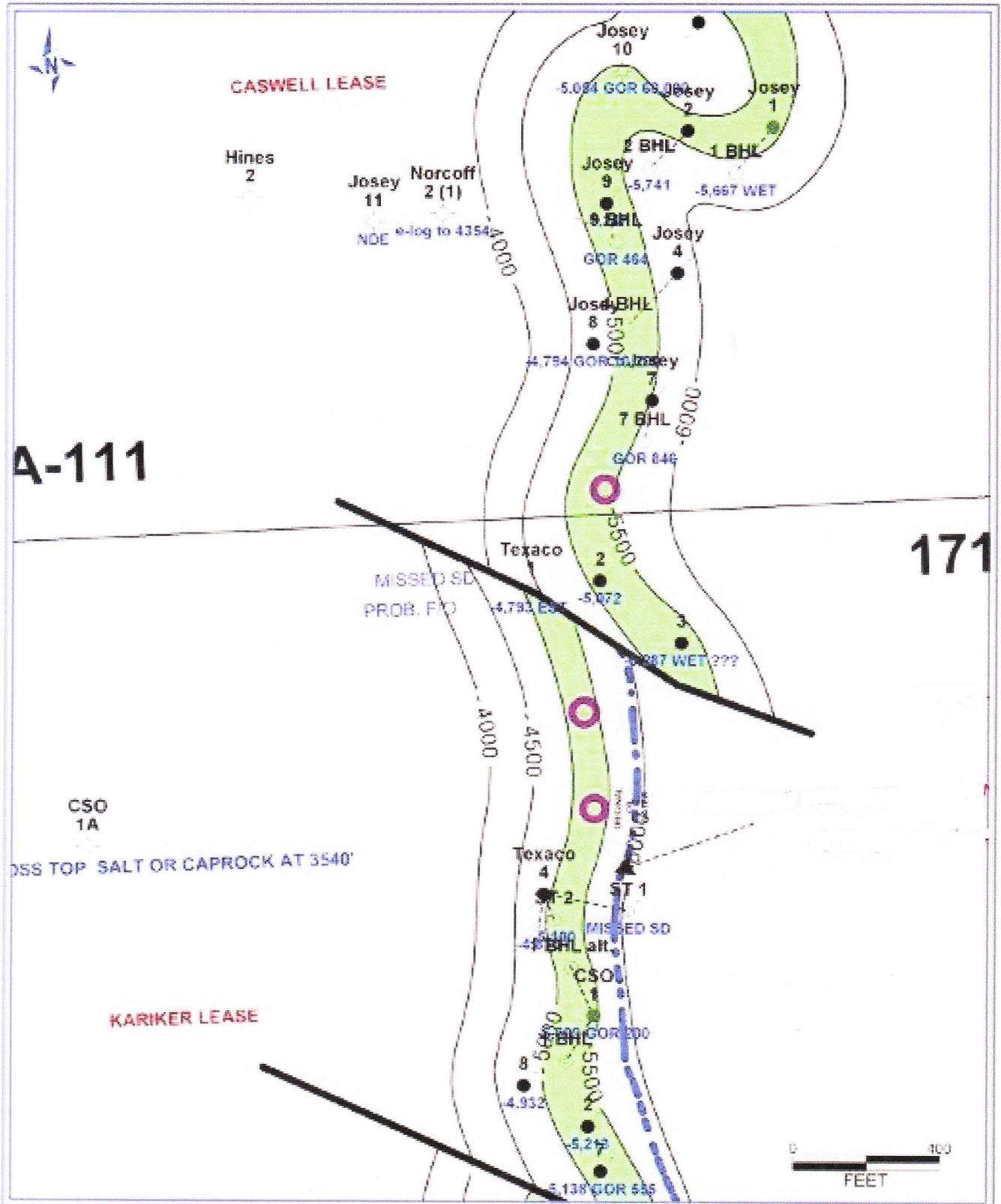
CASWELL - KARIKER AREA
HARDIN COUNTY, TEXAS
COOK MOUNTAIN STRUCTURE
C I = 500'



REMARKS
and X-SECTION LOCATIONS

By: Jlg
October 7, 2013

	21	30	1 31	40	41
			22	39	42



Geology

GEOLOGICAL DISCUSSION

HARDIN COUNTY, TEXAS

Hardin County is sixty-eight miles northeast of Houston, twenty-three miles northwest of Beaumont and fifty-four miles from the Gulf of Mexico. It is bounded by Tyler, Jasper, Orange, Jefferson, and Liberty counties. The county covers 897 square miles.

Oil production became a significant industry in Hardin County after 1901. Although two companies established small refineries at Sour Lake in 1896 and 1898, the real development of the Hardin County oil industry began with the discovery of oil at Saratoga (1901), Baston (1903), and Sour Lake in 1903. By 1904 a pipeline system connected the three fields to Beaumont.

The Saratoga Field was discovered in 1901 with oil production from a depth of 995 feet and is one of many piercement type salt domes located in the Yegua Trend of southeast Texas. The source of the oil is apparently Frio sediments located basinward of the domes. The salt dome at Saratoga is approximately 1 ¼ miles by 2 miles, with the depth to the caprock between 1500 and 5000 feet. The initial development period ended in 1923, with a peak production rate of 20,000 barrels of oil per day from 884 wells. The main production was from the Miocene sand series, in stringers from 1200 to 1900 feet, averaging 20 feet in thickness.

The current producing zones are the Frio and the Cook Mountain, at an approximate depth of 6,000 feet. The current leasehold is approximately 159 acres in three leases.

Three wells are planned to develop the Cook Mountain on the acreage over the next three years, one well per year. The cost to drill and complete each well is US\$678,590. The first well is scheduled for the first quarter of 2017. The locations are shown on the geologic maps.

LEASE	Caswell - Kariker
FIELD	Saratoga
COUNTY	Hardin
STATE	Texas

RESERVOIR DESIGNATION	Cook Mountain
RESERVE CATEGORY	Proved/Probable

RESERVOIR DATA

AVERAGE DEPTH, FEET	6,000
BHP, ORIGINAL, psia	2,598
BHT, DEGREES F	142
GAS GRAVITY, AIR = 1.00	0.65
RESERVOIR VOLUME FACTOR	0.9
POROSITY, %	20
CONNATE WATER, %	45
GAS/OIL RATIO, SCF/BBL	100
OIL GRAVITY, DEGREES API	40
OIL IN PLACE, BBL/AC-FT	781

RECOVERY COMPUTATION

DRIVE MECHANISM	Water drive
OIL RECOVERY FACTOR, %	25
RECOVERABLE OIL, BBL/AC-FT	195

RESERVES

PRODUCTIVE ACRES, ORIGINAL	120
AVERAGE NET PAY, FEET	60
PRODUCTIVE, ACRE-FEET	7,200
ORIGINAL OIL IN PLACE, BBL	5,623,700
OIL RESERVE, RECOVERABLE, BBL	1,405,925
CUMULATIVE PRODUCTION, BBL	500,000

Appendix

5.4 Definitions of Reserves

The following reserves definitions and guidelines are designed to assist evaluators in making reserves estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of reserves estimates.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable, and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions. These concepts are presented and discussed in greater detail within the guidelines in Section 5.5.

The following definitions apply to both estimates of individual reserves entities and the aggregate of reserves for multiple entities.

5.4.1 Reserves Categories

Reserves are 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;

- 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.

a. Proved Reserves

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

b. Probable Reserves

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves.

c. Possible Reserves

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves.

Other criteria that must also be met for the classification of reserves are provided in Section 5.5.4.

5.4.2 Development and Production Status

Each of the reserves categories (proved, probable, and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be

currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production but are shut in and the date of resumption of production is unknown.

b. Undeveloped Reserves

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

5.4.3 Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in Section 5.4.1 are applicable to "individual reserves entities," which refers to the lowest level at which reserves calculations are performed, and to "reported reserves," which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves,
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable reserves,
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable + possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3.

Appendix II

Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue

The reserves data set forth below is based upon an evaluation by MKM Engineering with an effective date of December 31, 2016. The reserves data summarizes the oil, NGL, and natural gas reserves of Advantagewon Oil US, Corporation and the net present values of future net revenue for these reserves using constant prices and costs and forecast prices and costs. The MKM report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserve definitions contained in NI 51-101.

Summary of Oil and Gas Reserves Constant Prices and Costs

Reserves Category	Light and Medium Oil		Natural Gas		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
PROVED						
Developed Producing	17	13	0	0	0	0
Developed Non-Producing	68	51	0	0	0	0
Undeveloped	294	219	0	0	0	0
TOTAL PROVED	379	283	0	0	0	0
PROBABLE	465	345	0	0	0	0
TOTAL PROVED PLUS PROBABLE	844	628	0	0	0	0

Net Present Values of Future Net Revenues Constant Prices and Costs

Reserves Category	Before Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	326	304	285	267	251
Developed Non-Producing	1,552	1,302	1,104	945	815
Undeveloped	5,644	4,573	3,729	3,057	2,519
TOTAL PROVED	7,522	6,179	5,118	4,269	3,585
PROBABLE	13,478	11,187	9,416	8,023	6,910
TOTAL PROVED PLUS PROBABLE	21,000	17,366	14,534	12,292	10,495

Reserves Category	After Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	195	186	177	169	161
Developed Non-Producing	931	795	684	594	520
Undeveloped	3,386	2,776	2,287	1,890	1,567
TOTAL PROVED	4,512	3,757	3,148	2,653	2,248
PROBABLE	8,087	6,820	5,828	5,038	4,398
TOTAL PROVED PLUS PROBABLE	12,599	10,577	8,976	7,691	6,647

The following tables detail the aggregate gross and net reserves of Advantagewon Oil US, Corporation, as at December 31, 2016, using forecast prices and costs as well the aggregate net present value of future net revenue attributable to the reserves estimated using forecast prices and costs, calculated without discount and using discount rates of 5%, 10%, 15% and 20%:

**Summary of Oil and Gas Reserves
Forecast Prices and Costs**

Reserves Category	Light and Medium Oil		Natural Gas		Natural Gas Liquids	
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)
PROVED						
Developed Producing	18	14	0	0	0	0
Developed Non-Producing	72	54	0	0	0	0
Undeveloped	298	221	0	0	0	0
TOTAL PROVED	388	289	0	0	0	0
PROBABLE	465	345	0	0	0	0
TOTAL PROVED PLUS PROBABLE	853	634	0	0	0	0

**Net Present Values of Future Net Revenues
Forecast Prices and Costs**

Reserves Category	Before Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	553	505	463	427	395
Developed Non-Producing	2,781	2,274	1,889	1,591	1,355
Undeveloped	10,862	8,767	7,151	5,886	4,886
TOTAL PROVED	14,196	11,546	9,503	7,904	6,636
PROBABLE	21,864	17,818	14,762	12,404	10,552
TOTAL PROVED PLUS PROBABLE	36,060	29,364	24,265	20,308	17,188

Reserves Category	After Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	332	308	288	270	254
Developed Non-Producing	1,669	1,387	1,170	1,000	864
Undeveloped	6,517	5,335	4,407	3,670	3,077
TOTAL PROVED	8,518	7,030	5,865	4,940	4,195
PROBABLE	13,119	10,865	9,140	7,793	6,722
TOTAL PROVED PLUS PROBABLE	21,637	17,895	15,005	12,733	10,917

The following tables provide the volume of production of the Advantagewon Oil US, Corporation Properties estimated for 2017:

Estimated Production for 2017

	Constant Prices & Costs (Undiscounted)		Forecast Prices (Undiscounted)	
	Proved Reserves	Proved plus Probable Reserves	Proved Reserves	Proved plus Probable Reserves
2017 Production (Gross)				
Light and Medium Oil(Mbbl)	33	68	34	69
Gas(MMcf)	0	0	0	0
NGL(Mbbl)	0	0	0	0
Mboe	33	68	34	69
2017 Production (Net)				
Light and Medium Oil(Mbbl)	25	50	25	51
Gas(MMcf)	0	0	0	0
NGL(Mbbl)	0	0	0	0
Mboe	25	50	25	51

The following tables detail the benchmark reference prices reflected in the reserves data disclosed above. These pricing assumptions were provided by McDaniel & Associates.

**Summary of Pricing Assumptions
As of December 31, 2016
Constant Prices and Costs**

Year	OIL				NATURAL GAS U.S. Henry Hub	EDMONTON LIQUIDS PRICES			Exchange Rate (\$US/\$Cdn)
	WTI Cushing (\$US/bbl)	Edmonton Reference (\$Cdn/bbl)	Hardisty 25° API (\$Cdn/bbl)	Cromer Medium 29° API (\$Cdn/bbl)		Pentanes (\$Cdn/bbl)	Butane (\$Cdn/bbl)	Propane (\$Cdn/bbl)	
As at December 31, 2016	42.75				2.49				

**Summary of Pricing and Inflation Rate Assumptions
As of December 31, 2016
Forecast Prices and Costs**

Year	OIL				NATURAL GAS U.S. Henry Hub	EDMONTON LIQUIDS PRICES			Inflation Rate %/Year	Exchange Rate (\$US/\$Cdn)
	WTI Cushing (\$US/bbl)	Edmonton Reference (\$Cdn/bbl)	Hardisty 25° (\$Cdn/bbl)	Cromer 29° (\$Cdn/bbl)		Pentanes (\$Cdn/bbl)	Butane (\$Cdn/bbl)	Propane (\$Cdn/bbl)		
Forecast:										
2017	55.00				3.40				2.0	
2018	58.70				3.20				2.0	
2019	62.40				3.35				2.0	
2020	69.00				3.65				2.0	
2021	75.80				4.00				2.0	
2022	77.30				4.05				2.0	
2023	78.80				4.15				2.0	
2024	80.40				4.25				2.0	
2025	82.00				4.30				2.0	
2026	83.70				4.40				2.0	
2027	85.30				4.50				2.0	
Thereafter	89.01				4.70				2.0	

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Cashflow Summaries

Forecast price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Total Proved + Probable

MKM Engineering

TABLE 1

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil --- Mbbbl ---	NGL --- Mgal ---	Gas --- MMcf ---	Oil --- Mbbbl ---	NGL --- Mgal ---	Gas --- MMcf ---			
2017	6	68.73	0.00	0.00	50.97	0.00	0.00	55.00	0.00	0.00
2018	6	137.20	0.00	0.00	102.31	0.00	0.00	58.70	0.00	0.00
2019	6	174.08	0.00	0.00	129.57	0.00	0.00	62.40	0.00	0.00
2020	6	142.29	0.00	0.00	105.83	0.00	0.00	69.00	0.00	0.00
2021	5	99.58	0.00	0.00	74.07	0.00	0.00	75.80	0.00	0.00
2022	5	70.26	0.00	0.00	52.26	0.00	0.00	77.30	0.00	0.00
2023	5	49.50	0.00	0.00	36.82	0.00	0.00	78.80	0.00	0.00
2024	4	34.64	0.00	0.00	25.77	0.00	0.00	80.40	0.00	0.00
2025	4	24.43	0.00	0.00	18.17	0.00	0.00	82.00	0.00	0.00
2026	4	17.30	0.00	0.00	12.87	0.00	0.00	83.70	0.00	0.00
2027	4	12.26	0.00	0.00	9.12	0.00	0.00	85.30	0.00	0.00
2028	4	8.72	0.00	0.00	6.49	0.00	0.00	87.00	0.00	0.00
2029	4	6.18	0.00	0.00	4.68	0.00	0.00	88.80	0.00	0.00
2030	4	4.39	0.00	0.00	3.27	0.00	0.00	90.60	0.00	0.00
2031	4	2.22	0.00	0.00	1.66	0.00	0.00	92.40	0.00	0.00
Sub-T		851.78	0.00	0.00	633.76	0.00	0.00	68.78	0.00	0.00
After		1.13	0.00	0.00	0.83	0.00	0.00	93.32	0.00	0.00
Total		852.91	0.00	0.00	634.60	0.00	0.00	68.81	0.00	0.00
Cum. Ult.		1,013.02	0.00	315.93						
		1,865.92	0.00	315.93						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ----- M\$ -----	NGL ----- M\$ -----	Gas ----- M\$ -----	Other ----- M\$ -----	Total ----- M\$ -----	Prod Tax ----- M\$ -----	Adv Tax ----- M\$ -----	
2017	2,803.51	0.00	0.00	0.00	2,803.51	129.38	70.09	2,604.05
2018	6,005.38	0.00	0.00	0.00	6,005.38	277.08	150.13	5,578.17
2019	8,085.23	0.00	0.00	0.00	8,085.23	372.97	202.13	7,510.12
2020	7,302.12	0.00	0.00	0.00	7,302.12	336.76	182.55	6,782.81
2021	5,614.15	0.00	0.00	0.00	5,614.15	258.85	140.35	5,214.94
2022	4,039.64	0.00	0.00	0.00	4,039.64	186.25	100.99	3,752.40
2023	2,901.65	0.00	0.00	0.00	2,901.65	133.78	72.54	2,695.33
2024	2,071.65	0.00	0.00	0.00	2,071.65	95.51	51.79	1,924.36
2025	1,489.94	0.00	0.00	0.00	1,489.94	68.68	37.25	1,384.01
2026	1,076.99	0.00	0.00	0.00	1,076.99	49.65	26.92	1,000.42
2027	778.11	0.00	0.00	0.00	778.11	35.87	19.45	722.79
2028	564.56	0.00	0.00	0.00	564.56	26.02	14.11	524.43
2029	408.19	0.00	0.00	0.00	408.19	18.81	10.20	379.17
2030	296.36	0.00	0.00	0.00	296.36	13.66	7.41	275.29
2031	152.93	0.00	0.00	0.00	152.93	7.05	3.82	142.06
Sub-T	43,590.41	0.00	0.00	0.00	43,590.41	2,010.31	1,089.76	40,490.34
After	77.87	0.00	0.00	0.00	77.87	3.59	1.95	72.33
Total	43,668.28	0.00	0.00	0.00	43,668.28	2,013.90	1,091.71	40,562.67

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ----- M\$ -----	Net Investments ----- M\$ -----	Trans. Costs ----- M\$ -----	Net Profits ----- M\$ -----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	89.83	778.59	0.00	0.00	1,735.63	1,735.63	1,602.31	1,602.31
2018	145.65	678.59	0.00	0.00	4,753.93	6,489.56	4,060.62	5,662.94
2019	180.08	678.59	0.00	0.00	6,651.45	13,141.02	5,159.12	10,822.06
2020	187.27	0.00	0.00	0.00	6,595.54	19,736.56	4,670.33	15,492.38
2021	163.97	10.00	0.00	0.00	5,040.97	24,777.53	3,230.72	18,723.10
2022	167.25	0.00	0.00	0.00	3,585.15	28,362.68	2,080.28	20,803.38
2023	164.33	0.00	0.00	0.00	2,531.01	30,893.68	1,329.57	22,132.94
2024	139.21	10.00	0.00	0.00	1,775.15	32,668.83	843.90	22,976.84
2025	141.99	0.00	0.00	0.00	1,242.01	33,910.85	534.61	23,511.44
2026	144.83	0.00	0.00	0.00	855.59	34,766.44	333.44	23,844.88
2027	147.72	0.00	0.00	0.00	575.06	35,341.50	202.93	24,047.81
2028	150.68	0.00	0.00	0.00	373.74	35,715.25	119.43	24,167.24
2029	153.70	0.00	0.00	0.00	225.47	35,940.72	65.26	24,232.50
2030	156.77	0.00	0.00	0.00	118.52	36,059.25	31.11	24,263.61
2031	93.67	30.00	0.00	0.00	18.39	36,077.64	4.38	24,268.00
Sub-T	2,226.94	2,185.77	0.00	0.00	36,077.64	36,077.64	24,268.00	24,268.00
After	59.22	30.00	0.00	0.00	-16.89	-16.89	-3.29	-3.29
Total	2,286.16	2,215.77	0.00	0.00	36,060.74	36,060.74	24,264.71	24,264.71

Present Worth Profile (M\$)

PW 5.00% :	29,365.01
PW 8.00% :	26,146.22
PW 9.00% :	25,181.30
PW 12.00% :	22,564.62
PW 15.00% :	20,308.15
PW 20.00% :	17,188.19

Forecast price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Producing Rsv Category

MKM Engineering

TABLE 2

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	1	6.00	0.00	0.00	4.50	0.00	0.00	55.00	0.00	0.00
2018	1	4.20	0.00	0.00	3.15	0.00	0.00	58.70	0.00	0.00
2019	1	2.94	0.00	0.00	2.21	0.00	0.00	62.40	0.00	0.00
2020	1	2.06	0.00	0.00	1.55	0.00	0.00	69.00	0.00	0.00
2021	1	1.44	0.00	0.00	1.08	0.00	0.00	75.80	0.00	0.00
2022	1	1.01	0.00	0.00	0.76	0.00	0.00	77.30	0.00	0.00
2023	1	0.60	0.00	0.00	0.45	0.00	0.00	78.80	0.00	0.00
2024	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sub-T	18.25	0.00	0.00	13.69	0.00	0.00	62.28	0.00	0.00
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	18.25	0.00	0.00	13.69	0.00	0.00	62.28	0.00	0.00
Cum. Ult.	929.72	0.00	309.46						
	947.97	0.00	309.46						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	after Sev & Adv ---- M\$ ----
2017	247.41	0.00	0.00	0.00	247.41	11.42	6.19	229.81
2018	184.88	0.00	0.00	0.00	184.88	8.53	4.62	171.73
2019	137.61	0.00	0.00	0.00	137.61	6.35	3.44	127.82
2020	106.78	0.00	0.00	0.00	106.78	4.92	2.67	99.19
2021	81.87	0.00	0.00	0.00	81.87	3.77	2.05	76.05
2022	58.46	0.00	0.00	0.00	58.46	2.70	1.46	54.30
2023	35.54	0.00	0.00	0.00	35.54	1.64	0.89	33.01
2024	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Sub-T	852.56	0.00	0.00	0.00	852.56	39.33	21.31	791.92
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	852.56	0.00	0.00	0.00	852.56	39.33	21.31	791.92

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted Annual ---- M\$ ----	Undiscounted Cumulative ---- M\$ ----	Discounted Ann @ 10.00% ----M\$ ----	Disc. Cum. Annual @ 10.00% ---- M\$ ----
2017	30.30	10.00	0.00	0.00	189.51	189.51	180.77	180.77
2018	30.90	0.00	0.00	0.00	140.83	330.34	121.77	302.55
2019	31.52	0.00	0.00	0.00	96.30	426.65	75.41	377.95
2020	32.15	0.00	0.00	0.00	67.04	493.68	47.54	425.49
2021	32.79	0.00	0.00	0.00	43.25	536.94	27.78	453.27
2022	33.45	0.00	0.00	0.00	20.85	557.79	12.15	465.43
2023	27.85	0.00	0.00	0.00	5.16	562.95	2.76	468.19
2024	0.00	10.00	0.00	0.00	-10.00	552.95	-4.95	463.24

Sub-T	218.97	20.00	0.00	0.00	552.95	552.95	463.24	463.24
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	218.97	20.00	0.00	0.00	552.95	552.95	463.24	463.24

Present Worth Profile (M\$)

PW 5.00% :	504.90
PW 8.00% :	479.21
PW 9.00% :	471.11
PW 12.00% :	448.14
PW 15.00% :	426.98
PW 20.00% :	395.26

Forecast price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Non-Producing Rsv Category

MKM Engineering

TABLE 3

Year	Wells	----- Estimated 8/8 Ths Production -----			----- Net Production -----			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf ----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf ----			
2017	2	5.17	0.00	0.00	3.88	0.00	0.00	55.00	0.00	0.00
2018	2	15.99	0.00	0.00	12.00	0.00	0.00	58.70	0.00	0.00
2019	2	12.51	0.00	0.00	9.38	0.00	0.00	62.40	0.00	0.00
2020	2	9.71	0.00	0.00	7.28	0.00	0.00	69.00	0.00	0.00
2021	1	7.05	0.00	0.00	5.29	0.00	0.00	75.80	0.00	0.00
2022	1	5.47	0.00	0.00	4.11	0.00	0.00	77.30	0.00	0.00
2023	1	4.25	0.00	0.00	3.19	0.00	0.00	78.80	0.00	0.00
2024	1	3.30	0.00	0.00	2.48	0.00	0.00	80.40	0.00	0.00
2025	1	2.56	0.00	0.00	1.92	0.00	0.00	82.00	0.00	0.00
2026	1	1.98	0.00	0.00	1.49	0.00	0.00	83.70	0.00	0.00
2027	1	1.54	0.00	0.00	1.15	0.00	0.00	85.30	0.00	0.00
2028	1	1.20	0.00	0.00	0.90	0.00	0.00	87.00	0.00	0.00
2029	1	0.93	0.00	0.00	0.69	0.00	0.00	88.80	0.00	0.00
2030	1	0.72	0.00	0.00	0.54	0.00	0.00	90.60	0.00	0.00
2031	1	0.06	0.00	0.00	0.05	0.00	0.00	92.40	0.00	0.00
Sub-T		72.45	0.00	0.00	54.33	0.00	0.00	68.96	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		72.45	0.00	0.00	54.33	0.00	0.00	68.96	0.00	0.00
Cum. Ult.		83.29	0.00	6.47						
		155.74	0.00	6.47						

Year	----- Company Future Gross Revenue -----					----- Prod & Adv Taxes -----		Revenue after Sev & Adv ----- M\$ -----
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	213.45	0.00	0.00	0.00	213.45	9.85	5.34	198.26
2018	704.12	0.00	0.00	0.00	704.12	32.49	17.60	654.03
2019	585.51	0.00	0.00	0.00	585.51	27.01	14.64	543.86
2020	502.48	0.00	0.00	0.00	502.48	23.17	12.56	466.75
2021	401.03	0.00	0.00	0.00	401.03	18.49	10.03	372.52
2022	317.34	0.00	0.00	0.00	317.34	14.63	7.93	294.77
2023	251.01	0.00	0.00	0.00	251.01	11.57	6.28	233.16
2024	199.20	0.00	0.00	0.00	199.20	9.18	4.98	185.04
2025	157.16	0.00	0.00	0.00	157.16	7.24	3.93	145.98
2026	124.47	0.00	0.00	0.00	124.47	5.74	3.11	115.62
2027	98.43	0.00	0.00	0.00	98.43	4.54	2.46	91.43
2028	78.08	0.00	0.00	0.00	78.08	3.60	1.95	72.53
2029	61.65	0.00	0.00	0.00	61.65	2.84	1.54	57.27
2030	48.81	0.00	0.00	0.00	48.81	2.25	1.22	45.34
2031	4.26	0.00	0.00	0.00	4.26	0.20	0.11	3.96
Sub-T	3,747.00	0.00	0.00	0.00	3,747.00	172.80	93.67	3,480.52
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3,747.00	0.00	0.00	0.00	3,747.00	172.80	93.67	3,480.52

Year	----- Deductions -----				----- Future Net Income Before Income Taxes -----			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----		
2017	37.93	90.00	0.00	0.00	70.34	70.34	62.34	62.34
2018	61.81	0.00	0.00	0.00	592.22	662.56	511.41	573.74
2019	63.04	0.00	0.00	0.00	480.82	1,143.38	375.89	949.64
2020	58.66	0.00	0.00	0.00	408.09	1,551.47	288.79	1,238.42
2021	32.79	10.00	0.00	0.00	329.72	1,881.19	210.93	1,449.36
2022	33.45	0.00	0.00	0.00	261.32	2,142.51	151.53	1,600.89
2023	34.12	0.00	0.00	0.00	199.04	2,341.56	104.50	1,705.39
2024	34.80	0.00	0.00	0.00	150.24	2,491.80	71.40	1,776.79
2025	35.50	0.00	0.00	0.00	110.48	2,602.28	47.54	1,824.33
2026	36.21	0.00	0.00	0.00	79.41	2,681.69	30.94	1,855.27
2027	36.93	0.00	0.00	0.00	54.50	2,736.19	19.23	1,874.50
2028	37.67	0.00	0.00	0.00	34.86	2,771.06	11.14	1,885.64
2029	38.42	0.00	0.00	0.00	18.84	2,789.90	5.46	1,891.10
2030	39.19	0.00	0.00	0.00	6.14	2,796.04	1.63	1,892.73
2031	3.84	15.00	0.00	0.00	-14.89	2,781.16	-3.57	1,889.16
Sub-T	584.36	115.00	0.00	0.00	2,781.16	2,781.16	1,889.16	1,889.16
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	584.36	115.00	0.00	0.00	2,781.16	2,781.16	1,889.16	1,889.16

Present Worth Profile (M\$)

PW 5.00% :	2,274.51
PW 8.00% :	2,031.25
PW 9.00% :	1,958.37
PW 12.00% :	1,760.83
PW 15.00% :	1,590.56
PW 20.00% :	1,355.13

Forecast price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 4

Year	Wells	----- Estimated 8/8 Ths Production -----			----- Net Production -----			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	3	22.71	0.00	0.00	16.80	0.00	0.00	55.00	0.00	0.00
2018	3	46.16	0.00	0.00	34.39	0.00	0.00	58.70	0.00	0.00
2019	3	62.58	0.00	0.00	46.55	0.00	0.00	62.40	0.00	0.00
2020	3	51.49	0.00	0.00	38.27	0.00	0.00	69.00	0.00	0.00
2021	3	35.94	0.00	0.00	26.71	0.00	0.00	75.80	0.00	0.00
2022	3	25.16	0.00	0.00	18.70	0.00	0.00	77.30	0.00	0.00
2023	3	17.62	0.00	0.00	13.09	0.00	0.00	78.80	0.00	0.00
2024	3	12.36	0.00	0.00	9.19	0.00	0.00	80.40	0.00	0.00
2025	3	8.63	0.00	0.00	6.41	0.00	0.00	82.00	0.00	0.00
2026	3	6.04	0.00	0.00	4.49	0.00	0.00	83.70	0.00	0.00
2027	3	4.23	0.00	0.00	3.14	0.00	0.00	85.30	0.00	0.00
2028	3	2.75	0.00	0.00	2.04	0.00	0.00	87.00	0.00	0.00
2029	2	1.41	0.00	0.00	1.05	0.00	0.00	88.80	0.00	0.00
2030	1	0.44	0.00	0.00	0.33	0.00	0.00	90.60	0.00	0.00
Sub-T		297.51	0.00	0.00	221.15	0.00	0.00	68.72	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		297.51	0.00	0.00	221.15	0.00	0.00	68.72	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		297.51	0.00	0.00						

Year	----- Company Future Gross Revenue -----					----- Prod & Adv Taxes -----		Revenue after Sev & Adv ----- M\$ -----
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	924.22	0.00	0.00	0.00	924.22	42.65	23.11	858.47
2018	2,018.52	0.00	0.00	0.00	2,018.52	93.13	50.46	1,874.92
2019	2,904.50	0.00	0.00	0.00	2,904.50	133.99	72.61	2,697.90
2020	2,640.47	0.00	0.00	0.00	2,640.47	121.77	66.01	2,452.68
2021	2,024.38	0.00	0.00	0.00	2,024.38	93.34	50.61	1,880.43
2022	1,445.46	0.00	0.00	0.00	1,445.46	66.64	36.14	1,342.68
2023	1,031.71	0.00	0.00	0.00	1,031.71	47.57	25.79	958.35
2024	738.72	0.00	0.00	0.00	738.72	34.06	18.47	686.20
2025	525.81	0.00	0.00	0.00	525.81	24.24	13.15	488.43
2026	375.79	0.00	0.00	0.00	375.79	17.32	9.39	349.07
2027	268.15	0.00	0.00	0.00	268.15	12.36	6.70	249.08
2028	177.56	0.00	0.00	0.00	177.56	8.18	4.44	164.94
2029	92.88	0.00	0.00	0.00	92.88	4.28	2.32	86.28
2030	29.56	0.00	0.00	0.00	29.56	1.36	0.74	27.45
Sub-T	15,197.73	0.00	0.00	0.00	15,197.73	700.89	379.94	14,116.89
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	15,197.73	0.00	0.00	0.00	15,197.73	700.89	379.94	14,116.89

Year	----- Deductions -----				----- Future Net Income Before Income Taxes -----			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----		
2017	21.61	678.59	0.00	0.00	158.27	158.27	121.30	121.30
2018	52.94	678.59	0.00	0.00	1,143.39	1,301.66	960.22	1,081.52
2019	85.52	678.59	0.00	0.00	1,933.80	3,235.46	1,487.10	2,568.62
2020	96.45	0.00	0.00	0.00	2,356.23	5,591.69	1,668.62	4,237.24
2021	98.38	0.00	0.00	0.00	1,782.05	7,373.74	1,142.34	5,379.58
2022	100.35	0.00	0.00	0.00	1,242.33	8,616.07	720.98	6,100.56
2023	102.36	0.00	0.00	0.00	856.00	9,472.07	449.77	6,550.32
2024	104.41	0.00	0.00	0.00	581.79	10,053.86	276.75	6,827.07
2025	106.49	0.00	0.00	0.00	381.93	10,435.79	164.49	6,991.56
2026	108.62	0.00	0.00	0.00	240.45	10,676.24	93.79	7,085.36
2027	110.79	0.00	0.00	0.00	138.29	10,814.53	48.88	7,134.24
2028	98.51	15.00	0.00	0.00	51.43	10,865.96	16.70	7,150.94
2029	63.30	15.00	0.00	0.00	7.98	10,873.94	2.55	7,153.49
2030	24.10	15.00	0.00	0.00	-11.65	10,862.29	-2.87	7,150.62
Sub-T	1,173.83	2,080.77	0.00	0.00	10,862.29	10,862.29	7,150.62	7,150.62
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,173.83	2,080.77	0.00	0.00	10,862.29	10,862.29	7,150.62	7,150.62

Present Worth Profile (M\$)

PW 5.00% :	8,767.36
PW 8.00% :	7,748.95
PW 9.00% :	7,442.36
PW 12.00% :	6,608.28
PW 15.00% :	5,886.37
PW 20.00% :	4,885.60

Forecast price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Total Proved

MKM Engineering

TABLE 5

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil --- Mbbbl ---	NGL --- Mgal ---	Gas --- MMcf ---	Oil --- Mbbbl ---	NGL --- Mgal ---	Gas --- MMcf ---			
2017	6	33.88	0.00	0.00	25.18	0.00	0.00	55.00	0.00	0.00
2018	6	66.36	0.00	0.00	49.53	0.00	0.00	58.70	0.00	0.00
2019	6	78.04	0.00	0.00	58.13	0.00	0.00	62.40	0.00	0.00
2020	6	63.26	0.00	0.00	47.10	0.00	0.00	69.00	0.00	0.00
2021	5	44.43	0.00	0.00	33.08	0.00	0.00	75.80	0.00	0.00
2022	5	31.64	0.00	0.00	23.56	0.00	0.00	77.30	0.00	0.00
2023	5	22.47	0.00	0.00	16.73	0.00	0.00	78.80	0.00	0.00
2024	4	15.67	0.00	0.00	11.67	0.00	0.00	80.40	0.00	0.00
2025	4	11.18	0.00	0.00	8.33	0.00	0.00	82.00	0.00	0.00
2026	4	8.02	0.00	0.00	5.98	0.00	0.00	83.70	0.00	0.00
2027	4	5.77	0.00	0.00	4.30	0.00	0.00	85.30	0.00	0.00
2028	4	3.94	0.00	0.00	2.94	0.00	0.00	87.00	0.00	0.00
2029	3	2.33	0.00	0.00	1.74	0.00	0.00	88.80	0.00	0.00
2030	2	1.16	0.00	0.00	0.86	0.00	0.00	90.60	0.00	0.00
2031	1	0.06	0.00	0.00	0.05	0.00	0.00	92.40	0.00	0.00
Sub-T		388.21	0.00	0.00	289.17	0.00	0.00	68.46	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		388.21	0.00	0.00	289.17	0.00	0.00	68.46	0.00	0.00
Cum. Ult.		1,013.02	0.00	315.93						
		1,401.23	0.00	315.93						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil --- M\$ ---	NGL --- M\$ ---	Gas --- M\$ ---	Other --- M\$ ---	Total --- M\$ ---	Prod Tax --- M\$ ---	Adv Tax --- M\$ ---	
2017	1,385.09	0.00	0.00	0.00	1,385.09	63.92	34.63	1,286.54
2018	2,907.52	0.00	0.00	0.00	2,907.52	134.15	72.69	2,700.68
2019	3,627.62	0.00	0.00	0.00	3,627.62	167.34	90.69	3,369.59
2020	3,249.73	0.00	0.00	0.00	3,249.73	149.87	81.24	3,018.62
2021	2,507.28	0.00	0.00	0.00	2,507.28	115.60	62.68	2,329.00
2022	1,821.25	0.00	0.00	0.00	1,821.25	83.97	45.53	1,691.75
2023	1,318.26	0.00	0.00	0.00	1,318.26	60.78	32.96	1,224.53
2024	937.92	0.00	0.00	0.00	937.92	43.24	23.45	871.23
2025	682.97	0.00	0.00	0.00	682.97	31.48	17.07	634.41
2026	500.26	0.00	0.00	0.00	500.26	23.06	12.51	464.69
2027	366.57	0.00	0.00	0.00	366.57	16.90	9.16	340.51
2028	255.65	0.00	0.00	0.00	255.65	11.78	6.39	237.47
2029	154.53	0.00	0.00	0.00	154.53	7.12	3.86	143.54
2030	78.36	0.00	0.00	0.00	78.36	3.61	1.96	72.79
2031	4.26	0.00	0.00	0.00	4.26	0.20	0.11	3.96
Sub-T	19,797.29	0.00	0.00	0.00	19,797.29	913.02	494.93	18,389.33
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	19,797.29	0.00	0.00	0.00	19,797.29	913.02	494.93	18,389.33

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs --- M\$ ---	Net Investments --- M\$ ---	Trans. Costs --- M\$ ---	Net Profits --- M\$ ---	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	89.83	778.59	0.00	0.00	418.12	418.12	364.40	364.40
2018	145.65	678.59	0.00	0.00	1,876.45	2,294.57	1,593.40	1,957.80
2019	180.08	678.59	0.00	0.00	2,510.92	4,805.49	1,938.40	3,896.20
2020	187.27	0.00	0.00	0.00	2,831.35	7,636.84	2,004.95	5,901.15
2021	163.97	10.00	0.00	0.00	2,155.03	9,791.87	1,381.05	7,282.20
2022	167.25	0.00	0.00	0.00	1,524.50	11,316.37	884.67	8,166.87
2023	164.33	0.00	0.00	0.00	1,060.20	12,376.58	557.03	8,723.90
2024	139.21	10.00	0.00	0.00	722.03	13,098.60	343.21	9,067.11
2025	141.99	0.00	0.00	0.00	492.42	13,591.02	212.03	9,279.13
2026	144.83	0.00	0.00	0.00	319.86	13,910.89	124.73	9,403.87
2027	147.72	0.00	0.00	0.00	192.79	14,103.68	68.11	9,471.98
2028	136.18	15.00	0.00	0.00	86.29	14,189.97	27.85	9,499.83
2029	101.72	15.00	0.00	0.00	26.82	14,216.79	8.01	9,507.84
2030	63.30	15.00	0.00	0.00	-5.50	14,211.29	-1.24	9,506.59
2031	3.84	15.00	0.00	0.00	-14.89	14,196.40	-3.57	9,503.02
Sub-T	1,977.16	2,215.77	0.00	0.00	14,196.40	14,196.40	9,503.02	9,503.02
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,977.16	2,215.77	0.00	0.00	14,196.40	14,196.40	9,503.02	9,503.02

Present Worth Profile (M\$)

PW 5.00% :	11,546.77
PW 8.00% :	10,259.41
PW 9.00% :	9,871.85
PW 12.00% :	8,817.25
PW 15.00% :	7,903.91
PW 20.00% :	6,635.99

Forecast price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Probable Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 6

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	0	34.85	0.00	0.00	25.79	0.00	0.00	55.00	0.00	0.00
2018	0	70.85	0.00	0.00	52.77	0.00	0.00	58.70	0.00	0.00
2019	0	96.05	0.00	0.00	71.44	0.00	0.00	62.40	0.00	0.00
2020	0	79.02	0.00	0.00	58.73	0.00	0.00	69.00	0.00	0.00
2021	0	55.15	0.00	0.00	40.99	0.00	0.00	75.80	0.00	0.00
2022	0	38.61	0.00	0.00	28.70	0.00	0.00	77.30	0.00	0.00
2023	0	27.04	0.00	0.00	20.09	0.00	0.00	78.80	0.00	0.00
2024	0	18.97	0.00	0.00	14.10	0.00	0.00	80.40	0.00	0.00
2025	0	13.24	0.00	0.00	9.84	0.00	0.00	82.00	0.00	0.00
2026	0	9.27	0.00	0.00	6.89	0.00	0.00	83.70	0.00	0.00
2027	0	6.49	0.00	0.00	4.82	0.00	0.00	85.30	0.00	0.00
2028	0	4.78	0.00	0.00	3.55	0.00	0.00	87.00	0.00	0.00
2029	1	3.84	0.00	0.00	2.86	0.00	0.00	88.80	0.00	0.00
2030	2	3.24	0.00	0.00	2.41	0.00	0.00	90.60	0.00	0.00
2031	3	2.16	0.00	0.00	1.61	0.00	0.00	92.40	0.00	0.00
Sub-T		463.57	0.00	0.00	344.59	0.00	0.00	69.05	0.00	0.00
After		1.13	0.00	0.00	0.83	0.00	0.00	93.32	0.00	0.00
Total		464.70	0.00	0.00	345.42	0.00	0.00	69.11	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		464.70	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	1,418.43	0.00	0.00	0.00	1,418.43	65.46	35.46	1,317.51
2018	3,097.86	0.00	0.00	0.00	3,097.86	142.93	77.45	2,877.49
2019	4,457.60	0.00	0.00	0.00	4,457.60	205.63	111.44	4,140.53
2020	4,052.39	0.00	0.00	0.00	4,052.39	186.89	101.31	3,764.19
2021	3,106.86	0.00	0.00	0.00	3,106.86	143.25	77.67	2,885.94
2022	2,218.38	0.00	0.00	0.00	2,218.38	102.28	55.46	2,060.64
2023	1,583.39	0.00	0.00	0.00	1,583.39	73.00	39.58	1,470.80
2024	1,133.73	0.00	0.00	0.00	1,133.73	52.27	28.34	1,053.12
2025	806.97	0.00	0.00	0.00	806.97	37.20	20.17	749.60
2026	576.73	0.00	0.00	0.00	576.73	26.59	14.42	535.73
2027	411.53	0.00	0.00	0.00	411.53	18.97	10.29	382.27
2028	308.92	0.00	0.00	0.00	308.92	14.24	7.72	286.95
2029	253.66	0.00	0.00	0.00	253.66	11.69	6.34	235.63
2030	218.00	0.00	0.00	0.00	218.00	10.05	5.45	202.50
2031	148.67	0.00	0.00	0.00	148.67	6.85	3.72	138.10
Sub-T	23,793.12	0.00	0.00	0.00	23,793.12	1,097.28	594.83	22,101.01
After	77.87	0.00	0.00	0.00	77.87	3.59	1.95	72.33
Total	23,870.99	0.00	0.00	0.00	23,870.99	1,100.87	596.77	22,173.34

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	0.00	0.00	0.00	0.00	1,317.51	1,317.51	1,237.91	1,237.91
2018	0.00	0.00	0.00	0.00	2,877.49	4,194.99	2,467.22	3,705.13
2019	0.00	0.00	0.00	0.00	4,140.53	8,335.53	3,220.72	6,925.85
2020	0.00	0.00	0.00	0.00	3,764.19	12,099.72	2,665.38	9,591.23
2021	0.00	0.00	0.00	0.00	2,885.94	14,985.66	1,849.67	11,440.90
2022	0.00	0.00	0.00	0.00	2,060.64	17,046.30	1,195.61	12,636.50
2023	0.00	0.00	0.00	0.00	1,470.80	18,517.11	772.54	13,409.04
2024	0.00	0.00	0.00	0.00	1,053.12	19,570.23	500.69	13,909.73
2025	0.00	0.00	0.00	0.00	749.60	20,319.83	322.58	14,232.31
2026	0.00	0.00	0.00	0.00	535.73	20,855.55	208.70	14,441.01
2027	0.00	0.00	0.00	0.00	382.27	21,237.83	134.82	14,575.83
2028	14.50	-15.00	0.00	0.00	287.45	21,525.28	91.58	14,667.41
2029	51.97	-15.00	0.00	0.00	198.65	21,723.93	57.25	14,724.67
2030	93.47	-15.00	0.00	0.00	124.03	21,847.96	32.35	14,757.02
2031	89.82	15.00	0.00	0.00	33.28	21,881.24	7.95	14,764.97
Sub-T	249.77	-30.00	0.00	0.00	21,881.24	21,881.24	14,764.97	14,764.97
After	59.22	30.00	0.00	0.00	-16.89	-16.89	-3.29	-3.29
Total	309.00	0.00	0.00	0.00	21,864.35	21,864.35	14,761.68	14,761.68

Present Worth Profile (M\$)

PW 5.00% :	17,818.24
PW 8.00% :	15,886.81
PW 9.00% :	15,309.45
PW 12.00% :	13,747.37
PW 15.00% :	12,404.24
PW 20.00% :	10,552.20

**Saratoga Field
Reserve and Economic Projection
As of 12/31/2016**

Total Probable

Forecast price

MKM Engineering

TABLE 7

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	0	34.85	0.00	0.00	25.79	0.00	0.00	55.00	0.00	0.00
2018	0	70.85	0.00	0.00	52.77	0.00	0.00	58.70	0.00	0.00
2019	0	96.05	0.00	0.00	71.44	0.00	0.00	62.40	0.00	0.00
2020	0	79.02	0.00	0.00	58.73	0.00	0.00	69.00	0.00	0.00
2021	0	55.15	0.00	0.00	40.99	0.00	0.00	75.80	0.00	0.00
2022	0	38.61	0.00	0.00	28.70	0.00	0.00	77.30	0.00	0.00
2023	0	27.04	0.00	0.00	20.09	0.00	0.00	78.80	0.00	0.00
2024	0	18.97	0.00	0.00	14.10	0.00	0.00	80.40	0.00	0.00
2025	0	13.24	0.00	0.00	9.84	0.00	0.00	82.00	0.00	0.00
2026	0	9.27	0.00	0.00	6.89	0.00	0.00	83.70	0.00	0.00
2027	0	6.49	0.00	0.00	4.82	0.00	0.00	85.30	0.00	0.00
2028	0	4.78	0.00	0.00	3.55	0.00	0.00	87.00	0.00	0.00
2029	1	3.84	0.00	0.00	2.86	0.00	0.00	88.80	0.00	0.00
2030	2	3.24	0.00	0.00	2.41	0.00	0.00	90.60	0.00	0.00
2031	3	2.16	0.00	0.00	1.61	0.00	0.00	92.40	0.00	0.00
Sub-T		463.57	0.00	0.00	344.59	0.00	0.00	69.05	0.00	0.00
After		1.13	0.00	0.00	0.83	0.00	0.00	93.32	0.00	0.00
Total		464.70	0.00	0.00	345.42	0.00	0.00	69.11	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		464.70	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	1,418.43	0.00	0.00	0.00	1,418.43	65.46	35.46	1,317.51
2018	3,097.86	0.00	0.00	0.00	3,097.86	142.93	77.45	2,877.49
2019	4,457.60	0.00	0.00	0.00	4,457.60	205.63	111.44	4,140.53
2020	4,052.39	0.00	0.00	0.00	4,052.39	186.89	101.31	3,764.19
2021	3,106.86	0.00	0.00	0.00	3,106.86	143.25	77.67	2,885.94
2022	2,218.38	0.00	0.00	0.00	2,218.38	102.28	55.46	2,060.64
2023	1,583.39	0.00	0.00	0.00	1,583.39	73.00	39.58	1,470.80
2024	1,133.73	0.00	0.00	0.00	1,133.73	52.27	28.34	1,053.12
2025	806.97	0.00	0.00	0.00	806.97	37.20	20.17	749.60
2026	576.73	0.00	0.00	0.00	576.73	26.59	14.42	535.73
2027	411.53	0.00	0.00	0.00	411.53	18.97	10.29	382.27
2028	308.92	0.00	0.00	0.00	308.92	14.24	7.72	286.95
2029	253.66	0.00	0.00	0.00	253.66	11.69	6.34	235.63
2030	218.00	0.00	0.00	0.00	218.00	10.05	5.45	202.50
2031	148.67	0.00	0.00	0.00	148.67	6.85	3.72	138.10
Sub-T	23,793.12	0.00	0.00	0.00	23,793.12	1,097.28	594.83	22,101.01
After	77.87	0.00	0.00	0.00	77.87	3.59	1.95	72.33
Total	23,870.99	0.00	0.00	0.00	23,870.99	1,100.87	596.77	22,173.34

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted Annual ---- M\$ ----	Undiscounted Cumulative ---- M\$ ----	Discounted Ann @ 10.00% ---- M\$ ----	Disc. Cum. Annual @ 10.00% ---- M\$ ----
2017	0.00	0.00	0.00	0.00	1,317.51	1,317.51	1,237.91	1,237.91
2018	0.00	0.00	0.00	0.00	2,877.49	4,194.99	2,467.22	3,705.13
2019	0.00	0.00	0.00	0.00	4,140.53	8,335.53	3,220.72	6,925.85
2020	0.00	0.00	0.00	0.00	3,764.19	12,099.72	2,665.38	9,591.23
2021	0.00	0.00	0.00	0.00	2,885.94	14,985.66	1,849.67	11,440.90
2022	0.00	0.00	0.00	0.00	2,060.64	17,046.30	1,195.61	12,636.50
2023	0.00	0.00	0.00	0.00	1,470.80	18,517.11	772.54	13,409.04
2024	0.00	0.00	0.00	0.00	1,053.12	19,570.23	500.69	13,909.73
2025	0.00	0.00	0.00	0.00	749.60	20,319.83	322.58	14,232.31
2026	0.00	0.00	0.00	0.00	535.73	20,855.55	208.70	14,441.01
2027	0.00	0.00	0.00	0.00	382.27	21,237.83	134.82	14,575.83
2028	14.50	-15.00	0.00	0.00	287.45	21,525.28	91.58	14,667.41
2029	51.97	-15.00	0.00	0.00	198.65	21,723.93	57.25	14,724.67
2030	93.47	-15.00	0.00	0.00	124.03	21,847.96	32.35	14,757.02
2031	89.82	15.00	0.00	0.00	33.28	21,881.24	7.95	14,764.97
Sub-T	249.77	-30.00	0.00	0.00	21,881.24	21,881.24	14,764.97	14,764.97
After	59.22	30.00	0.00	0.00	-16.89	-16.89	-3.29	-3.29
Total	309.00	0.00	0.00	0.00	21,864.35	21,864.35	14,761.68	14,761.68

Present Worth Profile (M\$)

PW 5.00% :	17,818.24
PW 8.00% :	15,886.81
PW 9.00% :	15,309.45
PW 12.00% :	13,747.37
PW 15.00% :	12,404.24
PW 20.00% :	10,552.20

Constant price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Total Proved + Probable

MKM Engineering

TABLE 8

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	6	68.13	0.00	0.00	50.52	0.00	0.00	42.75	0.00	0.00
2018	5	136.32	0.00	0.00	101.64	0.00	0.00	42.75	0.00	0.00
2019	5	173.30	0.00	0.00	128.98	0.00	0.00	42.75	0.00	0.00
2020	5	141.70	0.00	0.00	105.39	0.00	0.00	42.75	0.00	0.00
2021	5	99.58	0.00	0.00	74.07	0.00	0.00	42.75	0.00	0.00
2022	5	69.79	0.00	0.00	51.91	0.00	0.00	42.75	0.00	0.00
2023	4	48.90	0.00	0.00	36.37	0.00	0.00	42.75	0.00	0.00
2024	4	34.64	0.00	0.00	25.77	0.00	0.00	42.75	0.00	0.00
2025	4	24.43	0.00	0.00	18.17	0.00	0.00	42.75	0.00	0.00
2026	4	17.30	0.00	0.00	12.87	0.00	0.00	42.75	0.00	0.00
2027	4	12.26	0.00	0.00	9.12	0.00	0.00	42.75	0.00	0.00
2028	4	8.72	0.00	0.00	6.49	0.00	0.00	42.75	0.00	0.00
2029	4	5.30	0.00	0.00	3.94	0.00	0.00	42.75	0.00	0.00
2030	2	2.77	0.00	0.00	2.06	0.00	0.00	42.75	0.00	0.00
2031	1	1.06	0.00	0.00	0.78	0.00	0.00	42.75	0.00	0.00
Sub-T		844.18	0.00	0.00	628.08	0.00	0.00	42.75	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		844.18	0.00	0.00	628.08	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		1,013.02	0.00	315.93						
		1,857.20	0.00	315.93						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	2,159.74	0.00	0.00	0.00	2,159.74	99.76	53.99	2,005.99
2018	4,345.28	0.00	0.00	0.00	4,345.28	200.71	108.63	4,035.93
2019	5,513.95	0.00	0.00	0.00	5,513.95	254.69	137.85	5,121.41
2020	4,505.21	0.00	0.00	0.00	4,505.21	208.10	112.63	4,184.49
2021	3,166.29	0.00	0.00	0.00	3,166.29	146.25	79.16	2,940.88
2022	2,219.04	0.00	0.00	0.00	2,219.04	102.50	55.48	2,061.07
2023	1,554.90	0.00	0.00	0.00	1,554.90	71.82	38.87	1,444.21
2024	1,101.53	0.00	0.00	0.00	1,101.53	50.88	27.54	1,023.11
2025	776.77	0.00	0.00	0.00	776.77	35.88	19.42	721.47
2026	550.08	0.00	0.00	0.00	550.08	25.41	13.75	510.92
2027	389.97	0.00	0.00	0.00	389.97	18.01	9.75	362.20
2028	277.42	0.00	0.00	0.00	277.42	12.81	6.94	257.67
2029	168.34	0.00	0.00	0.00	168.34	7.78	4.21	156.36
2030	88.25	0.00	0.00	0.00	88.25	4.08	2.21	81.97
2031	33.45	0.00	0.00	0.00	33.45	1.55	0.84	31.07
Sub-T	26,850.22	0.00	0.00	0.00	26,850.22	1,240.21	671.26	24,938.75
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	26,850.22	0.00	0.00	0.00	26,850.22	1,240.21	671.26	24,938.75

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----		
2017	70.05	792.69	0.00	0.00	1,143.26	1,143.26	1,045.71	1,045.71
2018	111.33	694.95	0.00	0.00	3,229.66	4,372.91	2,751.81	3,797.52
2019	141.33	708.85	0.00	0.00	4,271.23	8,644.14	3,306.07	7,103.59
2020	150.00	0.00	0.00	0.00	4,034.49	12,678.63	2,856.91	9,960.50
2021	150.00	0.00	0.00	0.00	2,790.88	15,469.51	1,788.89	11,749.38
2022	134.56	11.20	0.00	0.00	1,915.30	17,384.82	1,111.59	12,860.97
2023	120.00	0.00	0.00	0.00	1,324.21	18,709.02	695.65	13,556.62
2024	120.00	0.00	0.00	0.00	903.11	19,612.13	429.49	13,986.11
2025	120.00	0.00	0.00	0.00	601.47	20,213.60	258.95	14,245.06
2026	120.00	0.00	0.00	0.00	390.92	20,604.52	152.40	14,397.46
2027	120.00	0.00	0.00	0.00	242.20	20,846.72	85.52	14,482.97
2028	120.00	0.00	0.00	0.00	137.67	20,984.39	44.04	14,527.02
2029	91.20	19.18	0.00	0.00	45.98	21,030.37	13.32	14,540.34
2030	57.66	19.45	0.00	0.00	4.85	21,035.23	1.14	14,541.48
2031	26.48	19.86	0.00	0.00	-15.26	21,019.97	-3.74	14,537.74
Sub-T	1,652.61	2,266.17	0.00	0.00	21,019.97	21,019.97	14,537.74	14,537.74
After	0.00	20.24	0.00	0.00	-20.24	-20.24	-4.49	-4.49
Total	1,652.61	2,286.40	0.00	0.00	20,999.73	20,999.73	14,533.25	14,533.25

Present Worth Profile (M\$)

PW 5.00% :	17,366.04
PW 8.00% :	15,585.31
PW 9.00% :	15,046.83
PW 12.00% :	13,575.17
PW 15.00% :	12,292.00
PW 20.00% :	10,494.64

Constant price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Producing Rsv Category

MKM Engineering

TABLE 9

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	1	6.00	0.00	0.00	4.50	0.00	0.00	42.75	0.00	0.00
2018	1	4.20	0.00	0.00	3.15	0.00	0.00	42.75	0.00	0.00
2019	1	2.94	0.00	0.00	2.21	0.00	0.00	42.75	0.00	0.00
2020	1	2.06	0.00	0.00	1.55	0.00	0.00	42.75	0.00	0.00
2021	1	1.44	0.00	0.00	1.08	0.00	0.00	42.75	0.00	0.00
2022	1	0.54	0.00	0.00	0.40	0.00	0.00	42.75	0.00	0.00

Sub-T	17.18	0.00	0.00	12.89	0.00	0.00	42.75	0.00	0.00
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	17.18	0.00	0.00	12.89	0.00	0.00	42.75	0.00	0.00
Cum. Ult.	929.72	0.00	309.46						
	946.90	0.00	309.46						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	after Sev & Adv ---- M\$ ----
2017	192.31	0.00	0.00	0.00	192.31	8.88	4.81	178.62
2018	134.65	0.00	0.00	0.00	134.65	6.22	3.37	125.06
2019	94.28	0.00	0.00	0.00	94.28	4.35	2.36	87.56
2020	66.16	0.00	0.00	0.00	66.16	3.06	1.65	61.45
2021	46.17	0.00	0.00	0.00	46.17	2.13	1.15	42.89
2022	17.29	0.00	0.00	0.00	17.29	0.80	0.43	16.06

Sub-T	550.86	0.00	0.00	0.00	550.86	25.44	13.77	511.64
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	550.86	0.00	0.00	0.00	550.86	25.44	13.77	511.64

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted Annual ---- M\$ ----	Undiscounted Cumulative ---- M\$ ----	Discounted Ann @ 10.00% ----M\$ ----	Disc. Cum. Annual @ 10.00% ---- M\$ ----
2017	30.00	10.05	0.00	0.00	138.57	138.57	132.14	132.14
2018	30.00	0.00	0.00	0.00	95.06	233.63	82.22	214.35
2019	30.00	0.00	0.00	0.00	57.56	291.20	45.10	259.45
2020	30.00	0.00	0.00	0.00	31.45	322.65	22.33	281.78
2021	30.00	0.00	0.00	0.00	12.89	335.53	8.31	290.09
2022	14.56	11.20	0.00	0.00	-9.71	325.83	-5.43	284.65

Sub-T	164.56	21.25	0.00	0.00	325.83	325.83	284.65	284.65
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	164.56	21.25	0.00	0.00	325.83	325.83	284.65	284.65

Present Worth Profile (M\$)

PW 5.00% :	304.18
PW 8.00% :	292.23
PW 9.00% :	288.40
PW 12.00% :	277.39
PW 15.00% :	267.02
PW 20.00% :	251.07

Constant price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Non-Producing Rsv Category

MKM Engineering

TABLE 10

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	2	4.57	0.00	0.00	3.43	0.00	0.00	42.75	0.00	0.00
2018	1	15.11	0.00	0.00	11.33	0.00	0.00	42.75	0.00	0.00
2019	1	11.72	0.00	0.00	8.79	0.00	0.00	42.75	0.00	0.00
2020	1	9.12	0.00	0.00	6.84	0.00	0.00	42.75	0.00	0.00
2021	1	7.05	0.00	0.00	5.29	0.00	0.00	42.75	0.00	0.00
2022	1	5.47	0.00	0.00	4.11	0.00	0.00	42.75	0.00	0.00
2023	1	4.25	0.00	0.00	3.19	0.00	0.00	42.75	0.00	0.00
2024	1	3.30	0.00	0.00	2.48	0.00	0.00	42.75	0.00	0.00
2025	1	2.56	0.00	0.00	1.92	0.00	0.00	42.75	0.00	0.00
2026	1	1.98	0.00	0.00	1.49	0.00	0.00	42.75	0.00	0.00
2027	1	1.54	0.00	0.00	1.15	0.00	0.00	42.75	0.00	0.00
2028	1	1.20	0.00	0.00	0.90	0.00	0.00	42.75	0.00	0.00
2029	1	0.16	0.00	0.00	0.12	0.00	0.00	42.75	0.00	0.00
Sub-T		68.04	0.00	0.00	51.03	0.00	0.00	42.75	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		68.04	0.00	0.00	51.03	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		83.29	0.00	6.47						
		151.34	0.00	6.47						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	146.56	0.00	0.00	0.00	146.56	6.77	3.66	136.12
2018	484.47	0.00	0.00	0.00	484.47	22.38	12.11	449.98
2019	375.92	0.00	0.00	0.00	375.92	17.36	9.40	349.16
2020	292.39	0.00	0.00	0.00	292.39	13.51	7.31	271.58
2021	226.18	0.00	0.00	0.00	226.18	10.45	5.65	210.08
2022	175.50	0.00	0.00	0.00	175.50	8.11	4.39	163.01
2023	136.18	0.00	0.00	0.00	136.18	6.29	3.40	126.48
2024	105.92	0.00	0.00	0.00	105.92	4.89	2.65	98.38
2025	81.93	0.00	0.00	0.00	81.93	3.78	2.05	76.10
2026	63.57	0.00	0.00	0.00	63.57	2.94	1.59	59.05
2027	49.33	0.00	0.00	0.00	49.33	2.28	1.23	45.82
2028	38.37	0.00	0.00	0.00	38.37	1.77	0.96	35.64
2029	5.23	0.00	0.00	0.00	5.23	0.24	0.13	4.86
Sub-T	2,181.56	0.00	0.00	0.00	2,181.56	100.77	54.54	2,026.25
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2,181.56	0.00	0.00	0.00	2,181.56	100.77	54.54	2,026.25

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	18.72	101.32	0.00	0.00	16.09	16.09	12.23	12.23
2018	30.00	0.00	0.00	0.00	419.98	436.08	362.67	374.90
2019	30.00	0.00	0.00	0.00	319.16	755.23	249.51	624.41
2020	30.00	0.00	0.00	0.00	241.58	996.81	170.96	795.36
2021	30.00	0.00	0.00	0.00	180.08	1,176.89	115.35	910.72
2022	30.00	0.00	0.00	0.00	133.01	1,309.89	77.14	987.85
2023	30.00	0.00	0.00	0.00	96.48	1,406.38	50.66	1,038.52
2024	30.00	0.00	0.00	0.00	68.38	1,474.75	32.51	1,071.03
2025	30.00	0.00	0.00	0.00	46.10	1,520.85	19.85	1,090.87
2026	30.00	0.00	0.00	0.00	29.05	1,549.90	11.33	1,102.20
2027	30.00	0.00	0.00	0.00	15.82	1,565.72	5.59	1,107.80
2028	30.00	0.00	0.00	0.00	5.64	1,571.36	1.82	1,109.61
2029	4.72	19.18	0.00	0.00	-19.03	1,552.32	-5.53	1,104.08
Sub-T	353.43	120.49	0.00	0.00	1,552.32	1,552.32	1,104.08	1,104.08
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	353.43	120.49	0.00	0.00	1,552.32	1,552.32	1,104.08	1,104.08

Present Worth Profile (M\$)

PW 5.00% :	1,302.41
PW 8.00% :	1,178.11
PW 9.00% :	1,140.28
PW 12.00% :	1,036.25
PW 15.00% :	944.76
PW 20.00% :	815.25

Constant price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 11

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	3	22.71	0.00	0.00	16.80	0.00	0.00	42.75	0.00	0.00
2018	3	46.16	0.00	0.00	34.39	0.00	0.00	42.75	0.00	0.00
2019	3	62.58	0.00	0.00	46.55	0.00	0.00	42.75	0.00	0.00
2020	3	51.49	0.00	0.00	38.27	0.00	0.00	42.75	0.00	0.00
2021	3	35.94	0.00	0.00	26.71	0.00	0.00	42.75	0.00	0.00
2022	3	25.16	0.00	0.00	18.70	0.00	0.00	42.75	0.00	0.00
2023	3	17.62	0.00	0.00	13.09	0.00	0.00	42.75	0.00	0.00
2024	3	12.36	0.00	0.00	9.19	0.00	0.00	42.75	0.00	0.00
2025	3	8.63	0.00	0.00	6.41	0.00	0.00	42.75	0.00	0.00
2026	3	6.04	0.00	0.00	4.49	0.00	0.00	42.75	0.00	0.00
2027	3	3.58	0.00	0.00	2.66	0.00	0.00	42.75	0.00	0.00
2028	2	1.69	0.00	0.00	1.25	0.00	0.00	42.75	0.00	0.00
2029	1	0.29	0.00	0.00	0.22	0.00	0.00	42.75	0.00	0.00
Sub-T		294.25	0.00	0.00	218.73	0.00	0.00	42.75	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		294.25	0.00	0.00	218.73	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		294.25	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv ----- M\$ -----
	Oil ----- M\$ -----	NGL ----- M\$ -----	Gas ----- M\$ -----	Other ----- M\$ -----	Total ----- M\$ -----	Prod Tax ----- M\$ -----	Adv Tax ----- M\$ -----	
2017	718.37	0.00	0.00	0.00	718.37	33.18	17.96	667.23
2018	1,470.04	0.00	0.00	0.00	1,470.04	67.90	36.75	1,365.39
2019	1,989.86	0.00	0.00	0.00	1,989.86	91.91	49.75	1,848.20
2020	1,635.94	0.00	0.00	0.00	1,635.94	75.56	40.90	1,519.48
2021	1,141.72	0.00	0.00	0.00	1,141.72	52.74	28.54	1,060.44
2022	799.40	0.00	0.00	0.00	799.40	36.92	19.98	742.49
2023	559.72	0.00	0.00	0.00	559.72	25.85	13.99	519.87
2024	392.79	0.00	0.00	0.00	392.79	18.14	9.82	364.83
2025	274.13	0.00	0.00	0.00	274.13	12.66	6.85	254.61
2026	191.94	0.00	0.00	0.00	191.94	8.87	4.80	178.27
2027	113.82	0.00	0.00	0.00	113.82	5.26	2.85	105.72
2028	53.54	0.00	0.00	0.00	53.54	2.47	1.34	49.72
2029	9.28	0.00	0.00	0.00	9.28	0.43	0.23	8.62
Sub-T	9,350.55	0.00	0.00	0.00	9,350.55	431.90	233.76	8,684.88
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	9,350.55	0.00	0.00	0.00	9,350.55	431.90	233.76	8,684.88

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ----- M\$ -----	Net Investments ----- M\$ -----	Trans. Costs ----- M\$ -----	Net Profits ----- M\$ -----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	21.33	681.32	0.00	0.00	-35.42	-35.42	-60.81	-60.81
2018	51.33	694.95	0.00	0.00	619.11	583.69	510.19	449.39
2019	81.33	708.85	0.00	0.00	1,058.03	1,641.72	805.11	1,254.49
2020	90.00	0.00	0.00	0.00	1,429.48	3,071.20	1,012.38	2,266.87
2021	90.00	0.00	0.00	0.00	970.44	4,041.64	622.13	2,889.00
2022	90.00	0.00	0.00	0.00	652.49	4,694.13	378.72	3,267.73
2023	90.00	0.00	0.00	0.00	429.87	5,124.00	225.92	3,493.64
2024	90.00	0.00	0.00	0.00	274.83	5,398.82	130.78	3,624.43
2025	90.00	0.00	0.00	0.00	164.61	5,563.43	70.94	3,695.37
2026	90.00	0.00	0.00	0.00	88.27	5,651.71	34.48	3,729.85
2027	68.20	18.47	0.00	0.00	19.04	5,670.75	6.81	3,736.66
2028	39.27	18.86	0.00	0.00	-8.40	5,662.34	-2.60	3,734.07
2029	8.12	19.22	0.00	0.00	-18.72	5,643.62	-5.38	3,728.69
Sub-T	899.60	2,141.66	0.00	0.00	5,643.62	5,643.62	3,728.69	3,728.69
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	899.60	2,141.66	0.00	0.00	5,643.62	5,643.62	3,728.69	3,728.69

Present Worth Profile (M\$)

PW 5.00% :	4,572.60
PW 8.00% :	4,042.86
PW 9.00% :	3,882.16
PW 12.00% :	3,441.99
PW 15.00% :	3,057.43
PW 20.00% :	2,518.64

Constant price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Total Proved

MKM Engineering

TABLE 12

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	6	33.28	0.00	0.00	24.73	0.00	0.00	42.75	0.00	0.00
2018	5	65.47	0.00	0.00	48.87	0.00	0.00	42.75	0.00	0.00
2019	5	77.25	0.00	0.00	57.55	0.00	0.00	42.75	0.00	0.00
2020	5	62.67	0.00	0.00	46.65	0.00	0.00	42.75	0.00	0.00
2021	5	44.43	0.00	0.00	33.08	0.00	0.00	42.75	0.00	0.00
2022	5	31.17	0.00	0.00	23.21	0.00	0.00	42.75	0.00	0.00
2023	4	21.86	0.00	0.00	16.28	0.00	0.00	42.75	0.00	0.00
2024	4	15.67	0.00	0.00	11.67	0.00	0.00	42.75	0.00	0.00
2025	4	11.18	0.00	0.00	8.33	0.00	0.00	42.75	0.00	0.00
2026	4	8.02	0.00	0.00	5.98	0.00	0.00	42.75	0.00	0.00
2027	4	5.12	0.00	0.00	3.82	0.00	0.00	42.75	0.00	0.00
2028	3	2.88	0.00	0.00	2.15	0.00	0.00	42.75	0.00	0.00
2029	2	0.46	0.00	0.00	0.34	0.00	0.00	42.75	0.00	0.00
Sub-T		379.47	0.00	0.00	282.64	0.00	0.00	42.75	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		379.47	0.00	0.00	282.64	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		1,013.02	0.00	315.93						
		1,392.49	0.00	315.93						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	1,057.24	0.00	0.00	0.00	1,057.24	48.83	26.43	981.97
2018	2,089.17	0.00	0.00	0.00	2,089.17	96.50	52.23	1,940.44
2019	2,460.06	0.00	0.00	0.00	2,460.06	113.63	61.50	2,284.93
2020	1,994.50	0.00	0.00	0.00	1,994.50	92.13	49.86	1,852.51
2021	1,414.07	0.00	0.00	0.00	1,414.07	65.32	35.35	1,313.40
2022	992.19	0.00	0.00	0.00	992.19	45.83	24.80	921.56
2023	695.89	0.00	0.00	0.00	695.89	32.14	17.40	646.35
2024	498.71	0.00	0.00	0.00	498.71	23.04	12.47	463.21
2025	356.06	0.00	0.00	0.00	356.06	16.45	8.90	330.71
2026	255.51	0.00	0.00	0.00	255.51	11.80	6.39	237.32
2027	163.15	0.00	0.00	0.00	163.15	7.54	4.08	151.54
2028	91.90	0.00	0.00	0.00	91.90	4.25	2.30	85.36
2029	14.52	0.00	0.00	0.00	14.52	0.67	0.36	13.48
Sub-T	12,082.96	0.00	0.00	0.00	12,082.96	558.11	302.07	11,222.77
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	12,082.96	0.00	0.00	0.00	12,082.96	558.11	302.07	11,222.77

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----	----M\$ ----	---- M\$ ----
2017	70.05	792.69	0.00	0.00	119.24	119.24	83.56	83.56
2018	111.33	694.95	0.00	0.00	1,134.16	1,253.40	955.08	1,038.64
2019	141.33	708.85	0.00	0.00	1,434.75	2,688.15	1,099.71	2,138.35
2020	150.00	0.00	0.00	0.00	1,702.51	4,390.66	1,205.66	3,344.01
2021	150.00	0.00	0.00	0.00	1,163.40	5,554.06	745.80	4,089.81
2022	134.56	11.20	0.00	0.00	775.79	6,329.85	450.43	4,540.24
2023	120.00	0.00	0.00	0.00	526.35	6,856.20	276.58	4,816.82
2024	120.00	0.00	0.00	0.00	343.21	7,199.40	163.29	4,980.11
2025	120.00	0.00	0.00	0.00	210.71	7,410.11	90.79	5,070.90
2026	120.00	0.00	0.00	0.00	117.32	7,527.43	45.81	5,116.71
2027	98.20	18.47	0.00	0.00	34.86	7,562.29	12.41	5,129.12
2028	69.27	18.86	0.00	0.00	-2.77	7,559.53	-0.78	5,128.34
2029	12.84	38.40	0.00	0.00	-37.75	7,521.77	-10.91	5,117.43
Sub-T	1,417.59	2,283.41	0.00	0.00	7,521.77	7,521.77	5,117.43	5,117.43
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,417.59	2,283.41	0.00	0.00	7,521.77	7,521.77	5,117.43	5,117.43

Present Worth Profile (M\$)

PW 5.00% :	6,179.19
PW 8.00% :	5,513.20
PW 9.00% :	5,310.84
PW 12.00% :	4,755.63
PW 15.00% :	4,269.21
PW 20.00% :	3,584.96

Constant price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Probable Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 13

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	0	34.85	0.00	0.00	25.79	0.00	0.00	42.75	0.00	0.00
2018	0	70.85	0.00	0.00	52.77	0.00	0.00	42.75	0.00	0.00
2019	0	96.05	0.00	0.00	71.44	0.00	0.00	42.75	0.00	0.00
2020	0	79.02	0.00	0.00	58.73	0.00	0.00	42.75	0.00	0.00
2021	0	55.15	0.00	0.00	40.99	0.00	0.00	42.75	0.00	0.00
2022	0	38.61	0.00	0.00	28.70	0.00	0.00	42.75	0.00	0.00
2023	0	27.04	0.00	0.00	20.09	0.00	0.00	42.75	0.00	0.00
2024	0	18.97	0.00	0.00	14.10	0.00	0.00	42.75	0.00	0.00
2025	0	13.24	0.00	0.00	9.84	0.00	0.00	42.75	0.00	0.00
2026	0	9.27	0.00	0.00	6.89	0.00	0.00	42.75	0.00	0.00
2027	0	7.14	0.00	0.00	5.31	0.00	0.00	42.75	0.00	0.00
2028	1	5.84	0.00	0.00	4.34	0.00	0.00	42.75	0.00	0.00
2029	2	4.84	0.00	0.00	3.60	0.00	0.00	42.75	0.00	0.00
2030	2	2.77	0.00	0.00	2.06	0.00	0.00	42.75	0.00	0.00
2031	1	1.06	0.00	0.00	0.78	0.00	0.00	42.75	0.00	0.00
Sub-T		464.71	0.00	0.00	345.43	0.00	0.00	42.75	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		464.71	0.00	0.00	345.43	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		464.71	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	1,102.50	0.00	0.00	0.00	1,102.50	50.92	27.56	1,024.02
2018	2,256.11	0.00	0.00	0.00	2,256.11	104.21	56.40	2,095.50
2019	3,053.89	0.00	0.00	0.00	3,053.89	141.06	76.35	2,836.48
2020	2,510.72	0.00	0.00	0.00	2,510.72	115.97	62.77	2,331.98
2021	1,752.22	0.00	0.00	0.00	1,752.22	80.94	43.81	1,627.48
2022	1,226.85	0.00	0.00	0.00	1,226.85	56.67	30.67	1,139.51
2023	859.01	0.00	0.00	0.00	859.01	39.68	21.48	797.85
2024	602.82	0.00	0.00	0.00	602.82	27.84	15.07	559.91
2025	420.71	0.00	0.00	0.00	420.71	19.43	10.52	390.76
2026	294.57	0.00	0.00	0.00	294.57	13.61	7.36	273.60
2027	226.81	0.00	0.00	0.00	226.81	10.48	5.67	210.67
2028	185.51	0.00	0.00	0.00	185.51	8.57	4.64	172.30
2029	153.82	0.00	0.00	0.00	153.82	7.11	3.85	142.87
2030	88.25	0.00	0.00	0.00	88.25	4.08	2.21	81.97
2031	33.45	0.00	0.00	0.00	33.45	1.55	0.84	31.07
Sub-T	14,767.26	0.00	0.00	0.00	14,767.26	682.10	369.18	13,715.97
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	14,767.26	0.00	0.00	0.00	14,767.26	682.10	369.18	13,715.97

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted Annual ---- M\$ ----	Undiscounted Cumulative ---- M\$ ----	Discounted Ann @ 10.00% ---- M\$ ----	Disc. Cum. Annual @ 10.00% ---- M\$ ----
2017	0.00	0.00	0.00	0.00	1,024.02	1,024.02	962.15	962.15
2018	0.00	0.00	0.00	0.00	2,095.50	3,119.51	1,796.73	2,758.88
2019	0.00	0.00	0.00	0.00	2,836.48	5,955.99	2,206.36	4,965.24
2020	0.00	0.00	0.00	0.00	2,331.98	8,287.97	1,651.25	6,616.48
2021	0.00	0.00	0.00	0.00	1,627.48	9,915.45	1,043.09	7,659.57
2022	0.00	0.00	0.00	0.00	1,139.51	11,054.97	661.16	8,320.73
2023	0.00	0.00	0.00	0.00	797.85	11,852.82	419.07	8,739.81
2024	0.00	0.00	0.00	0.00	559.91	12,412.73	266.20	9,006.00
2025	0.00	0.00	0.00	0.00	390.76	12,803.49	168.16	9,174.16
2026	0.00	0.00	0.00	0.00	273.60	13,077.09	106.59	9,280.75
2027	21.80	-18.47	0.00	0.00	207.35	13,284.43	73.11	9,353.86
2028	50.73	-18.86	0.00	0.00	140.43	13,424.87	44.82	9,398.68
2029	78.36	-19.22	0.00	0.00	83.73	13,508.60	24.23	9,422.91
2030	57.66	19.45	0.00	0.00	4.85	13,513.45	1.14	9,424.05
2031	26.48	19.86	0.00	0.00	-15.26	13,498.19	-3.74	9,420.31
Sub-T	235.02	-17.24	0.00	0.00	13,498.19	13,498.19	9,420.31	9,420.31
After	0.00	20.24	0.00	0.00	-20.24	-20.24	-4.49	-4.49
Total	235.02	3.00	0.00	0.00	13,477.95	13,477.95	9,415.82	9,415.82

Present Worth Profile (M\$)

PW 5.00% :	11,186.85
PW 8.00% :	10,072.10
PW 9.00% :	9,735.99
PW 12.00% :	8,819.54
PW 15.00% :	8,022.80
PW 20.00% :	6,909.68

Constant price

Saratoga Field
Reserve and Economic Projection
As of 12/31/2016

Total Probable

MKM Engineering

TABLE 14

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil Mbbbl	NGL Mgal	Gas MMcf	Oil Mbbbl	NGL Mgal	Gas MMcf			
2017	0	34.85	0.00	0.00	25.79	0.00	0.00	42.75	0.00	0.00
2018	0	70.85	0.00	0.00	52.77	0.00	0.00	42.75	0.00	0.00
2019	0	96.05	0.00	0.00	71.44	0.00	0.00	42.75	0.00	0.00
2020	0	79.02	0.00	0.00	58.73	0.00	0.00	42.75	0.00	0.00
2021	0	55.15	0.00	0.00	40.99	0.00	0.00	42.75	0.00	0.00
2022	0	38.61	0.00	0.00	28.70	0.00	0.00	42.75	0.00	0.00
2023	0	27.04	0.00	0.00	20.09	0.00	0.00	42.75	0.00	0.00
2024	0	18.97	0.00	0.00	14.10	0.00	0.00	42.75	0.00	0.00
2025	0	13.24	0.00	0.00	9.84	0.00	0.00	42.75	0.00	0.00
2026	0	9.27	0.00	0.00	6.89	0.00	0.00	42.75	0.00	0.00
2027	0	7.14	0.00	0.00	5.31	0.00	0.00	42.75	0.00	0.00
2028	1	5.84	0.00	0.00	4.34	0.00	0.00	42.75	0.00	0.00
2029	2	4.84	0.00	0.00	3.60	0.00	0.00	42.75	0.00	0.00
2030	2	2.77	0.00	0.00	2.06	0.00	0.00	42.75	0.00	0.00
2031	1	1.06	0.00	0.00	0.78	0.00	0.00	42.75	0.00	0.00
Sub-T		464.71	0.00	0.00	345.43	0.00	0.00	42.75	0.00	0.00
After		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		464.71	0.00	0.00	345.43	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		464.71	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil M\$	NGL M\$	Gas M\$	Other M\$	Total M\$	Prod Tax M\$	Adv Tax M\$	
2017	1,102.50	0.00	0.00	0.00	1,102.50	50.92	27.56	1,024.02
2018	2,256.11	0.00	0.00	0.00	2,256.11	104.21	56.40	2,095.50
2019	3,053.89	0.00	0.00	0.00	3,053.89	141.06	76.35	2,836.48
2020	2,510.72	0.00	0.00	0.00	2,510.72	115.97	62.77	2,331.98
2021	1,752.22	0.00	0.00	0.00	1,752.22	80.94	43.81	1,627.48
2022	1,226.85	0.00	0.00	0.00	1,226.85	56.67	30.67	1,139.51
2023	859.01	0.00	0.00	0.00	859.01	39.68	21.48	797.85
2024	602.82	0.00	0.00	0.00	602.82	27.84	15.07	559.91
2025	420.71	0.00	0.00	0.00	420.71	19.43	10.52	390.76
2026	294.57	0.00	0.00	0.00	294.57	13.61	7.36	273.60
2027	226.81	0.00	0.00	0.00	226.81	10.48	5.67	210.67
2028	185.51	0.00	0.00	0.00	185.51	8.57	4.64	172.30
2029	153.82	0.00	0.00	0.00	153.82	7.11	3.85	142.87
2030	88.25	0.00	0.00	0.00	88.25	4.08	2.21	81.97
2031	33.45	0.00	0.00	0.00	33.45	1.55	0.84	31.07
Sub-T	14,767.26	0.00	0.00	0.00	14,767.26	682.10	369.18	13,715.97
After	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	14,767.26	0.00	0.00	0.00	14,767.26	682.10	369.18	13,715.97

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs M\$	Net Investments M\$	Trans. Costs M\$	Net Profits M\$	Undiscounted Annual M\$	Undiscounted Cumulative M\$	Discounted Ann @ 10.00% M\$	Disc. Cum. Annual @ 10.00% M\$
2017	0.00	0.00	0.00	0.00	1,024.02	1,024.02	962.15	962.15
2018	0.00	0.00	0.00	0.00	2,095.50	3,119.51	1,796.73	2,758.88
2019	0.00	0.00	0.00	0.00	2,836.48	5,955.99	2,206.36	4,965.24
2020	0.00	0.00	0.00	0.00	2,331.98	8,287.97	1,651.25	6,616.48
2021	0.00	0.00	0.00	0.00	1,627.48	9,915.45	1,043.09	7,659.57
2022	0.00	0.00	0.00	0.00	1,139.51	11,054.97	661.16	8,320.73
2023	0.00	0.00	0.00	0.00	797.85	11,852.82	419.07	8,739.81
2024	0.00	0.00	0.00	0.00	559.91	12,412.73	266.20	9,006.00
2025	0.00	0.00	0.00	0.00	390.76	12,803.49	168.16	9,174.16
2026	0.00	0.00	0.00	0.00	273.60	13,077.09	106.59	9,280.75
2027	21.80	-18.47	0.00	0.00	207.35	13,284.43	73.11	9,353.86
2028	50.73	-18.86	0.00	0.00	140.43	13,424.87	44.82	9,398.68
2029	78.36	-19.22	0.00	0.00	83.73	13,508.60	24.23	9,422.91
2030	57.66	19.45	0.00	0.00	4.85	13,513.45	1.14	9,424.05
2031	26.48	19.86	0.00	0.00	-15.26	13,498.19	-3.74	9,420.31
Sub-T	235.02	-17.24	0.00	0.00	13,498.19	13,498.19	9,420.31	9,420.31
After	0.00	20.24	0.00	0.00	-20.24	-20.24	-4.49	-4.49
Total	235.02	3.00	0.00	0.00	13,477.95	13,477.95	9,415.82	9,415.82

Present Worth Profile (M\$)

PW 5.00% :	11,186.85
PW 8.00% :	10,072.10
PW 9.00% :	9,735.99
PW 12.00% :	8,819.54
PW 15.00% :	8,022.80
PW 20.00% :	6,909.68

Tabular Summaries

Economic One-Liners

Project Name : Saratoga Field
Forecast price

As of Date: 12/31/2016
MKM ENGINEERING

TABLE 15

Reserve Category	Net Reserves			Net Revenue			Expense & Tax (MS)	Invest. (MS)	Cash Flow		Life (years)
	Oil (Mbbbl)	Gas (MMcf)	OH (MS)	Gas (MS)	Other (MS)	Non-Disc. (MS)			Disc. CF (MS)		
Produced Rsv Class											
Producing Rsv Category											
CASWELL TRUST 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KARIKER LUMBER CO. 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	-10.00	-9.76	0.00
MARLATT 1	13.69	0.00	852.56	0.00	0.00	279.61	279.61	10.00	562.95	473.00	6.83
Total	13.69	0.00	852.56	0.00	0.00	279.61	279.61	20.00	552.95	463.24	6.83
Proved Rsv Class											
Non-Producing Rsv Category											
CASWELL TRUST 1	2.24	0.00	136.00	0.00	0.00	128.90	128.90	10.00	-2.90	-1.55	3.83
CASWELL TRUST 12	52.10	0.00	3,611.00	0.00	0.00	721.94	721.94	105.00	2,784.06	1,890.71	14.10
Total	54.33	0.00	3,747.00	0.00	0.00	850.84	850.84	115.00	2,781.16	1,889.16	14.10
Proved Rsv Class											
Undeveloped Rsv Category											
CASWELL TRUST PUD 1	74.39	0.00	5,109.51	0.00	0.00	755.43	755.43	693.59	3,660.48	2,413.68	12.66
KARIKER LUMBER CO. PUD 1	73.38	0.00	4,746.60	0.00	0.00	720.75	720.75	693.59	3,332.26	2,406.44	11.62
KARIKER LUMBER CO. PUD 2	73.38	0.00	5,341.62	0.00	0.00	778.48	778.48	693.59	3,869.55	2,330.51	13.62
Total	221.15	0.00	15,197.73	0.00	0.00	2,254.67	2,254.67	2,080.77	10,862.29	7,150.62	13.62
Proved Rsv Class											
Probable Rsv Class											
Undeveloped Rsv Category											
CASWELL TRUST PUD 1	116.17	0.00	8,023.80	0.00	0.00	673.31	673.31	0.00	7,350.49	4,963.39	15.25
KARIKER LUMBER CO. PUD 1	114.64	0.00	7,464.80	0.00	0.00	632.92	632.92	0.00	6,831.88	5,076.50	14.25
KARIKER LUMBER CO. PUD 2	114.62	0.00	8,382.39	0.00	0.00	700.41	700.41	0.00	7,681.98	4,721.79	16.21
Total	345.42	0.00	23,870.99	0.00	0.00	2,006.64	2,006.64	0.00	21,864.35	14,761.68	16.21
Probable Rsv Class											
Grand Total	634.60	0.00	43,668.28	0.00	0.00	5,391.76	5,391.76	2,215.77	36,060.74	24,264.71	16.21

Economic One-Liners

Project Name : Saratoga Field
Constant price

As of Date: 12/31/2016
MKM ENGINEERING

TABLE 16

Reserve Category	Net Reserves			Net Revenue			Expense			Cash Flow			Life (years)
	Oil (Mbbbl)	Gas (MMcf)	OH (MS)	Gas (MS)	Other (MS)	Expense & Tax (MS)	Invest. (MS)	Non-Disc. (MS)	Disc. CF (MS)				
Produced Rsv Class													
Producing Rsv Category													
CASWELL TRUST 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KARIKER LUMBER CO. 1	0.00	0.00	0.00	0.00	0.00	0.00	10.05	-10.05	-9.81	0.00	0.00	0.00	0.00
MARLATT 1	12.89	0.00	550.86	0.00	0.00	203.78	11.20	335.88	294.46	5.49	5.49	5.49	5.49
Total	12.89	0.00	550.86	0.00	0.00	203.78	21.25	325.83	284.65	284.65	5.49	5.49	5.49
Proved Rsv Class													
Non-Producing Rsv Category													
CASWELL TRUST 1	0.09	0.00	3.78	0.00	0.00	11.48	10.12	-17.82	-17.12	0.38	0.38	0.38	0.38
CASWELL TRUST 12	50.94	0.00	2,177.77	0.00	0.00	497.25	110.37	1,570.15	1,121.19	12.16	12.16	12.16	12.16
Total	51.03	0.00	2,181.56	0.00	0.00	508.74	120.49	1,552.32	1,104.08	12.16	12.16	12.16	12.16
Proved Rsv Class													
Undeveloped Rsv Category													
CASWELL TRUST PUD 1	73.58	0.00	3,145.57	0.00	0.00	524.54	713.80	1,907.23	1,256.29	11.31	11.31	11.31	11.31
KARIKER LUMBER CO. PUD 1	72.57	0.00	3,102.49	0.00	0.00	520.40	699.79	1,882.29	1,371.07	10.28	10.28	10.28	10.28
KARIKER LUMBER CO. PUD 2	72.57	0.00	3,102.49	0.00	0.00	520.32	728.06	1,854.10	1,101.34	12.27	12.27	12.27	12.27
Total	218.73	0.00	9,350.55	0.00	0.00	1,565.26	2,141.66	5,643.62	3,728.69	12.27	12.27	12.27	12.27
Total	282.64	0.00	12,082.96	0.00	0.00	2,277.78	2,283.41	7,521.77	5,117.43	12.27	12.27	12.27	12.27
Proved Rsv Class													
Probable Rsv Class													
Undeveloped Rsv Category													
CASWELL TRUST PUD 1	116.18	0.00	4,966.62	0.00	0.00	431.96	1.00	4,533.66	3,156.57	13.92	13.92	13.92	13.92
KARIKER LUMBER CO. PUD 1	114.63	0.00	4,900.32	0.00	0.00	427.13	0.98	4,472.21	3,440.05	12.88	12.88	12.88	12.88
KARIKER LUMBER CO. PUD 2	114.63	0.00	4,900.32	0.00	0.00	427.21	1.02	4,472.09	2,819.20	14.88	14.88	14.88	14.88
Total	345.43	0.00	14,767.26	0.00	0.00	1,286.30	3.00	13,477.95	9,415.82	14.88	14.88	14.88	14.88
Total	345.43	0.00	14,767.26	0.00	0.00	1,286.30	3.00	13,477.95	9,415.82	14.88	14.88	14.88	14.88
Total	628.08	0.00	26,850.22	0.00	0.00	3,564.08	2,286.40	20,999.73	14,533.25	14.88	14.88	14.88	14.88

**Gross
Ultimates,
Interests &
Prices**

TABLE 17

GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS

As of 12/31/2016
Forecast price

Lease Name	Reserve Category	Ultimate Oil (MBbls)	Ultimate Gas (MMcf)	Rem Oil (MBbls)	Rem Gas (MMcf)	Cum Oil (MBbls)	Cum Gas (MMcf)	Working Interest Decimal	Revenue Interest Decimal
Proved Reserve Class									
Producing Reserve Category									
CASWELL TRUST 1	P-DP	83.29	6.47	0.00	0.00	83.29	6.47	1.00000000	0.75000000
KARIKER LUMBER CO. 1	P-DP	819.61	302.99	0.00	0.00	819.61	302.99	1.00000000	0.74000000
MARLATT 1	P-DP	45.07	0.00	18.25	0.00	26.81	0.00	1.00000000	0.75000000
		947.97	309.46	18.25	0.00	929.72	309.46		
Proved Reserve Class									
Non Producing Reserve Category									
CASWELL TRUST 1	P-NP	86.28	6.47	2.98	0.00	83.29	6.47	1.00000000	0.75000000
CASWELL TRUST 12	P-NP	69.46	0.00	69.46	0.00	0.00	0.00	1.00000000	0.75000000
		155.74	6.47	72.45	0.00	83.29	6.47		
Proved Reserve Class									
Undeveloped Reserve Category									
CASWELL TRUST PUD 1	P-UD	99.19	0.00	99.19	0.00	0.00	0.00	1.00000000	0.75000000
KARIKER LUMBER CO. PUD 1	P-UD	99.16	0.00	99.16	0.00	0.00	0.00	1.00000000	0.74000000
KARIKER LUMBER CO. PUD 2	P-UD	99.16	0.00	99.16	0.00	0.00	0.00	1.00000000	0.74000000
		297.51	0.00	297.51	0.00	0.00	0.00		
Proved Reserve Class									
		1,401.23	315.93	388.21	0.00	1,013.02	315.93		
Probable Reserve Class									
Undeveloped Reserve Category									
CASWELL TRUST PUD 1	Pr-UD	154.89	0.00	154.89	0.00	0.00	0.00	1.00000000	0.75000000
KARIKER LUMBER CO. PUD 1	Pr-UD	154.92	0.00	154.92	0.00	0.00	0.00	1.00000000	0.74000000
KARIKER LUMBER CO. PUD 2	Pr-UD	154.89	0.00	154.89	0.00	0.00	0.00	1.00000000	0.74000000
		464.70	0.00	464.70	0.00	0.00	0.00		
Probable Reserve Class									
		464.70	0.00	464.70	0.00	0.00	0.00		
Grand Total									
		1,865.92	315.93	852.91	0.00	1,013.02	315.93		

TABLE 18

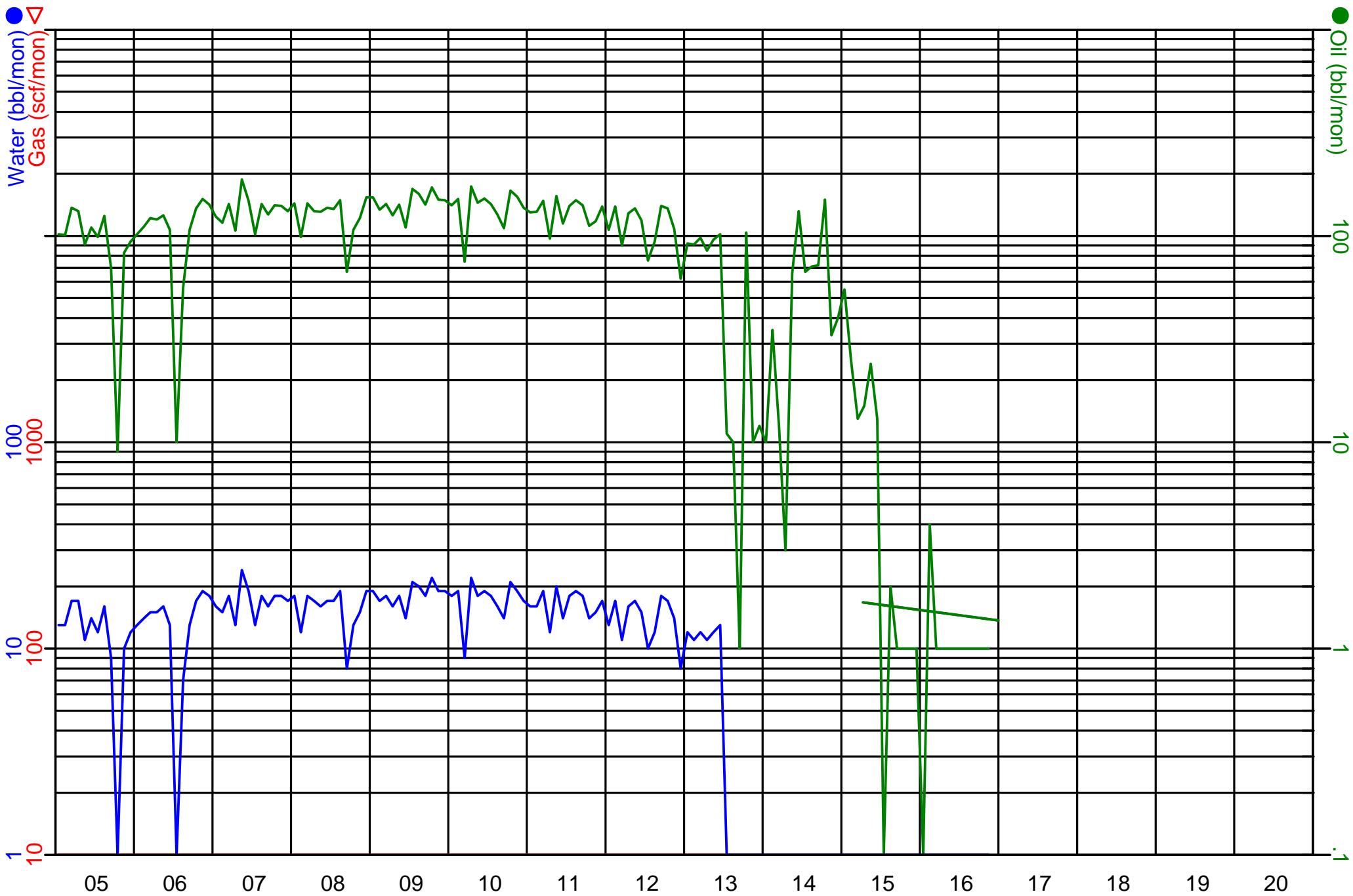
**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

As of 12/31/2016
Constant price

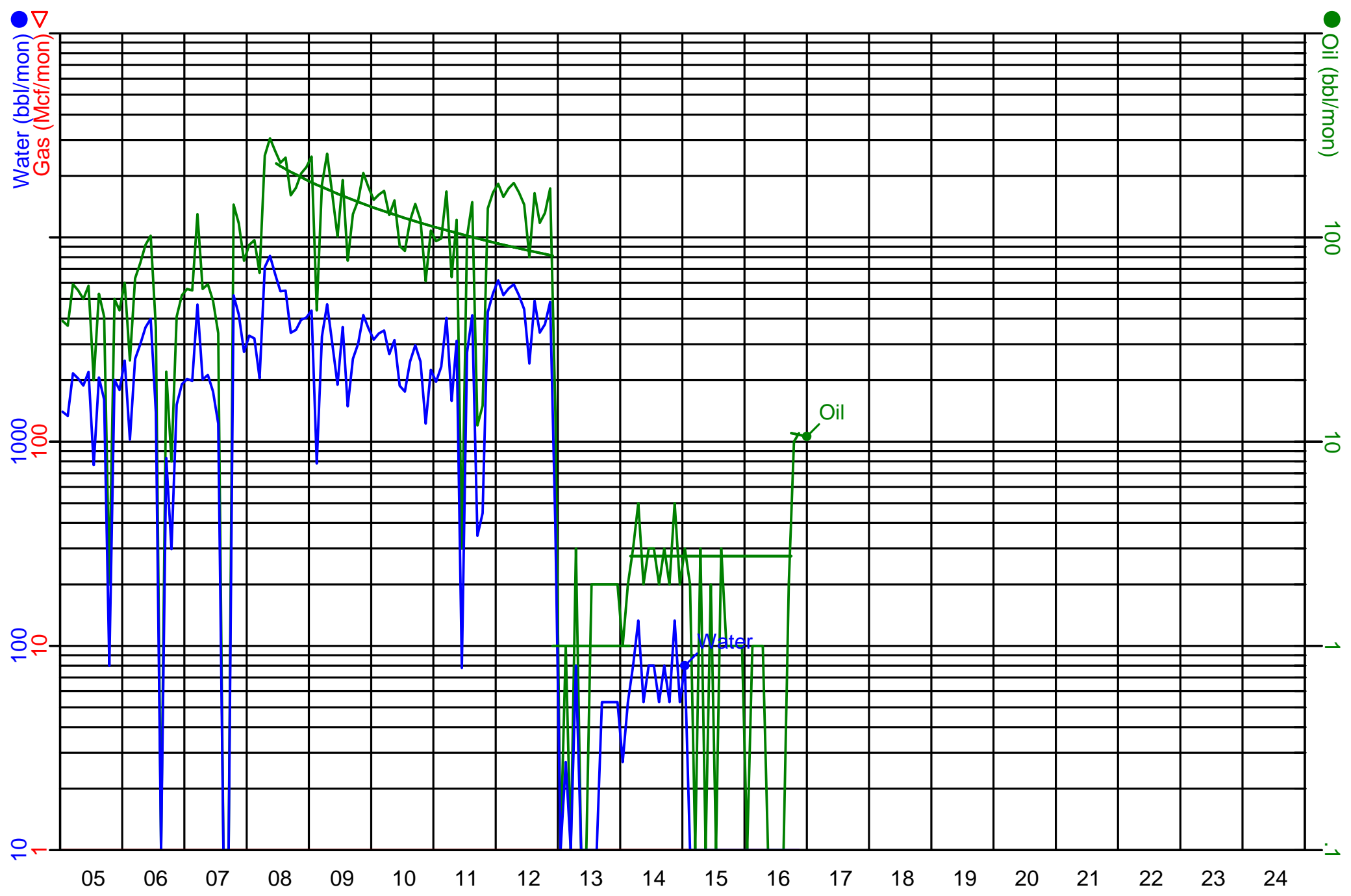
<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MBbls)</u>	<u>Ultimate Gas (MMcf)</u>	<u>Rem Oil (MBbls)</u>	<u>Rem Gas (MMcf)</u>	<u>Cum Oil (MBbls)</u>	<u>Cum Gas (MMcf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
Proved Reserve Class									
Producing Reserve Category									
CASWELL TRUST 1	P-DP	83.29	6.47	0.00	0.00	83.29	6.47	1.00000000	0.75000000
KARIKER LUMBER CO. 1	P-DP	819.61	302.99	0.00	0.00	819.61	302.99	1.00000000	0.74000000
MARLATT 1	P-DP	44.00	0.00	17.18	0.00	26.81	0.00	1.00000000	0.75000000
		946.90	309.46	17.18	0.00	929.72	309.46		
Proved Reserve Class									
Non Producing Reserve Category									
CASWELL TRUST 1	P-NP	83.41	6.47	0.12	0.00	83.29	6.47	1.00000000	0.75000000
CASWELL TRUST 12	P-NP	67.92	0.00	67.92	0.00	0.00	0.00	1.00000000	0.75000000
		151.34	6.47	68.04	0.00	83.29	6.47		
Proved Reserve Class									
Undeveloped Reserve Category									
CASWELL TRUST PUD 1	P-UD	98.11	0.00	98.11	0.00	0.00	0.00	1.00000000	0.75000000
KARIKER LUMBER CO. PUD 1	P-UD	98.07	0.00	98.07	0.00	0.00	0.00	1.00000000	0.74000000
KARIKER LUMBER CO. PUD 2	P-UD	98.07	0.00	98.07	0.00	0.00	0.00	1.00000000	0.74000000
		294.25	0.00	294.25	0.00	0.00	0.00		
Proved Reserve Class		1,392.49	315.93	379.47	0.00	1,013.02	315.93		
Probable Reserve Class									
Undeveloped Reserve Category									
CASWELL TRUST PUD 1	Pr-UD	154.90	0.00	154.90	0.00	0.00	0.00	1.00000000	0.75000000
KARIKER LUMBER CO. PUD 1	Pr-UD	154.90	0.00	154.90	0.00	0.00	0.00	1.00000000	0.74000000
KARIKER LUMBER CO. PUD 2	Pr-UD	154.90	0.00	154.90	0.00	0.00	0.00	1.00000000	0.74000000
		464.71	0.00	464.71	0.00	0.00	0.00		
Probable Reserve Class		464.71	0.00	464.71	0.00	0.00	0.00		
Grand Total		1,857.20	315.93	844.18	0.00	1,013.02	315.93		

DECLINE CURVES

CASWELL TRUST 1
HARDIN, TX
SARATOGA



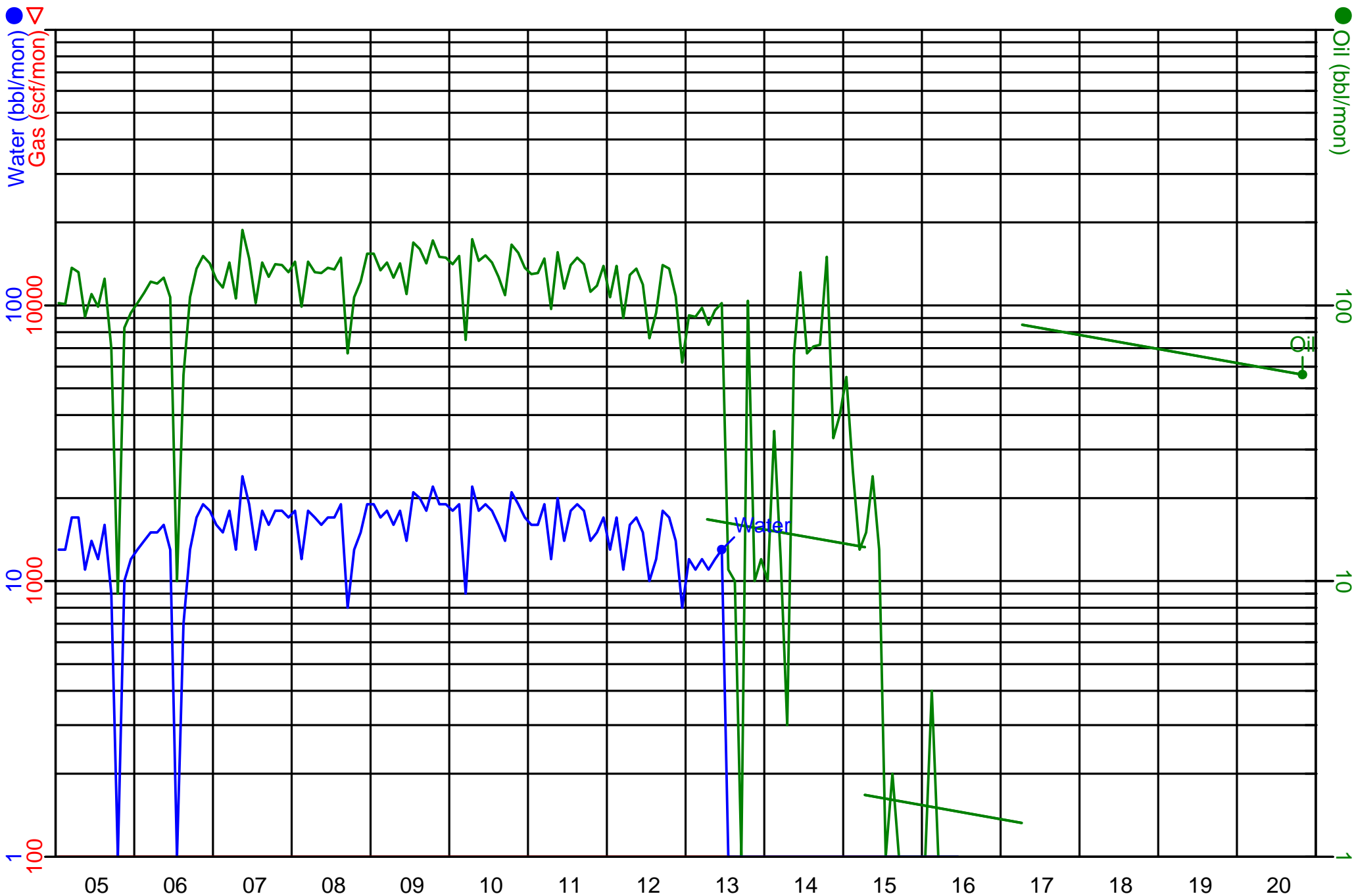
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HARDIN, TX
SARATOGA



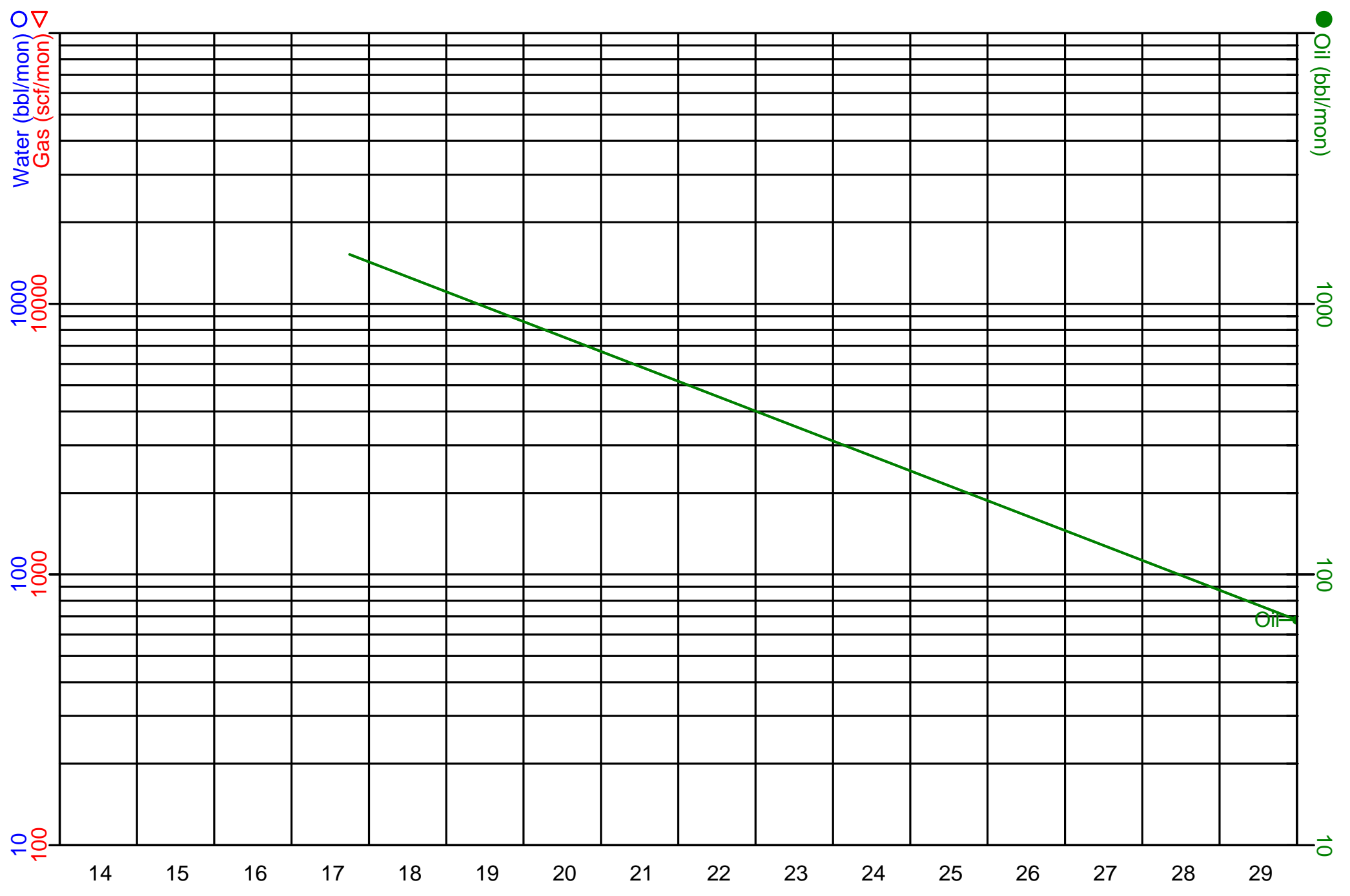
MARLATT 1
HARDIN, TX
SARATOGA



CASWELL TRUST 1
HARDIN, TX
SARATOGA



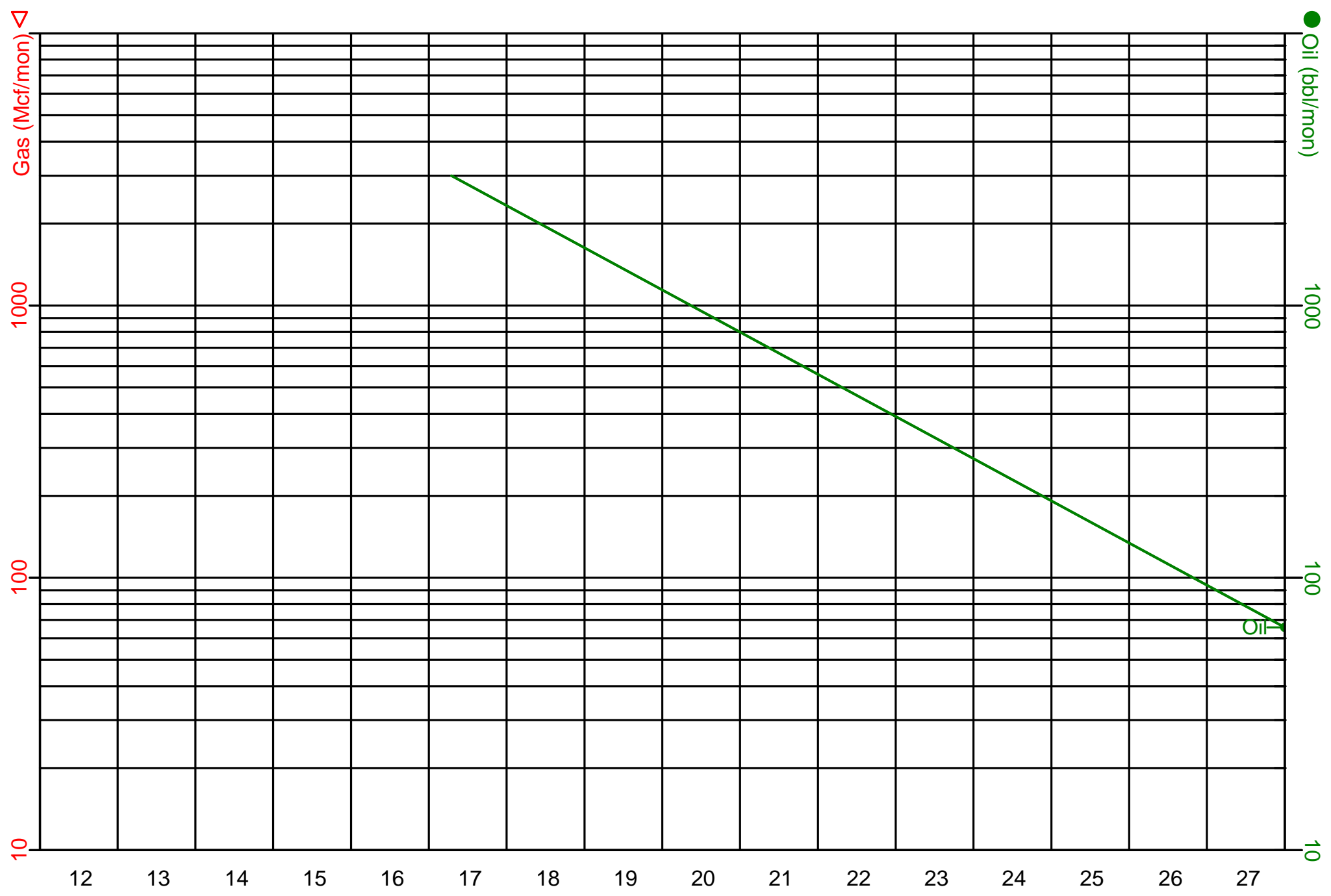
CASWELL TRUST 12
HARDIN, TX
SARATOGA



CASWELL TRUST PUD 1
HARDIN, TX
SARATOGA



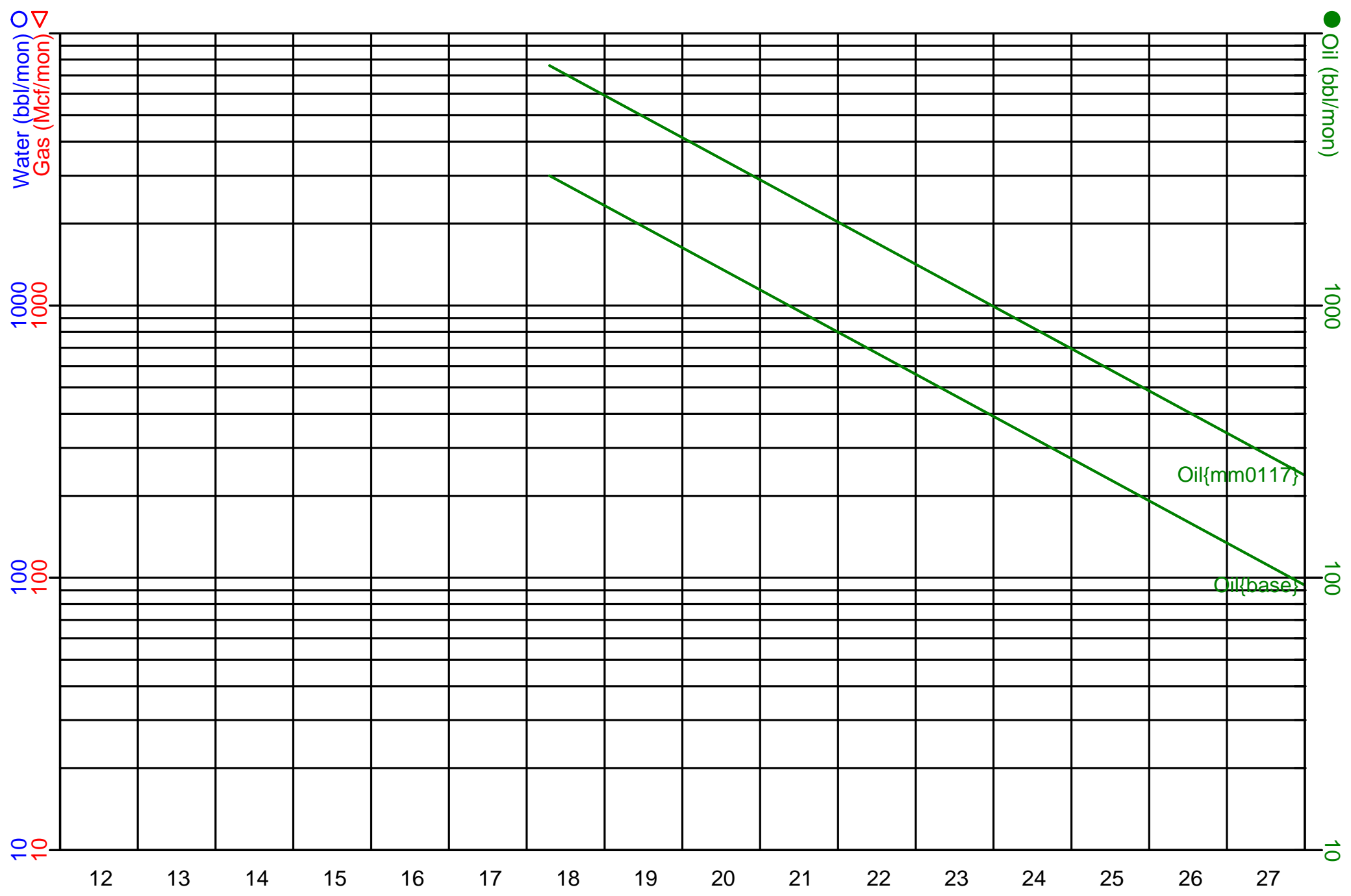
KARIKER LUMBER CO. PUD 1
HARDIN, TX
SARATOGA



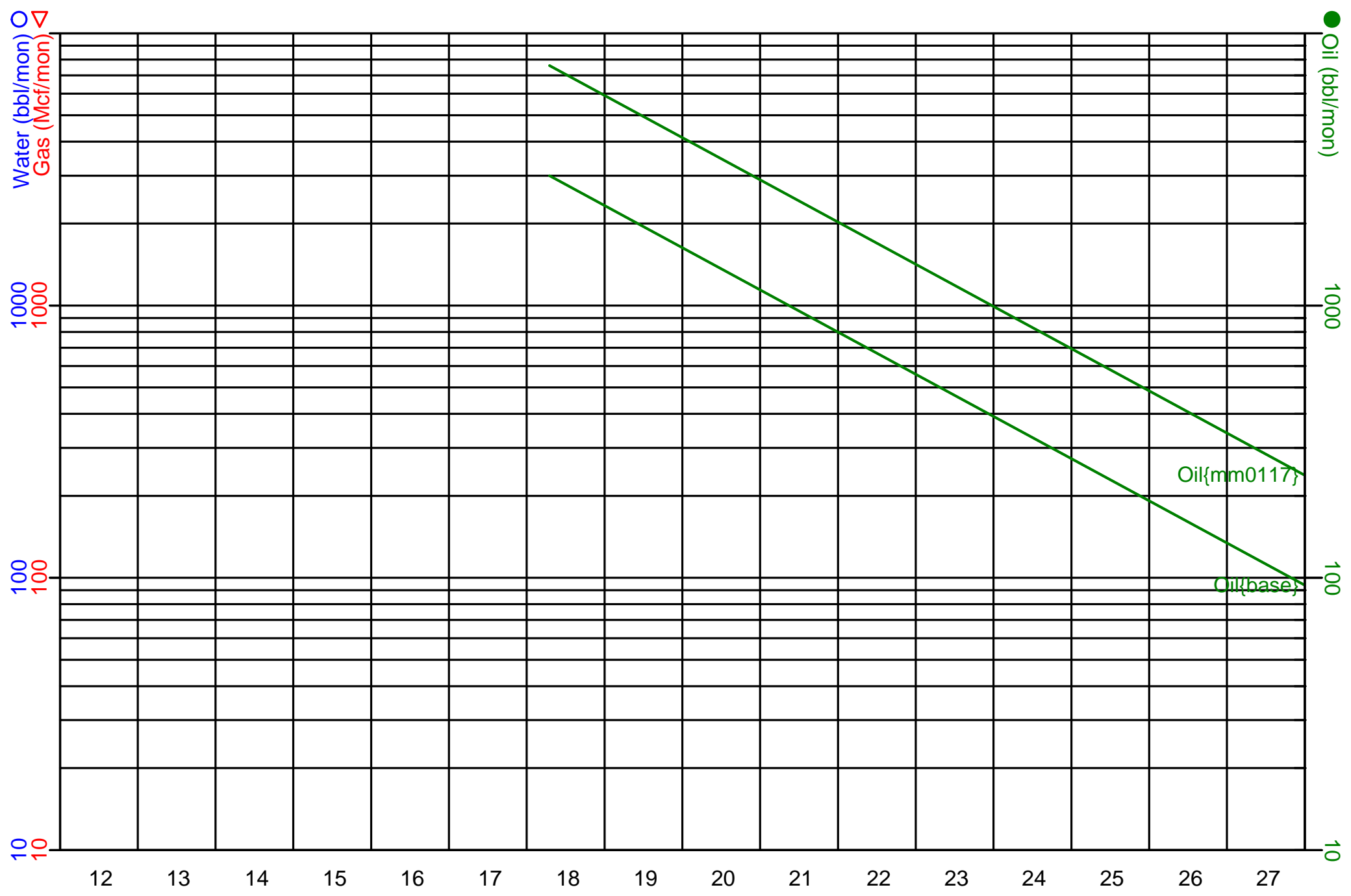
KARIKER LUMBER CO. PUD 2
HARDIN, TX
SARATOGA



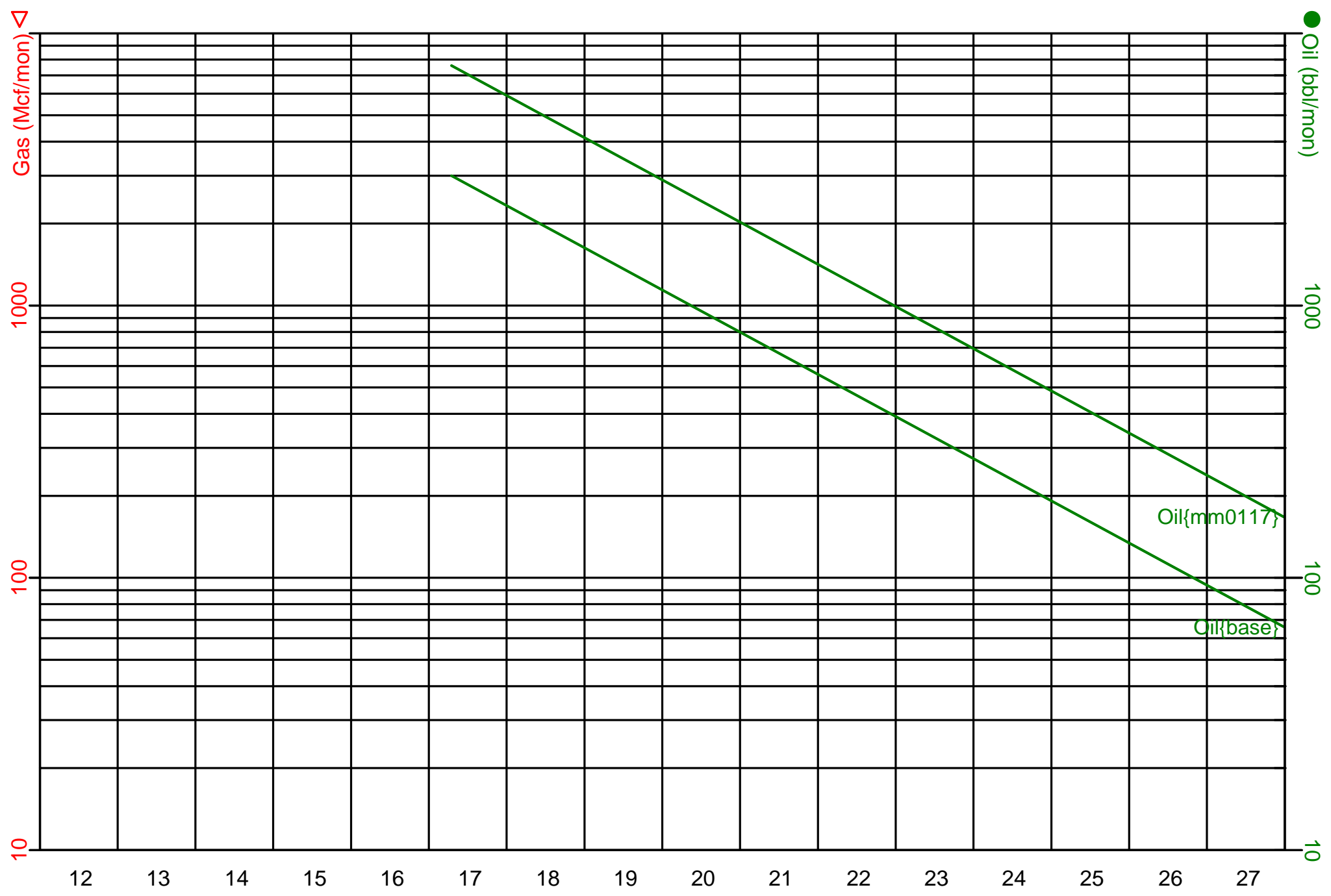
CASWELL TRUST PUD 1
HARDIN, TX
SARATOGA



CASWELL TRUST PUD 1
HARDIN, TX
SARATOGA



KARIKER LUMBER CO. PUD 1
HARDIN, TX
SARATOGA



Appendix "B"

LA VERNIA REPORT

APPRAISAL OF
CERTAIN OIL AND GAS PROPERTIES
LOCATED IN
GUADALUPE AND WILSON COUNTIES, TEXAS
AS OF DECEMBER 31, 2016

PREPARED FOR
ADVANTAGEWON OIL US, CORPORATION
WITH CANADIAN INSTRUMENT 51-101

MKM ENGINEERING
F-009377

Michele K. Mudrone

Michele K. Mudrone, P.E.
February 15, 2017



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NI 51-101

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MKM ENGINEERING
Oil and Gas Consulting Services
3905 Sagamore Hill Court
Plano, Texas 75025

February 15, 2017

Mr. Paul Haber
Advantagewon Oil US, Corporation
10 Pauline Avenue
Brooklin ON Canada
L1M 2H5

Dear Mr. Haber:

As requested, an estimate has been made of certain hydrocarbon reserves owned by Advantagewon Oil US, Corporation (hereinafter referred to as "Advantagewon"). The appraised properties are located in Guadalupe and Wilson Counties, Texas. Advantagewon owns 1,200 acres. This appraisal evaluates Advantagewon's Proved Developed Producing (PDP), Proved Developed Non Producing (PDNP), Proved Undeveloped (PUD) and Probable Undeveloped (PrUD) reserves. The effective date of this report is December 31, 2016.

The table below summarizes Advantagewon's net oil and gas reserves and cash flows generated using the requested price decks. Results shown below are presented for your information and should not be construed as our estimate of fair market value. As of December 31, 2016, Advantagewon's net total proved and probable reserves have been estimated to be as follows:

Reserve Category	Net Reserves as of Dec. 31, 2016			Present Worth	Present Worth
	Hydrocarbon Liquids (Bbl)	Natural Gas (Mcf)	Future Net Income, \$	of FNI Discounted @ 10%/Annum, \$	of FNI Discounted @ 15%/Annum, \$
<u>Forecast Price</u>					
Proved Developed Producing	15,710	0	464,890	261,440	205,250
Proved Dev. Non Producing	46,420	0	2,842,150	1,027,890	744,500
Proved Undeveloped	<u>1,751,820</u>	<u>0</u>	<u>72,352,530</u>	<u>29,609,540</u>	<u>19,360,120</u>
Total Proved	1,813,950	0	75,659,570	30,898,870	20,309,870
Probable Undeveloped	<u>487,360</u>	<u>0</u>	<u>23,052,730</u>	<u>8,881,000</u>	<u>6,001,950</u>
Total Proved + Probable	2,301,310	0	98,712,300	39,779,870	26,311,820

Reserve Category	Net Reserves as of Dec. 31, 2016			Present Worth	Present Worth
	Hydrocarbon	Natural	Future Net	of FNI	of FNI
	Liquids (Bbl)	Gas (Mcf)	Income, \$	Discounted @ 10%/Annum, \$	Discounted @ 15%/Annum, \$
<u>Constant Price</u>					
Proved Developed Producing	10,560	0	104,220	77,850	68,480
Proved Dev. Non Producing	44,630	0	1,129,780	533,360	411,880
Proved Undeveloped	<u>1,748,510</u>	<u>0</u>	<u>18,462,300</u>	<u>3,587,500</u>	<u>152,500</u>
Total Proved	1,803,700	0	19,696,300	4,198,710	632,860
Probable Undeveloped	<u>488,660</u>	<u>0</u>	<u>6,832,140</u>	<u>1,944,560</u>	<u>989,380</u>
Total Proved + Probable	2,292,360	0	26,528,440	6,143,270	1,622,240

FNI is after deducting estimated operating and future development costs, severance and ad valorem taxes, but before Federal income taxes. Total net Proved and Probable Reserves are defined as those natural gas and hydrocarbon liquid Reserves to Advantagewon's interests after deducting all shrinkage, royalties, overriding royalties, and reversionary interests owned by outside parties that become effective upon payout of specified monetary balances. All Reserves estimates have been prepared using standard engineering practices generally accepted by the petroleum industry and conform to those classifications defined in the Canadian Oil and Gas Evaluation Handbook ("COGEH"). All hydrocarbon liquid Reserves are expressed in United States barrels ("bbl") of 42 gallons. Natural gas Reserves are expressed in thousand standard cubic feet ("Mcf") at the contractual pressure and temperature bases. All monies are expressed in United States dollars ("USD").

RESERVE ESTIMATE METHODOLOGY

The Reserves estimates contained in this report have been prepared using standard engineering practices generally accepted by the petroleum industry. Decline curve analysis was used to estimate the remaining Reserves of pressure depletion reservoirs with enough historical production data to establish decline trends. Reservoirs under non-pressure depletion drive mechanisms and non-producing Reserves were estimated by volumetric analysis, research of analogous reservoirs, or a combination of both. The maximum remaining Reserves life assigned to wells included in this report is 40 years. This report does not include any gas sales imbalances.

FUTURE PRODUCTION RATES

Initial production rates are based on current producing rates for those wells now on production. If a decline trend has been established, this trend was used as the basis for estimating future production rates. For reserves not yet on production, test data and other related information were used to estimate anticipated initial production rates and sales were estimated to commence at a date deemed reasonable based on our experience and judgment.

RESERVE CLASSIFICATION

The Reserves estimates included in this report conform to the guidelines specified by the COGEH. For more information regarding reserve classification definitions see Appendix I.

COMMODITY PRICES

Future hydrocarbon revenues were estimated using the prices outlined below:

Date	PRICES			
	Forecast Price		Constant Price	
	Natural Gas \$/MMBTU	Hydrocarbon Liquids \$/BO	Natural Gas \$/MMBTU	Hydrocarbon Liquids \$/BO
2017	3.40	55.00	2.49	42.75
2018	3.20	58.70	2.49	42.75
2019	3.35	62.40	2.49	42.75
2020	3.65	69.00	2.49	42.75
2021	4.00	75.80	2.49	42.75
2022	4.05	77.30	2.49	42.75
2023	4.15	78.80	2.49	42.75
2024	4.25	80.40	2.49	42.75
2025	4.30	82.00	2.49	42.75
2026	4.40	83.70	2.49	42.75
2027	4.50	85.30	2.49	42.75
Thereafter	4.98	94.42	2.49	42.75

Historical hydrocarbon liquid prices were indexed to the monthly average of the daily closing prices received at the Cushing, Oklahoma delivery point. The average difference between the wellhead oil price and the NYMEX price represents adjustments for crude quality, marketing fees, BS&W, transportation costs and purchaser bonuses. These adjustments were applied to the NYMEX prices listed in table above.

Historical natural gas prices were indexed to the monthly Henry Hub prices posted in the Inside FERC publication. Historical prices were indexed for each month of available accounting data. The average difference between the wellhead price and the NYMEX price represents adjustments for BTU content, marketing, and transportation costs. These adjustments were applied to the NYMEX prices listed in table above.

OPERATING EXPENSES & CAPITAL COSTS

The lease operating costs used in this evaluation were estimated based on knowledge of analogous wells producing under similar conditions. The lease operating expenses in this report represent field level operating costs and include COPAS charges.

Where available, capital costs were estimated using recent historical information reported for analogous expenditures. Where recent historical information was not available Authority for Expenditure (“AFE”) documents were used to estimate capital costs. AFE documents provided by the operator have been checked for reasonableness. Abandonment and reclamation costs were included for the properties and are shown in the investment column.

Operating expenses and capital costs were escalated at 2% per year in the forecast price case and held constant in the constant price case in this evaluation.

DISCLAIMERS

All information pertaining to the operating expenses, prices, and the interests of Advantagewon in the properties appraised has been accepted as represented. It was not considered necessary to make a field examination of the appraised properties. Data used in performing this appraisal were obtained from Advantagewon, public sources, and our own files. Supporting work papers pertinent to the appraisal are retained in our files and are available to you or designated parties at your convenience.

It was beyond the scope of this MKM Engineering report to evaluate the potential environmental liability costs from the operation and abandonment of these properties. In addition, no evaluation was made to determine the degree of operator compliance with current environmental rules, regulations, and reporting requirements. Therefore, no estimate of the potential economic liability, if any, from environmental concerns is included in the forecasts presented herein.

The Proved and Probable Reserves presented in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered; and, if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the product prices and the costs incurred in recovering these Reserves may vary from the price and cost assumptions in this report. In any case, quantities of Proved and Probable Reserves may increase or decrease as a result of future operations.

Reserves estimates for individual properties included in this report are only valid when considered within the context of the overall report and should not be considered independently. The future net income and net present value estimates contained in this report do not represent an estimate of fair market values.

Advantagewon Oil US, Corporation
February 15, 2017
Page 5

MKM Engineering is independent with respect to Advantagewon Oil US, Corporation as provided in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

CONCLUSIONS

Attached are summary tables of economic analysis of predicted future performance. Other tables identify the properties appraised with summary Reserves and the economic factors applicable to each. A list of tables is included. Reserves identified for this report are not risked.

We appreciate this opportunity to have been of service and hope that this report will fulfill your requirements.

Respectfully submitted,

MKM ENGINEERING
F-009733

Michele K. Mudrone

Michele K. Mudrone, P.E.



Attachments

CERTIFICATE OF QUALIFICATION

I, Michele K. Mudrone, registered Professional Engineer in the State of Texas, hereby certify:

1. That I am a registered Professional Engineer in the State of Texas, a member of the Society of Petroleum Engineers, and I reside at 3905 Sagamore Hill Court, Plano, Texas.
2. That I graduated from the Colorado School of Mines with a Bachelor of Science degree in Petroleum Engineering in 1976.
3. That I have been employed in the petroleum industry since graduation in 1976. During the time of employment I have been directly involved in reservoir engineering, petrophysical analysis, reservoir simulation, and property evaluation.
4. That I am presently employed by MKM Engineering which prepared an evaluation effective December 31, 2016, for Advantagewon Oil US, Corporation.
5. That the parameters and conditions employed in the evaluation of interests of Advantagewon Oil US, Corporation, effective December 31, 2016, were examined by me and adopted as representative and appropriate in establishing true value of these properties.
6. That I have not received, nor do I expect to receive, any direct or indirect interest in the holdings discussed, or in the securities of the Company.
7. That I have not examined the chain of title for the properties discussed, but have relied on descriptions furnished by the client.
8. That the aforementioned report was not based on a personal field examination of the properties in question; however, such an examination was not deemed necessary in view of the information available from public sources and the files of Advantagewon Oil US, Corporation.

Michele K. Mudrone, P.E.

MKM ENGINEERING
Oil and Gas Consulting Services
3905 Sagamore Hill Court
Plano, Texas 75025

REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR
OR AUDITOR

To the Board of Directors of Advantagewon Oil US, Corporation hereinafter referred to as (the "Company"):

1. We have evaluated the Company's Reserves Data as at December 31, 2016. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2016, estimated using forecast prices and costs.
2. The Reserves Data are the responsibility of the Company's management. Our responsibility is to express an opinion on the Reserves Data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

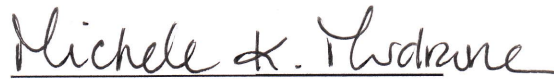
3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of December 31, 2016, 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:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (US\$)	Evaluated (US\$)	Reviewed (US\$)	Total (US\$)
MKM Engineering	Appraisal of Certain Oil and Gas Interests Located in Guadalupe and Wilson Counties, Texas As of December 31, 2016	USA		39,779,860		39,779,860
Total				39,779,860		39,779,860

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

MKM Engineering
F-009377
Dallas, Texas, USA
February 15, 2017


Michele K. Mudrone, P.E

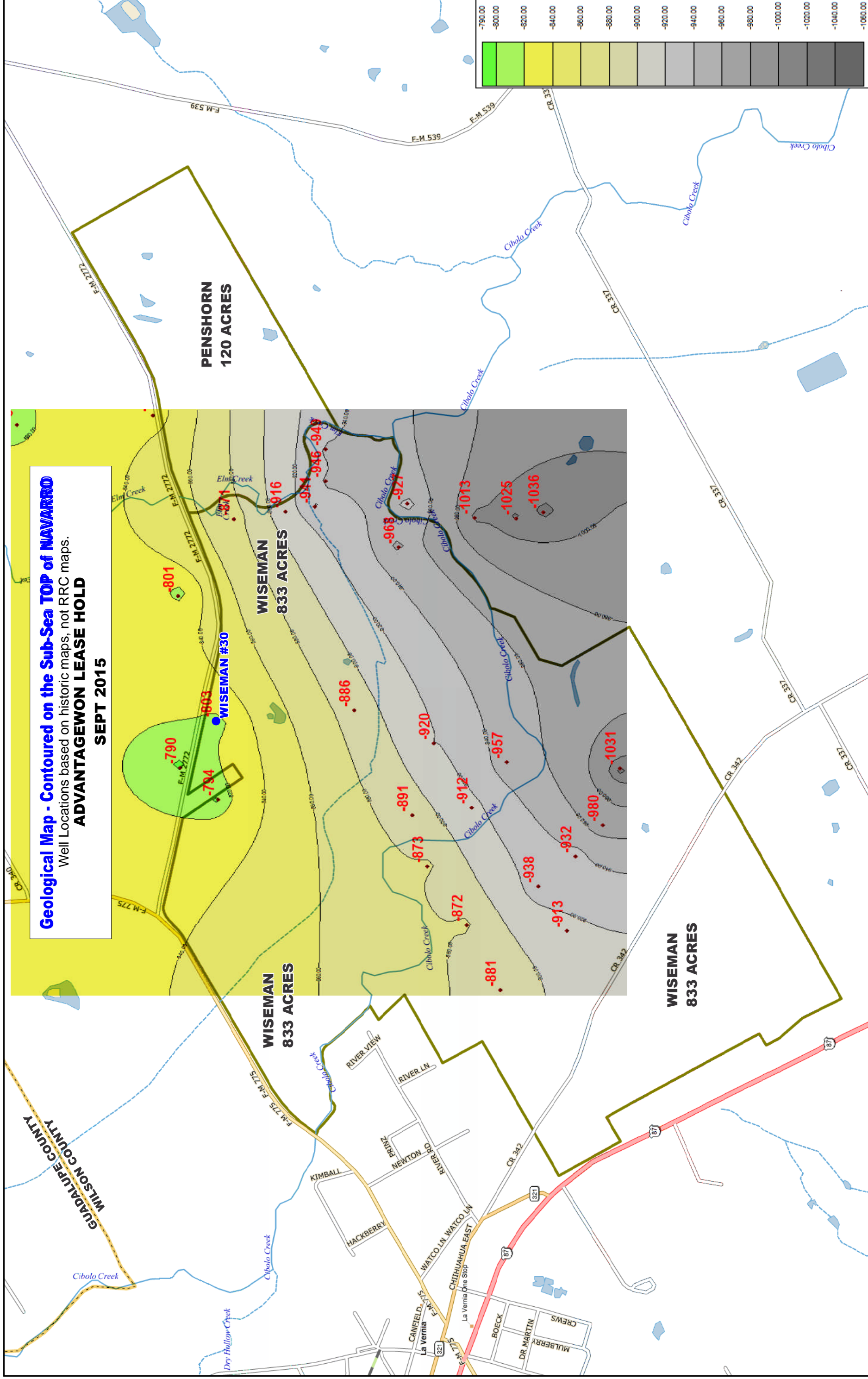
MAPS

Geological Map - Contoured on the Sub-Sea TOP of NAVARRO

Well Locations based on historic maps, not RRC maps.

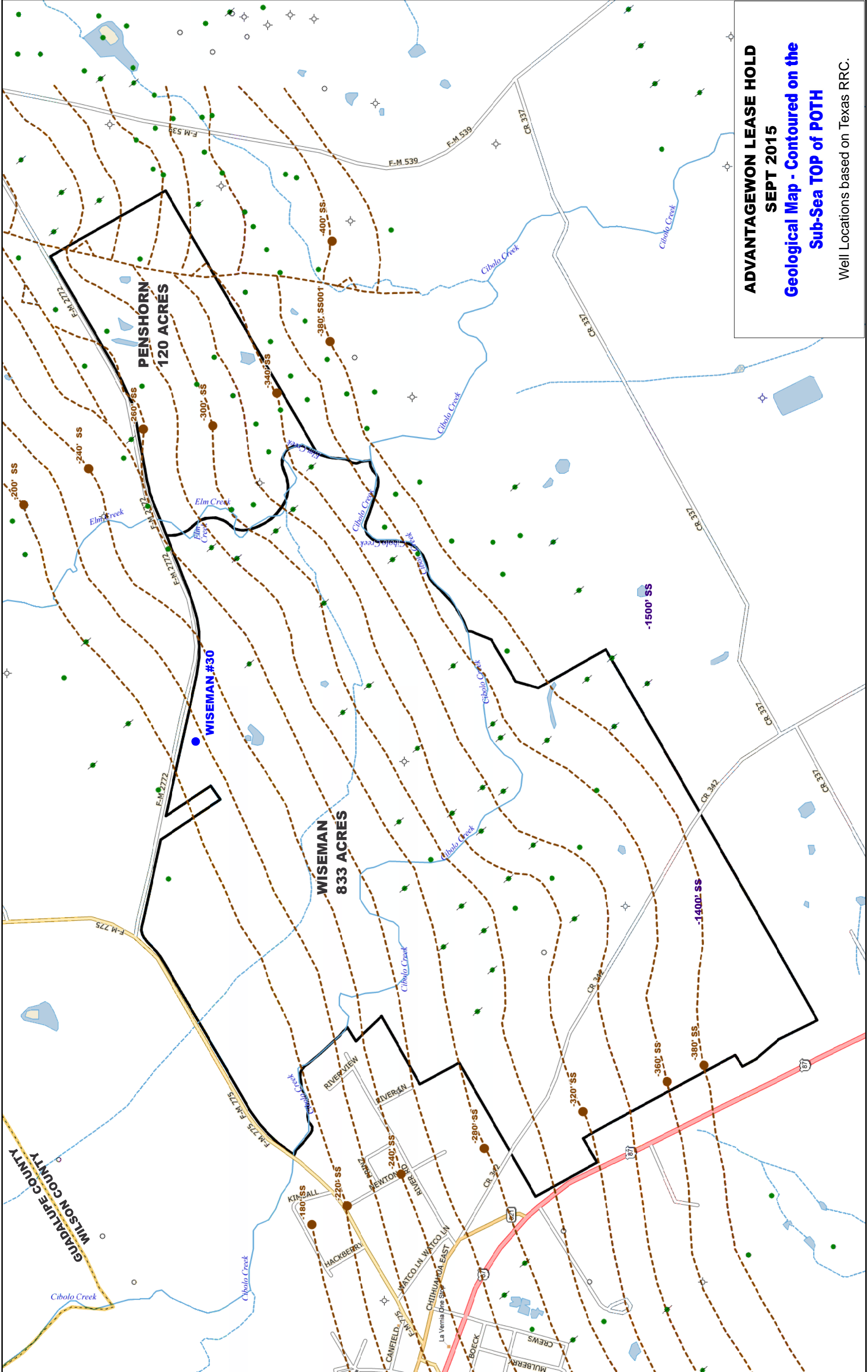
ADVANTAGEWON LEASE HOLD

SEPT 2015



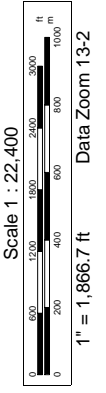
Scale 1 : 12,000
1" = 1,000.0 ft
Data Zoom 14-1

TN
MN (4.3°E)



ADVANTAGEWON LEASE HOLD
SEPT 2015
Geological Map - Contoured on the
Sub-Sea TOP of POTH

Well Locations based on Texas RRC.



Geology

GEOLOGICAL DISCUSSION

GUADALUPE and WILSON COUNTIES, TEXAS

Guadalupe and Wilson, adjacent counties, are ninety miles inland from the Gulf of Mexico in south central Texas, southwest of Austin and northeast of San Antonio. They are bounded by Comal, Hays, Caldwell, Gonzales, Karnes, Atascosa, and Bexar counties. The Cibola Creek forms the border between Guadalupe and Bexar counties, and the San Marcus River separates Guadalupe and Caldwell counties. Guadalupe County covers 713 square miles and Wilson County includes 808 square miles.

Oil was discovered in eastern Guadalupe County in the early 1920s and in 1941 in Wilson County. The geologic formations range from Cretaceous to Tertiary in age and from the approximate depths of 900 to 3500 feet. The shallow reservoirs are the main objectives but deeper potential exists in the Austin Chalk, Edwards, and Pearsall.

The La Vernia Field was discovered in December 1939. There were more than 1,000 wells producing from the Navarro at the peak of development. The zone of interest on the acreage is the Navarro Sands, at a depth between 900 feet and 1,100 feet. These sands produce from a moderately well developed 10-15 foot zone. The Navarro sand is an oil trap with the trapping mechanism being north south oriented transition from shale to sand.

The leasehold acreage will be developed on 5 acre spacing for the Navarro sand at approximately 1,300 feet. The planned drilling schedule is two wells per month starting in April 2017. The cost to drill and complete each well is US\$138,000. Please refer to geologic maps.

LEASE	W. H. Wiseman
FIELD	La Vernia
COUNTY	Guadalupe
STATE	Texas

RESERVOIR DESIGNATION	Navarro
RESERVE CATEGORY	Proved/Probable

RESERVOIR DATA

AVERAGE DEPTH, FEET	1,300
BHP, ORIGINAL, psia	563
BHT, DEGREES F	86
GAS GRAVITY, AIR = 1.00	0.65
RESERVOIR VOLUME FACTOR	1.064
POROSITY, %	20
CONNATE WATER, %	25
GAS/OIL RATIO, SCF/BBL	100
OIL GRAVITY, DEGREES API	40
OIL IN PLACE, BBL/AC-FT	1,093

RECOVERY COMPUTATION

DRIVE MECHANISM	Depletion drive
OIL RECOVERY FACTOR, %	10
RECOVERABLE OIL, BBL/AC-FT	109

RESERVES

PRODUCTIVE ACRES, PER WELL	5
AVERAGE NET PAY, FEET	15
PRODUCTIVE, ACRE-FEET	75
ORIGINAL OIL IN PLACE, BBL	82,010
OIL RESERVE, RECOVERABLE, BBL	8,200

Appendix

5.4 Definitions of Reserves

The following reserves definitions and guidelines are designed to assist evaluators in making reserves estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of reserves estimates.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable, and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions. These concepts are presented and discussed in greater detail within the guidelines in Section 5.5.

The following definitions apply to both estimates of individual reserves entities and the aggregate of reserves for multiple entities.

5.4.1 Reserves Categories

Reserves are 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;

- 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.

a. Proved Reserves

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

b. Probable Reserves

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves.

c. Possible Reserves

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves.

Other criteria that must also be met for the classification of reserves are provided in Section 5.5.4.

5.4.2 Development and Production Status

Each of the reserves categories (proved, probable, and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be

currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production but are shut in and the date of resumption of production is unknown.

b. Undeveloped Reserves

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

5.4.3 Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in Section 5.4.1 are applicable to "individual reserves entities," which refers to the lowest level at which reserves calculations are performed, and to "reported reserves," which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves,
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable reserves,
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable + possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3.

Appendix II

Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue

The reserves data set forth below is based upon an evaluation by MKM Engineering with an effective date of December 31, 2016. The reserves data summarizes the oil, NGL, and natural gas reserves of Advantagewon Oil US, Corporation and the net present values of future net revenue for these reserves using constant prices and costs and forecast prices and costs. The MKM report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserve definitions contained in NI 51-101.

Summary of Oil and Gas Reserves Constant Prices and Costs

Reserves Category	Light and Medium Oil		Natural Gas		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
PROVED						
Developed Producing	14	11	0	0	0	0
Developed Non-Producing	60	45	0	0	0	0
Undeveloped	2,252	1,748	0	0	0	0
TOTAL PROVED	2,326	1,804	0	0	0	0
PROBABLE	637	489	0	0	0	0
TOTAL PROVED PLUS PROBABLE	2,963	2,293	0	0	0	0

Net Present Values of Future Net Revenues Constant Prices and Costs

Reserves Category	Before Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	104	90	78	68	61
Developed Non-Producing	1,130	739	533	412	333
Undeveloped	18,462	9,191	3,588	152	(1,963)
TOTAL PROVED	19,696	10,020	4,199	632	(1,569)
PROBABLE	6,832	3,632	1,945	989	425
TOTAL PROVED PLUS PROBABLE	26,528	13,652	6,144	1,621	(1,144)

Reserves Category	After Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	63	55	49	43	39
Developed Non-Producing	678	451	330	259	212
Undeveloped	11,077	5,613	2,233	109	(1,236)
TOTAL PROVED	11,818	6,119	2,612	411	(985)
PROBABLE	4,099	2,213	1,200	616	264
TOTAL PROVED PLUS PROBABLE	15,917	8,332	3,812	1,027	(721)

The following tables detail the aggregate gross and net reserves of Advantagewon Oil US, Corporation, as at December 31, 2016, using forecast prices and costs as well the aggregate net present value of future net revenue attributable to the reserves estimated using forecast prices and costs, calculated without discount and using discount rates of 5%, 10%, 15% and 20%:

**Summary of Oil and Gas Reserves
Forecast Prices and Costs**

Reserves Category	Light and Medium Oil		Natural Gas		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
PROVED						
Developed Producing	21	16	0	0	0	0
Developed Non-Producing	62	46	0	0	0	0
Undeveloped	2,256	1,752	0	0	0	0
TOTAL PROVED	2,339	1,814	0	0	0	0
PROBABLE	635	487	0	0	0	0
TOTAL PROVED PLUS PROBABLE	2,974	2,301	0	0	0	0

**Net Present Values of Future Net Revenues
Forecast Prices and Costs**

Reserves Category	Before Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	465	344	261	205	166
Developed Non-Producing	2,842	1,575	1,028	744	576
Undeveloped	72,353	45,789	29,610	19,360	12,658
TOTAL PROVED	75,660	47,708	30,899	20,309	13,400
PROBABLE	23,053	13,788	8,881	6,002	4,197
TOTAL PROVED PLUS PROBABLE	98,713	61,496	39,780	26,311	17,597

Reserves Category	After Income Taxes Discounted at (% / year) ⁽¹⁾				
	0% (\$US thousands)	5% (\$US thousands)	10% (\$US thousands)	15% (\$US thousands)	20% (\$US thousands)
PROVED					
Developed Producing	279	210	162	129	106
Developed Non-Producing	1,705	960	637	468	367
Undeveloped	43,412	27,935	18,355	12,188	8,091
TOTAL PROVED	45,396	29,105	19,154	12,785	8,564
PROBABLE	13,829	8,407	5,497	3,768	2,670
TOTAL PROVED PLUS PROBABLE	59,225	37,512	24,651	16,553	11,234

The following tables provide the volume of production of the Advantagewon Oil US, Corporation Properties estimated for 2017:

	Estimated Production for 2017			
	Constant Prices & Costs (Undiscounted)		Forecast Prices (Undiscounted)	
	Proved Reserves	Proved plus Probable Reserves	Proved Reserves	Proved plus Probable Reserves
2017 Production (Gross)				
Light and Medium Oil(Mbbl)	41	58	41	58
Gas(MMcf)	0	0	0	0
NGL(Mbbl)	0	0	0	0
Mboe	41	58	41	58
2017 Production (Net)				
Light and Medium Oil(Mbbl)	31	44	31	44
Gas(MMcf)	0	0	0	0
NGL(Mbbl)	0	0	0	0
Mboe	31	44	31	4416

The following tables detail the benchmark reference prices reflected in the reserves data disclosed above. These pricing assumptions were provided by McDaniel & Associates.

**Summary of Pricing Assumptions
As of December 31, 2016
Constant Prices and Costs**

Year	OIL				NATURAL GAS U.S. Henry Hub	EDMONTON LIQUIDS PRICES			Exchange Rate (\$US/\$Cdn)
	WTI Cushing (\$US/bbl)	Edmonton Reference (\$Cdn/bbl)	Hardisty 25 ^o API (\$Cdn/bbl)	Cromer Medium 29 ^o API (\$Cdn/bbl)		Pentanes (\$Cdn/bbl)	Butane (\$Cdn/bbl)	Propane (\$Cdn/bbl)	
As at December 31, 2016	42.75				2.49				

**Summary of Pricing and Inflation Rate Assumptions
As of December 31, 2016
Forecast Prices and Costs**

Year	OIL				NATURAL GAS U.S. Henry Hub	EDMONTON LIQUIDS PRICES			Inflation Rate %/Year	Exchange Rate (\$US/\$Cdn)
	WTI Cushing (\$US/bbl)	Edmonton Reference (\$Cdn/bbl)	Hardisty 25 ^o API (\$Cdn/bbl)	Cromer 29 ^o API (\$Cdn/bbl)		Pentanes (\$Cdn/bbl)	Butane (\$Cdn/bbl)	Propane (\$Cdn/bbl)		
Forecast:										
2017	55.00				3.40				2.0	
2018	58.70				3.20				2.0	
2019	62.40				3.35				2.0	
2020	69.00				3.65				2.0	
2021	75.80				4.00				2.0	
2022	77.30				4.05				2.0	
2023	78.80				4.15				2.0	
2024	80.40				4.25				2.0	
2025	82.00				4.30				2.0	
2026	83.70				4.40				2.0	
2027	85.30				4.50				2.0	
Thereafter	94.42				4.98				2.0	

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Cashflow Summaries

**La Vernia Field
Reserve and Economic Projection
As of 12/31/2016**

Total Proved + Probable

Forecast price

MKM Engineering

TABLE 1

Year	Wells	----- Estimated 8/8 Ths Production -----			----- Net Production -----			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	82	58.05	0.00	0.00	44.31	0.00	0.00	55.00	0.00	0.00
2018	154	206.08	0.00	0.00	159.03	0.00	0.00	58.70	0.00	0.00
2019	226	276.98	0.00	0.00	214.50	0.00	0.00	62.40	0.00	0.00
2020	293	319.83	0.00	0.00	248.07	0.00	0.00	69.00	0.00	0.00
2021	305	330.00	0.00	0.00	256.14	0.00	0.00	75.80	0.00	0.00
2022	311	250.80	0.00	0.00	194.48	0.00	0.00	77.30	0.00	0.00
2023	311	201.07	0.00	0.00	155.80	0.00	0.00	78.80	0.00	0.00
2024	311	180.62	0.00	0.00	139.95	0.00	0.00	80.40	0.00	0.00
2025	311	167.98	0.00	0.00	130.18	0.00	0.00	82.00	0.00	0.00
2026	311	158.17	0.00	0.00	122.60	0.00	0.00	83.70	0.00	0.00
2027	311	149.13	0.00	0.00	115.63	0.00	0.00	85.30	0.00	0.00
2028	311	141.04	0.00	0.00	109.38	0.00	0.00	87.00	0.00	0.00
2029	311	132.71	0.00	0.00	102.94	0.00	0.00	88.80	0.00	0.00
2030	311	114.94	0.00	0.00	89.13	0.00	0.00	90.60	0.00	0.00
2031	245	84.90	0.00	0.00	65.75	0.00	0.00	93.27	0.00	0.00
Sub-T		2,772.31	0.00	0.00	2,147.89	0.00	0.00	76.31	0.00	0.00
After		202.04	0.00	0.00	153.42	0.00	0.00	106.20	0.00	0.00
Total		2,974.35	0.00	0.00	2,301.31	0.00	0.00	78.31	0.00	0.00
Cum. Ult.		152.07	0.00	0.72						
		3,126.41	0.00	0.72						

Year	----- Company Future Gross Revenue -----					----- Prod & Adv Taxes -----		Revenue after Sev & Adv ----- M\$ -----
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	2,436.80	0.00	0.00	0.00	2,436.80	112.45	60.92	2,263.43
2018	9,335.35	0.00	0.00	0.00	9,335.35	430.72	233.38	8,671.25
2019	13,384.59	0.00	0.00	0.00	13,384.59	617.43	334.61	12,432.54
2020	17,116.67	0.00	0.00	0.00	17,116.67	789.38	427.92	15,899.37
2021	19,415.24	0.00	0.00	0.00	19,415.24	895.18	485.38	18,034.68
2022	15,033.38	0.00	0.00	0.00	15,033.38	693.12	375.83	13,964.43
2023	12,276.85	0.00	0.00	0.00	12,276.85	566.00	306.92	11,403.93
2024	11,251.72	0.00	0.00	0.00	11,251.72	518.72	281.29	10,451.71
2025	10,674.81	0.00	0.00	0.00	10,674.81	492.10	266.87	9,915.84
2026	10,261.86	0.00	0.00	0.00	10,261.86	473.04	256.55	9,532.27
2027	9,863.16	0.00	0.00	0.00	9,863.16	454.65	246.58	9,161.94
2028	9,516.30	0.00	0.00	0.00	9,516.30	438.64	237.91	8,839.76
2029	9,141.28	0.00	0.00	0.00	9,141.28	421.34	228.53	8,491.41
2030	8,075.62	0.00	0.00	0.00	8,075.62	372.20	201.89	7,501.53
2031	6,132.17	0.00	0.00	0.00	6,132.17	282.61	153.30	5,696.25
Sub-T	163,915.82	0.00	0.00	0.00	163,915.82	7,557.58	4,097.90	152,260.34
After	16,293.21	0.00	0.00	0.00	16,293.21	750.73	407.33	15,135.14
Total	180,209.02	0.00	0.00	0.00	180,209.02	8,308.31	4,505.23	167,395.49

Year	----- Deductions -----				----- Future Net Income Before Income Taxes -----			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
				---- M\$ ----	---- M\$ ----	---- M\$ ----	---- M\$ ----	
2017	107.65	6,080.00	0.00	0.00	-3,924.22	-3,924.22	-3,674.92	-3,674.92
2018	440.00	9,936.00	0.00	0.00	-1,704.75	-5,628.98	-1,496.69	-5,171.61
2019	798.33	9,936.00	0.00	0.00	1,698.22	-3,930.76	1,312.02	-3,859.59
2020	1,163.94	9,936.00	0.00	0.00	4,799.43	868.67	3,379.72	-479.88
2021	1,493.21	5,106.00	0.00	0.00	11,435.47	12,304.13	7,259.37	6,779.50
2022	1,604.09	828.00	0.00	0.00	11,532.34	23,836.47	6,676.86	13,456.35
2023	1,643.67	0.00	0.00	0.00	9,760.26	33,596.73	5,118.81	18,575.16
2024	1,676.59	0.00	0.00	0.00	8,775.11	42,371.85	4,163.05	22,738.21
2025	1,710.12	0.00	0.00	0.00	8,205.73	50,577.58	3,523.03	26,261.24
2026	1,744.30	0.00	0.00	0.00	7,787.98	58,365.55	3,026.87	29,288.11
2027	1,779.16	0.00	0.00	0.00	7,382.78	65,748.33	2,597.59	31,885.70
2028	1,814.80	0.00	0.00	0.00	7,024.96	72,773.29	2,237.31	34,123.00
2029	1,851.09	0.00	0.00	0.00	6,640.33	79,413.61	1,914.19	36,037.20
2030	1,692.12	367.50	0.00	0.00	5,441.91	84,855.52	1,423.92	37,461.11
2031	1,277.58	540.00	0.00	0.00	3,878.67	88,734.19	918.47	38,379.59
Sub-T	20,796.65	42,729.50	0.00	0.00	88,734.19	88,734.19	38,379.59	38,379.59
After	3,732.04	1,425.00	0.00	0.00	9,978.10	9,978.10	1,400.28	1,400.28
Total	24,528.69	44,154.50	0.00	0.00	98,712.30	98,712.30	39,779.86	39,779.86

Present Worth Profile (M\$)

PW 5.00% :	61,495.58
PW 8.00% :	47,191.59
PW 10.00% :	39,779.86
PW 12.00% :	33,650.43
PW 15.00% :	26,311.82
PW 20.00% :	17,597.14

Forecast price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Producing Rsv Category

MKM Engineering

TABLE 2

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	6	1.54	0.00	0.00	1.17	0.00	0.00	55.00	0.00	0.00
2018	6	1.47	0.00	0.00	1.12	0.00	0.00	58.70	0.00	0.00
2019	6	1.41	0.00	0.00	1.07	0.00	0.00	62.40	0.00	0.00
2020	6	1.35	0.00	0.00	1.02	0.00	0.00	69.00	0.00	0.00
2021	6	1.28	0.00	0.00	0.97	0.00	0.00	75.80	0.00	0.00
2022	6	1.22	0.00	0.00	0.93	0.00	0.00	77.30	0.00	0.00
2023	6	1.17	0.00	0.00	0.89	0.00	0.00	78.80	0.00	0.00
2024	6	1.12	0.00	0.00	0.85	0.00	0.00	80.40	0.00	0.00
2025	6	1.07	0.00	0.00	0.81	0.00	0.00	82.00	0.00	0.00
2026	6	1.02	0.00	0.00	0.77	0.00	0.00	83.70	0.00	0.00
2027	6	0.97	0.00	0.00	0.74	0.00	0.00	85.30	0.00	0.00
2028	6	0.93	0.00	0.00	0.71	0.00	0.00	87.00	0.00	0.00
2029	6	0.89	0.00	0.00	0.67	0.00	0.00	88.80	0.00	0.00
2030	6	0.85	0.00	0.00	0.64	0.00	0.00	90.60	0.00	0.00
2031	6	0.81	0.00	0.00	0.62	0.00	0.00	93.31	0.00	0.00
Sub-T		17.11	0.00	0.00	12.99	0.00	0.00	75.68	0.00	0.00
After		3.61	0.00	0.00	2.72	0.00	0.00	100.03	0.00	0.00
Total		20.72	0.00	0.00	15.71	0.00	0.00	79.89	0.00	0.00
Cum. Ult.		130.85	0.00	0.50						
		151.57	0.00	0.50						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	64.47	0.00	0.00	0.00	64.47	2.98	1.61	59.88
2018	65.68	0.00	0.00	0.00	65.68	3.03	1.64	61.01
2019	66.66	0.00	0.00	0.00	66.66	3.08	1.67	61.92
2020	70.57	0.00	0.00	0.00	70.57	3.25	1.76	65.55
2021	73.81	0.00	0.00	0.00	73.81	3.40	1.85	68.57
2022	71.88	0.00	0.00	0.00	71.88	3.31	1.80	66.77
2023	69.98	0.00	0.00	0.00	69.98	3.23	1.75	65.00
2024	68.38	0.00	0.00	0.00	68.38	3.15	1.71	63.52
2025	66.42	0.00	0.00	0.00	66.42	3.06	1.66	61.70
2026	64.77	0.00	0.00	0.00	64.77	2.99	1.62	60.16
2027	63.06	0.00	0.00	0.00	63.06	2.91	1.58	58.57
2028	61.61	0.00	0.00	0.00	61.61	2.84	1.54	57.23
2029	59.92	0.00	0.00	0.00	59.92	2.76	1.50	55.66
2030	58.42	0.00	0.00	0.00	58.42	2.69	1.46	54.26
2031	57.50	0.00	0.00	0.00	57.50	2.65	1.44	53.41
Sub-T	983.13	0.00	0.00	0.00	983.13	45.33	24.58	913.22
After	271.86	0.00	0.00	0.00	271.86	12.53	6.80	252.53
Total	1,254.98	0.00	0.00	0.00	1,254.98	57.86	31.37	1,165.75

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted Annual ---- M\$ ----	Undiscounted Cumulative ---- M\$ ----	Discounted Ann @ 10.00% ---- M\$ ----	Disc. Cum. Annual @ 10.00% ---- M\$ ----
2017	25.81	0.00	0.00	0.00	34.07	34.07	32.45	32.45
2018	26.33	0.00	0.00	0.00	34.68	68.75	29.90	62.35
2019	26.86	0.00	0.00	0.00	35.06	103.82	27.37	89.72
2020	27.39	0.00	0.00	0.00	38.16	141.97	26.96	116.67
2021	27.94	0.00	0.00	0.00	40.63	182.60	25.98	142.65
2022	28.50	0.00	0.00	0.00	38.27	220.87	22.15	164.80
2023	29.07	0.00	0.00	0.00	35.94	256.81	18.83	183.64
2024	29.65	0.00	0.00	0.00	33.86	290.67	16.06	199.70
2025	30.24	0.00	0.00	0.00	31.46	322.13	13.51	213.21
2026	30.85	0.00	0.00	0.00	29.31	351.44	11.39	224.60
2027	31.47	0.00	0.00	0.00	27.11	378.55	9.54	234.14
2028	32.10	0.00	0.00	0.00	25.13	403.68	8.01	242.15
2029	32.74	0.00	0.00	0.00	22.92	426.60	6.61	248.76
2030	33.39	0.00	0.00	0.00	20.87	447.48	5.45	254.21
2031	34.06	0.00	0.00	0.00	19.35	466.83	4.57	258.78
Sub-T	446.39	0.00	0.00	0.00	466.83	466.83	258.78	258.78
After	209.47	45.00	0.00	0.00	-1.94	-1.94	2.66	2.66
Total	655.86	45.00	0.00	0.00	464.89	464.89	261.44	261.44

Present Worth Profile (M\$)

PW 5.00% :	343.78
PW 8.00% :	290.60
PW 10.00% :	261.44
PW 12.00% :	236.42
PW 15.00% :	205.25
PW 20.00% :	166.11

Forecast price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Non-Producing Rsv Category

MKM Engineering

TABLE 3

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	2	2.92	0.00	0.00	2.19	0.00	0.00	55.00	0.00	0.00
2018	2	3.41	0.00	0.00	2.56	0.00	0.00	58.70	0.00	0.00
2019	2	3.24	0.00	0.00	2.43	0.00	0.00	62.40	0.00	0.00
2020	2	3.08	0.00	0.00	2.31	0.00	0.00	69.00	0.00	0.00
2021	2	2.92	0.00	0.00	2.19	0.00	0.00	75.80	0.00	0.00
2022	2	2.78	0.00	0.00	2.08	0.00	0.00	77.30	0.00	0.00
2023	2	2.64	0.00	0.00	1.98	0.00	0.00	78.80	0.00	0.00
2024	2	2.51	0.00	0.00	1.88	0.00	0.00	80.40	0.00	0.00
2025	2	2.38	0.00	0.00	1.78	0.00	0.00	82.00	0.00	0.00
2026	2	2.26	0.00	0.00	1.70	0.00	0.00	83.70	0.00	0.00
2027	2	2.15	0.00	0.00	1.61	0.00	0.00	85.30	0.00	0.00
2028	2	2.05	0.00	0.00	1.53	0.00	0.00	87.00	0.00	0.00
2029	2	1.94	0.00	0.00	1.45	0.00	0.00	88.80	0.00	0.00
2030	2	1.84	0.00	0.00	1.38	0.00	0.00	90.60	0.00	0.00
2031	2	1.75	0.00	0.00	1.31	0.00	0.00	93.31	0.00	0.00
Sub-T		37.86	0.00	0.00	28.40	0.00	0.00	75.78	0.00	0.00
After		24.03	0.00	0.00	18.03	0.00	0.00	115.76	0.00	0.00
Total		61.90	0.00	0.00	46.42	0.00	0.00	91.30	0.00	0.00
Cum. Ult.		21.21	0.00	0.22						
		83.11	0.00	0.22						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	120.63	0.00	0.00	0.00	120.63	5.57	3.02	112.05
2018	150.02	0.00	0.00	0.00	150.02	6.92	3.75	139.34
2019	151.50	0.00	0.00	0.00	151.50	6.99	3.79	140.73
2020	159.58	0.00	0.00	0.00	159.58	7.36	3.99	148.23
2021	166.08	0.00	0.00	0.00	166.08	7.66	4.15	154.27
2022	160.91	0.00	0.00	0.00	160.91	7.42	4.02	149.47
2023	155.83	0.00	0.00	0.00	155.83	7.18	3.90	144.75
2024	151.46	0.00	0.00	0.00	151.46	6.98	3.79	140.69
2025	146.34	0.00	0.00	0.00	146.34	6.75	3.66	135.94
2026	141.91	0.00	0.00	0.00	141.91	6.54	3.55	131.82
2027	137.40	0.00	0.00	0.00	137.40	6.33	3.43	127.63
2028	133.49	0.00	0.00	0.00	133.49	6.15	3.34	124.00
2029	129.08	0.00	0.00	0.00	129.08	5.95	3.23	119.90
2030	125.12	0.00	0.00	0.00	125.12	5.77	3.13	116.22
2031	122.42	0.00	0.00	0.00	122.42	5.64	3.06	113.72
Sub-T	2,151.77	0.00	0.00	0.00	2,151.77	99.21	53.79	1,998.76
After	2,086.75	0.00	0.00	0.00	2,086.75	96.14	52.17	1,938.44
Total	4,238.51	0.00	0.00	0.00	4,238.51	195.35	105.96	3,937.20

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	14.64	0.00	0.00	0.00	97.42	97.42	91.91	91.91
2018	18.29	0.00	0.00	0.00	121.05	218.47	104.35	196.26
2019	18.66	0.00	0.00	0.00	122.07	340.53	95.26	291.51
2020	19.03	0.00	0.00	0.00	129.20	469.73	91.26	382.77
2021	19.41	0.00	0.00	0.00	134.86	604.59	86.22	469.00
2022	19.80	0.00	0.00	0.00	129.66	734.25	75.05	544.04
2023	20.20	0.00	0.00	0.00	124.55	858.81	65.26	609.31
2024	20.60	0.00	0.00	0.00	120.08	978.89	56.95	666.26
2025	21.01	0.00	0.00	0.00	114.92	1,093.81	49.33	715.59
2026	21.43	0.00	0.00	0.00	110.39	1,204.20	42.90	758.49
2027	21.86	0.00	0.00	0.00	105.77	1,309.97	37.21	795.70
2028	22.30	0.00	0.00	0.00	101.70	1,411.66	32.39	828.09
2029	22.75	0.00	0.00	0.00	97.16	1,508.82	28.00	856.09
2030	23.20	0.00	0.00	0.00	93.02	1,601.84	24.27	880.37
2031	23.67	0.00	0.00	0.00	90.05	1,691.89	21.27	901.63
Sub-T	306.87	0.00	0.00	0.00	1,691.89	1,691.89	901.63	901.63
After	773.18	15.00	0.00	0.00	1,150.26	1,150.26	126.25	126.25
Total	1,080.05	15.00	0.00	0.00	2,842.15	2,842.15	1,027.89	1,027.89

Present Worth Profile (M\$)

PW 5.00% :	1,574.88
PW 8.00% :	1,200.65
PW 10.00% :	1,027.89
PW 12.00% :	894.53
PW 15.00% :	744.50
PW 20.00% :	576.32

Forecast price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 4

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil --- Mbbbl ---	NGL --- Mgal ---	Gas --- MMcf ---	Oil --- Mbbbl ---	NGL --- Mgal ---	Gas --- MMcf ---			
2017	68	36.46	0.00	0.00	28.01	0.00	0.00	55.00	0.00	0.00
2018	128	156.41	0.00	0.00	121.21	0.00	0.00	58.70	0.00	0.00
2019	188	220.42	0.00	0.00	171.22	0.00	0.00	62.40	0.00	0.00
2020	243	259.75	0.00	0.00	201.97	0.00	0.00	69.00	0.00	0.00
2021	243	267.40	0.00	0.00	208.00	0.00	0.00	75.80	0.00	0.00
2022	243	188.57	0.00	0.00	146.57	0.00	0.00	77.30	0.00	0.00
2023	243	152.00	0.00	0.00	118.09	0.00	0.00	78.80	0.00	0.00
2024	243	138.77	0.00	0.00	107.82	0.00	0.00	80.40	0.00	0.00
2025	243	129.86	0.00	0.00	100.91	0.00	0.00	82.00	0.00	0.00
2026	243	122.72	0.00	0.00	95.38	0.00	0.00	83.70	0.00	0.00
2027	243	116.02	0.00	0.00	90.19	0.00	0.00	85.30	0.00	0.00
2028	243	110.01	0.00	0.00	85.53	0.00	0.00	87.00	0.00	0.00
2029	243	103.76	0.00	0.00	80.69	0.00	0.00	88.80	0.00	0.00
2030	243	89.22	0.00	0.00	69.37	0.00	0.00	90.60	0.00	0.00
2031	188	63.79	0.00	0.00	49.55	0.00	0.00	93.26	0.00	0.00
Sub-T		2,155.16	0.00	0.00	1,674.51	0.00	0.00	76.33	0.00	0.00
After		101.15	0.00	0.00	77.30	0.00	0.00	102.43	0.00	0.00
Total		2,256.31	0.00	0.00	1,751.82	0.00	0.00	77.48	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		2,256.31	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil --- M\$ ---	NGL --- M\$ ---	Gas --- M\$ ---	Other --- M\$ ---	Total --- M\$ ---	Prod Tax --- M\$ ---	Adv Tax --- M\$ ---	
2017	1,540.47	0.00	0.00	0.00	1,540.47	71.09	38.51	1,430.87
2018	7,115.12	0.00	0.00	0.00	7,115.12	328.28	177.88	6,608.96
2019	10,683.86	0.00	0.00	0.00	10,683.86	492.85	267.10	9,923.92
2020	13,935.59	0.00	0.00	0.00	13,935.59	642.68	348.39	12,944.52
2021	15,766.22	0.00	0.00	0.00	15,766.22	726.94	394.16	14,645.13
2022	11,329.95	0.00	0.00	0.00	11,329.95	522.37	283.25	10,524.33
2023	9,305.83	0.00	0.00	0.00	9,305.83	429.03	232.65	8,644.16
2024	8,668.96	0.00	0.00	0.00	8,668.96	399.65	216.72	8,052.59
2025	8,275.01	0.00	0.00	0.00	8,275.01	381.47	206.88	7,686.66
2026	7,983.43	0.00	0.00	0.00	7,983.43	368.01	199.59	7,415.83
2027	7,693.36	0.00	0.00	0.00	7,693.36	354.63	192.33	7,146.40
2028	7,441.19	0.00	0.00	0.00	7,441.19	342.99	186.03	6,912.18
2029	7,164.90	0.00	0.00	0.00	7,164.90	330.24	179.12	6,655.53
2030	6,285.02	0.00	0.00	0.00	6,285.02	289.67	157.13	5,838.22
2031	4,621.17	0.00	0.00	0.00	4,621.17	212.98	115.53	4,292.66
Sub-T	127,810.08	0.00	0.00	0.00	127,810.08	5,892.87	3,195.25	118,721.96
After	7,917.67	0.00	0.00	0.00	7,917.67	364.84	197.94	7,354.89
Total	135,727.75	0.00	0.00	0.00	135,727.75	6,257.71	3,393.19	126,076.85

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs --- M\$ ---	Net Investments --- M\$ ---	Trans. Costs --- M\$ ---	Net Profits --- M\$ ---	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual --- M\$ ---	Cumulative --- M\$ ---		--- M\$ ---	
2017	60.13	5,252.00	0.00	0.00	-3,881.26	-3,881.26	-3,636.70	-3,636.70
2018	337.45	8,280.00	0.00	0.00	-2,008.49	-5,889.75	-1,752.13	-5,388.83
2019	635.50	8,280.00	0.00	0.00	1,008.42	-4,881.34	778.05	-4,610.78
2020	939.61	8,280.00	0.00	0.00	3,724.91	-1,156.43	2,624.40	-1,986.38
2021	1,206.18	3,450.00	0.00	0.00	9,988.95	8,832.52	6,338.06	4,351.68
2022	1,260.17	0.00	0.00	0.00	9,264.16	18,096.69	5,375.34	9,727.03
2023	1,285.36	0.00	0.00	0.00	7,358.80	25,455.49	3,858.47	13,585.50
2024	1,311.11	0.00	0.00	0.00	6,741.48	32,196.97	3,198.01	16,783.50
2025	1,337.32	0.00	0.00	0.00	6,349.34	38,546.31	2,725.89	19,509.40
2026	1,364.05	0.00	0.00	0.00	6,051.78	44,598.10	2,352.02	21,861.41
2027	1,391.31	0.00	0.00	0.00	5,755.09	50,353.18	2,024.84	23,886.25
2028	1,419.18	0.00	0.00	0.00	5,492.99	55,846.18	1,749.36	25,635.62
2029	1,447.56	0.00	0.00	0.00	5,207.97	61,054.15	1,501.25	27,136.87
2030	1,315.09	300.00	0.00	0.00	4,223.13	65,277.28	1,105.28	28,242.15
2031	967.24	450.00	0.00	0.00	2,875.42	68,152.70	681.13	28,923.29
Sub-T	16,277.26	34,292.00	0.00	0.00	68,152.70	68,152.70	28,923.29	28,923.29
After	2,082.56	1,072.50	0.00	0.00	4,199.83	4,199.83	686.25	686.25
Total	18,359.82	35,364.50	0.00	0.00	72,352.53	72,352.53	29,609.54	29,609.54

Present Worth Profile (M\$)

PW 5.00% :	45,788.71
PW 8.00% :	35,183.09
PW 10.00% :	29,609.54
PW 12.00% :	24,963.22
PW 15.00% :	19,360.12
PW 20.00% :	12,657.79

**La Vernia Field
Reserve and Economic Projection
As of 12/31/2016**

Total Proved

Forecast price

MKM Engineering

TABLE 5

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	76	40.92	0.00	0.00	31.37	0.00	0.00	55.00	0.00	0.00
2018	136	161.29	0.00	0.00	124.89	0.00	0.00	58.70	0.00	0.00
2019	196	225.06	0.00	0.00	174.71	0.00	0.00	62.40	0.00	0.00
2020	251	264.18	0.00	0.00	205.30	0.00	0.00	69.00	0.00	0.00
2021	251	271.60	0.00	0.00	211.16	0.00	0.00	75.80	0.00	0.00
2022	251	192.57	0.00	0.00	149.58	0.00	0.00	77.30	0.00	0.00
2023	251	155.81	0.00	0.00	120.96	0.00	0.00	78.80	0.00	0.00
2024	251	142.40	0.00	0.00	110.56	0.00	0.00	80.40	0.00	0.00
2025	251	133.31	0.00	0.00	103.51	0.00	0.00	82.00	0.00	0.00
2026	251	126.00	0.00	0.00	97.85	0.00	0.00	83.70	0.00	0.00
2027	251	119.14	0.00	0.00	92.54	0.00	0.00	85.30	0.00	0.00
2028	251	112.99	0.00	0.00	87.77	0.00	0.00	87.00	0.00	0.00
2029	251	106.59	0.00	0.00	82.81	0.00	0.00	88.80	0.00	0.00
2030	251	91.91	0.00	0.00	71.40	0.00	0.00	90.60	0.00	0.00
2031	196	66.35	0.00	0.00	51.48	0.00	0.00	93.26	0.00	0.00
Sub-T		2,210.13	0.00	0.00	1,715.90	0.00	0.00	76.31	0.00	0.00
After		128.80	0.00	0.00	98.05	0.00	0.00	104.81	0.00	0.00
Total		2,338.93	0.00	0.00	1,813.95	0.00	0.00	77.85	0.00	0.00
Cum. Ult.		152.07	0.00	0.72						
		2,490.99	0.00	0.72						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	1,725.57	0.00	0.00	0.00	1,725.57	79.63	43.14	1,602.80
2018	7,330.82	0.00	0.00	0.00	7,330.82	338.23	183.27	6,809.32
2019	10,902.03	0.00	0.00	0.00	10,902.03	502.91	272.55	10,126.57
2020	14,165.74	0.00	0.00	0.00	14,165.74	653.29	354.14	13,158.30
2021	16,006.12	0.00	0.00	0.00	16,006.12	738.00	400.15	14,867.97
2022	11,562.74	0.00	0.00	0.00	11,562.74	533.10	289.07	10,740.57
2023	9,531.65	0.00	0.00	0.00	9,531.65	439.44	238.29	8,853.92
2024	8,888.79	0.00	0.00	0.00	8,888.79	409.78	222.22	8,256.79
2025	8,487.77	0.00	0.00	0.00	8,487.77	391.28	212.19	7,884.30
2026	8,190.11	0.00	0.00	0.00	8,190.11	377.54	204.75	7,607.82
2027	7,893.81	0.00	0.00	0.00	7,893.81	363.87	197.35	7,332.60
2028	7,636.29	0.00	0.00	0.00	7,636.29	351.98	190.91	7,093.40
2029	7,353.89	0.00	0.00	0.00	7,353.89	338.95	183.85	6,831.09
2030	6,468.56	0.00	0.00	0.00	6,468.56	298.13	161.71	6,008.71
2031	4,801.08	0.00	0.00	0.00	4,801.08	221.27	120.03	4,459.79
Sub-T	130,944.97	0.00	0.00	0.00	130,944.97	6,037.41	3,273.62	121,633.94
After	10,276.27	0.00	0.00	0.00	10,276.27	473.51	256.91	9,545.86
Total	141,221.25	0.00	0.00	0.00	141,221.25	6,510.92	3,530.53	131,179.80

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	100.58	5,252.00	0.00	0.00	-3,749.78	-3,749.78	-3,512.35	-3,512.35
2018	382.07	8,280.00	0.00	0.00	-1,852.76	-5,602.54	-1,617.88	-5,130.23
2019	681.01	8,280.00	0.00	0.00	1,165.55	-4,436.99	900.68	-4,229.55
2020	986.04	8,280.00	0.00	0.00	3,892.26	-544.72	2,742.62	-1,486.93
2021	1,253.53	3,450.00	0.00	0.00	10,164.43	9,619.71	6,450.26	4,963.33
2022	1,308.47	0.00	0.00	0.00	9,432.10	19,051.81	5,472.55	10,435.88
2023	1,334.62	0.00	0.00	0.00	7,519.30	26,571.11	3,942.57	14,378.44
2024	1,361.36	0.00	0.00	0.00	6,895.43	33,466.53	3,271.02	17,649.47
2025	1,388.58	0.00	0.00	0.00	6,495.72	39,962.25	2,788.73	20,438.20
2026	1,416.33	0.00	0.00	0.00	6,191.48	46,153.74	2,406.31	22,844.51
2027	1,444.64	0.00	0.00	0.00	5,887.96	52,041.70	2,071.59	24,916.10
2028	1,473.58	0.00	0.00	0.00	5,619.82	57,661.52	1,789.76	26,705.86
2029	1,503.04	0.00	0.00	0.00	5,328.05	62,989.57	1,535.87	28,241.73
2030	1,371.69	300.00	0.00	0.00	4,337.02	67,326.59	1,135.00	29,376.73
2031	1,024.97	450.00	0.00	0.00	2,984.82	70,311.42	706.97	30,083.70
Sub-T	17,030.52	34,292.00	0.00	0.00	70,311.42	70,311.42	30,083.70	30,083.70
After	3,065.21	1,132.50	0.00	0.00	5,348.15	5,348.15	815.16	815.16
Total	20,095.73	35,424.50	0.00	0.00	75,659.57	75,659.57	30,898.86	30,898.86

Present Worth Profile (M\$)

PW 5.00% :	47,707.37
PW 8.00% :	36,674.34
PW 10.00% :	30,898.86
PW 12.00% :	26,094.17
PW 15.00% :	20,309.87
PW 20.00% :	13,400.22

Forecast price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Probable Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 6

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	6	17.13	0.00	0.00	12.93	0.00	0.00	55.00	0.00	0.00
2018	18	44.79	0.00	0.00	34.15	0.00	0.00	58.70	0.00	0.00
2019	30	51.92	0.00	0.00	39.78	0.00	0.00	62.40	0.00	0.00
2020	42	55.65	0.00	0.00	42.77	0.00	0.00	69.00	0.00	0.00
2021	54	58.40	0.00	0.00	44.98	0.00	0.00	75.80	0.00	0.00
2022	60	58.22	0.00	0.00	44.90	0.00	0.00	77.30	0.00	0.00
2023	60	45.26	0.00	0.00	34.84	0.00	0.00	78.80	0.00	0.00
2024	60	38.22	0.00	0.00	29.39	0.00	0.00	80.40	0.00	0.00
2025	60	34.68	0.00	0.00	26.67	0.00	0.00	82.00	0.00	0.00
2026	60	32.17	0.00	0.00	24.75	0.00	0.00	83.70	0.00	0.00
2027	60	29.99	0.00	0.00	23.09	0.00	0.00	85.30	0.00	0.00
2028	60	28.06	0.00	0.00	21.61	0.00	0.00	87.00	0.00	0.00
2029	60	26.12	0.00	0.00	20.13	0.00	0.00	88.80	0.00	0.00
2030	60	23.03	0.00	0.00	17.74	0.00	0.00	90.60	0.00	0.00
2031	49	18.55	0.00	0.00	14.27	0.00	0.00	93.28	0.00	0.00
Sub-T		562.18	0.00	0.00	431.99	0.00	0.00	76.32	0.00	0.00
After		73.24	0.00	0.00	55.38	0.00	0.00	108.66	0.00	0.00
Total		635.42	0.00	0.00	487.36	0.00	0.00	80.00	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		635.42	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	711.23	0.00	0.00	0.00	711.23	32.82	17.78	660.63
2018	2,004.53	0.00	0.00	0.00	2,004.53	92.49	50.11	1,861.93
2019	2,482.56	0.00	0.00	0.00	2,482.56	114.52	62.06	2,305.98
2020	2,950.93	0.00	0.00	0.00	2,950.93	136.09	73.77	2,741.07
2021	3,409.12	0.00	0.00	0.00	3,409.12	157.19	85.23	3,166.71
2022	3,470.64	0.00	0.00	0.00	3,470.64	160.01	86.77	3,223.86
2023	2,745.21	0.00	0.00	0.00	2,745.21	126.56	68.63	2,550.01
2024	2,362.93	0.00	0.00	0.00	2,362.93	108.93	59.07	2,194.92
2025	2,187.04	0.00	0.00	0.00	2,187.04	100.82	54.68	2,031.54
2026	2,071.75	0.00	0.00	0.00	2,071.75	95.50	51.79	1,924.46
2027	1,969.35	0.00	0.00	0.00	1,969.35	90.78	49.23	1,829.34
2028	1,880.01	0.00	0.00	0.00	1,880.01	86.66	47.00	1,746.35
2029	1,787.39	0.00	0.00	0.00	1,787.39	82.38	44.68	1,660.32
2030	1,607.07	0.00	0.00	0.00	1,607.07	74.07	40.18	1,492.82
2031	1,331.09	0.00	0.00	0.00	1,331.09	61.35	33.28	1,236.46
Sub-T	32,970.85	0.00	0.00	0.00	32,970.85	1,520.17	824.27	30,626.41
After	6,016.93	0.00	0.00	0.00	6,016.93	277.23	150.42	5,589.28
Total	38,987.78	0.00	0.00	0.00	38,987.78	1,797.40	974.69	36,215.69

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	7.07	828.00	0.00	0.00	-174.44	-174.44	-162.57	-162.57
2018	57.93	1,656.00	0.00	0.00	148.00	-26.44	121.19	-41.39
2019	117.31	1,656.00	0.00	0.00	532.66	506.22	411.34	369.96
2020	177.90	1,656.00	0.00	0.00	907.17	1,413.39	637.10	1,007.05
2021	239.68	1,656.00	0.00	0.00	1,271.03	2,684.42	809.11	1,816.17
2022	295.62	828.00	0.00	0.00	2,100.24	4,784.66	1,204.31	3,020.48
2023	309.04	0.00	0.00	0.00	2,240.97	7,025.63	1,176.24	4,196.72
2024	315.24	0.00	0.00	0.00	1,879.69	8,905.31	892.03	5,088.74
2025	321.54	0.00	0.00	0.00	1,710.01	10,615.32	734.29	5,823.04
2026	327.96	0.00	0.00	0.00	1,596.49	12,211.81	620.56	6,443.60
2027	334.52	0.00	0.00	0.00	1,494.82	13,706.63	526.00	6,969.59
2028	341.22	0.00	0.00	0.00	1,405.13	15,111.77	447.55	7,417.14
2029	348.04	0.00	0.00	0.00	1,312.27	16,424.04	378.32	7,795.47
2030	320.44	67.50	0.00	0.00	1,104.89	17,528.93	288.92	8,084.39
2031	252.61	90.00	0.00	0.00	893.85	18,422.78	211.50	8,295.89
Sub-T	3,766.13	8,437.50	0.00	0.00	18,422.78	18,422.78	8,295.89	8,295.89
After	666.83	292.50	0.00	0.00	4,629.95	4,629.95	585.12	585.12
Total	4,432.96	8,730.00	0.00	0.00	23,052.73	23,052.73	8,881.00	8,881.00

Present Worth Profile (M\$)

PW 5.00% :	13,788.21
PW 8.00% :	10,517.25
PW 10.00% :	8,881.00
PW 12.00% :	7,556.26
PW 15.00% :	6,001.95
PW 20.00% :	4,196.92

**La Vernia Field
Reserve and Economic Projection
As of 12/31/2016**

Total Probable

Forecast price

MKM Engineering

TABLE 7

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	6	17.13	0.00	0.00	12.93	0.00	0.00	55.00	0.00	0.00
2018	18	44.79	0.00	0.00	34.15	0.00	0.00	58.70	0.00	0.00
2019	30	51.92	0.00	0.00	39.78	0.00	0.00	62.40	0.00	0.00
2020	42	55.65	0.00	0.00	42.77	0.00	0.00	69.00	0.00	0.00
2021	54	58.40	0.00	0.00	44.98	0.00	0.00	75.80	0.00	0.00
2022	60	58.22	0.00	0.00	44.90	0.00	0.00	77.30	0.00	0.00
2023	60	45.26	0.00	0.00	34.84	0.00	0.00	78.80	0.00	0.00
2024	60	38.22	0.00	0.00	29.39	0.00	0.00	80.40	0.00	0.00
2025	60	34.68	0.00	0.00	26.67	0.00	0.00	82.00	0.00	0.00
2026	60	32.17	0.00	0.00	24.75	0.00	0.00	83.70	0.00	0.00
2027	60	29.99	0.00	0.00	23.09	0.00	0.00	85.30	0.00	0.00
2028	60	28.06	0.00	0.00	21.61	0.00	0.00	87.00	0.00	0.00
2029	60	26.12	0.00	0.00	20.13	0.00	0.00	88.80	0.00	0.00
2030	60	23.03	0.00	0.00	17.74	0.00	0.00	90.60	0.00	0.00
2031	49	18.55	0.00	0.00	14.27	0.00	0.00	93.28	0.00	0.00
Sub-T		562.18	0.00	0.00	431.99	0.00	0.00	76.32	0.00	0.00
After		73.24	0.00	0.00	55.38	0.00	0.00	108.66	0.00	0.00
Total		635.42	0.00	0.00	487.36	0.00	0.00	80.00	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		635.42	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	711.23	0.00	0.00	0.00	711.23	32.82	17.78	660.63
2018	2,004.53	0.00	0.00	0.00	2,004.53	92.49	50.11	1,861.93
2019	2,482.56	0.00	0.00	0.00	2,482.56	114.52	62.06	2,305.98
2020	2,950.93	0.00	0.00	0.00	2,950.93	136.09	73.77	2,741.07
2021	3,409.12	0.00	0.00	0.00	3,409.12	157.19	85.23	3,166.71
2022	3,470.64	0.00	0.00	0.00	3,470.64	160.01	86.77	3,223.86
2023	2,745.21	0.00	0.00	0.00	2,745.21	126.56	68.63	2,550.01
2024	2,362.93	0.00	0.00	0.00	2,362.93	108.93	59.07	2,194.92
2025	2,187.04	0.00	0.00	0.00	2,187.04	100.82	54.68	2,031.54
2026	2,071.75	0.00	0.00	0.00	2,071.75	95.50	51.79	1,924.46
2027	1,969.35	0.00	0.00	0.00	1,969.35	90.78	49.23	1,829.34
2028	1,880.01	0.00	0.00	0.00	1,880.01	86.66	47.00	1,746.35
2029	1,787.39	0.00	0.00	0.00	1,787.39	82.38	44.68	1,660.32
2030	1,607.07	0.00	0.00	0.00	1,607.07	74.07	40.18	1,492.82
2031	1,331.09	0.00	0.00	0.00	1,331.09	61.35	33.28	1,236.46
Sub-T	32,970.85	0.00	0.00	0.00	32,970.85	1,520.17	824.27	30,626.41
After	6,016.93	0.00	0.00	0.00	6,016.93	277.23	150.42	5,589.28
Total	38,987.78	0.00	0.00	0.00	38,987.78	1,797.40	974.69	36,215.69

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----	----M\$ ----	---- M\$ ----
2017	7.07	828.00	0.00	0.00	-174.44	-174.44	-162.57	-162.57
2018	57.93	1,656.00	0.00	0.00	148.00	-26.44	121.19	-41.39
2019	117.31	1,656.00	0.00	0.00	532.66	506.22	411.34	369.96
2020	177.90	1,656.00	0.00	0.00	907.17	1,413.39	637.10	1,007.05
2021	239.68	1,656.00	0.00	0.00	1,271.03	2,684.42	809.11	1,816.17
2022	295.62	828.00	0.00	0.00	2,100.24	4,784.66	1,204.31	3,020.48
2023	309.04	0.00	0.00	0.00	2,240.97	7,025.63	1,176.24	4,196.72
2024	315.24	0.00	0.00	0.00	1,879.69	8,905.31	892.03	5,088.74
2025	321.54	0.00	0.00	0.00	1,710.01	10,615.32	734.29	5,823.04
2026	327.96	0.00	0.00	0.00	1,596.49	12,211.81	620.56	6,443.60
2027	334.52	0.00	0.00	0.00	1,494.82	13,706.63	526.00	6,969.59
2028	341.22	0.00	0.00	0.00	1,405.13	15,111.77	447.55	7,417.14
2029	348.04	0.00	0.00	0.00	1,312.27	16,424.04	378.32	7,795.47
2030	320.44	67.50	0.00	0.00	1,104.89	17,528.93	288.92	8,084.39
2031	252.61	90.00	0.00	0.00	893.85	18,422.78	211.50	8,295.89
Sub-T	3,766.13	8,437.50	0.00	0.00	18,422.78	18,422.78	8,295.89	8,295.89
After	666.83	292.50	0.00	0.00	4,629.95	4,629.95	585.12	585.12
Total	4,432.96	8,730.00	0.00	0.00	23,052.73	23,052.73	8,881.00	8,881.00

Present Worth Profile (M\$)

PW 5.00% :	13,788.21
PW 8.00% :	10,517.25
PW 10.00% :	8,881.00
PW 12.00% :	7,556.26
PW 15.00% :	6,001.95
PW 20.00% :	4,196.92

Constant price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Total Proved + Probable

MKM Engineering

TABLE 8

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	82	58.05	0.00	0.00	44.31	0.00	0.00	42.75	0.00	0.00
2018	154	206.08	0.00	0.00	159.03	0.00	0.00	42.75	0.00	0.00
2019	226	276.98	0.00	0.00	214.50	0.00	0.00	42.75	0.00	0.00
2020	293	319.83	0.00	0.00	248.07	0.00	0.00	42.75	0.00	0.00
2021	305	330.00	0.00	0.00	256.14	0.00	0.00	42.75	0.00	0.00
2022	311	250.80	0.00	0.00	194.48	0.00	0.00	42.75	0.00	0.00
2023	311	200.83	0.00	0.00	155.62	0.00	0.00	42.75	0.00	0.00
2024	308	180.33	0.00	0.00	139.73	0.00	0.00	42.75	0.00	0.00
2025	308	167.70	0.00	0.00	129.97	0.00	0.00	42.75	0.00	0.00
2026	308	157.89	0.00	0.00	122.40	0.00	0.00	42.75	0.00	0.00
2027	308	148.87	0.00	0.00	115.43	0.00	0.00	42.75	0.00	0.00
2028	308	140.58	0.00	0.00	109.03	0.00	0.00	42.75	0.00	0.00
2029	306	132.09	0.00	0.00	102.47	0.00	0.00	42.75	0.00	0.00
2030	306	114.34	0.00	0.00	88.69	0.00	0.00	42.75	0.00	0.00
2031	240	84.33	0.00	0.00	65.32	0.00	0.00	42.75	0.00	0.00
Sub-T		2,768.71	0.00	0.00	2,145.19	0.00	0.00	42.75	0.00	0.00
After		193.71	0.00	0.00	147.17	0.00	0.00	42.75	0.00	0.00
Total		2,962.41	0.00	0.00	2,292.36	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		152.07	0.00	0.72						
		3,114.48	0.00	0.72						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	1,894.06	0.00	0.00	0.00	1,894.06	87.49	47.35	1,759.22
2018	6,798.74	0.00	0.00	0.00	6,798.74	314.03	169.97	6,314.74
2019	9,169.73	0.00	0.00	0.00	9,169.73	423.55	229.24	8,516.94
2020	10,604.89	0.00	0.00	0.00	10,604.89	489.84	265.12	9,849.93
2021	10,949.89	0.00	0.00	0.00	10,949.89	505.78	273.75	10,170.37
2022	8,314.06	0.00	0.00	0.00	8,314.06	384.03	207.85	7,722.18
2023	6,652.88	0.00	0.00	0.00	6,652.88	307.30	166.32	6,179.26
2024	5,973.39	0.00	0.00	0.00	5,973.39	275.91	149.33	5,548.14
2025	5,556.20	0.00	0.00	0.00	5,556.20	256.64	138.90	5,160.65
2026	5,232.52	0.00	0.00	0.00	5,232.52	241.69	130.81	4,860.01
2027	4,934.65	0.00	0.00	0.00	4,934.65	227.93	123.37	4,583.35
2028	4,661.22	0.00	0.00	0.00	4,661.22	215.30	116.53	4,329.39
2029	4,380.80	0.00	0.00	0.00	4,380.80	202.35	109.52	4,068.93
2030	3,791.37	0.00	0.00	0.00	3,791.37	175.12	94.78	3,521.46
2031	2,792.45	0.00	0.00	0.00	2,792.45	128.98	69.81	2,593.66
Sub-T	91,706.85	0.00	0.00	0.00	91,706.85	4,235.94	2,292.67	85,178.24
After	6,291.57	0.00	0.00	0.00	6,291.57	290.61	157.29	5,843.67
Total	97,998.42	0.00	0.00	0.00	97,998.42	4,526.55	2,449.96	91,021.91

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----		
2017	106.73	6,080.00	0.00	0.00	-4,427.51	-4,427.51	-4,142.30	-4,142.30
2018	433.19	9,936.00	0.00	0.00	-4,054.45	-8,481.97	-3,513.11	-7,655.40
2019	778.79	9,936.00	0.00	0.00	-2,197.86	-10,679.82	-1,722.40	-9,377.81
2020	1,124.47	9,936.00	0.00	0.00	-1,210.54	-11,890.36	-859.25	-10,237.05
2021	1,426.76	5,106.00	0.00	0.00	3,637.61	-8,252.75	2,268.93	-7,968.12
2022	1,506.66	828.00	0.00	0.00	5,387.53	-2,865.23	3,113.69	-4,854.44
2023	1,506.99	22.50	0.00	0.00	4,649.78	1,784.55	2,438.88	-2,415.56
2024	1,505.04	0.00	0.00	0.00	4,043.10	5,827.65	1,918.24	-497.31
2025	1,505.04	0.00	0.00	0.00	3,655.61	9,483.26	1,569.53	1,072.22
2026	1,505.04	0.00	0.00	0.00	3,354.97	12,838.24	1,303.97	2,376.19
2027	1,505.04	0.00	0.00	0.00	3,078.31	15,916.55	1,083.11	3,459.31
2028	1,498.76	15.00	0.00	0.00	2,815.62	18,732.17	896.88	4,356.18
2029	1,493.28	0.00	0.00	0.00	2,575.65	21,307.82	742.50	5,098.68
2030	1,341.52	367.50	0.00	0.00	1,812.44	23,120.26	475.27	5,573.95
2031	995.62	540.00	0.00	0.00	1,058.03	24,178.29	250.79	5,824.74
Sub-T	18,232.94	42,767.00	0.00	0.00	24,178.29	24,178.29	5,824.74	5,824.74
After	2,106.02	1,387.50	0.00	0.00	2,350.15	2,350.15	318.54	318.54
Total	20,338.96	44,154.50	0.00	0.00	26,528.44	26,528.44	6,143.27	6,143.27

Present Worth Profile (M\$)

PW 5.00% :	13,652.15
PW 8.00% :	8,690.62
PW 10.00% :	6,143.27
PW 12.00% :	4,062.25
PW 15.00% :	1,622.24
PW 20.00% :	-1,143.90

Constant price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Producing Rsv Category

MKM Engineering

TABLE 9

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil Mbbbl	NGL Mgal	Gas MMcf	Oil Mbbbl	NGL Mgal	Gas MMcf			
2017	6	1.54	0.00	0.00	1.17	0.00	0.00	42.75	0.00	0.00
2018	6	1.47	0.00	0.00	1.12	0.00	0.00	42.75	0.00	0.00
2019	6	1.41	0.00	0.00	1.07	0.00	0.00	42.75	0.00	0.00
2020	6	1.35	0.00	0.00	1.02	0.00	0.00	42.75	0.00	0.00
2021	6	1.28	0.00	0.00	0.97	0.00	0.00	42.75	0.00	0.00
2022	6	1.22	0.00	0.00	0.93	0.00	0.00	42.75	0.00	0.00
2023	6	0.94	0.00	0.00	0.71	0.00	0.00	42.75	0.00	0.00
2024	3	0.83	0.00	0.00	0.63	0.00	0.00	42.75	0.00	0.00
2025	3	0.79	0.00	0.00	0.60	0.00	0.00	42.75	0.00	0.00
2026	3	0.75	0.00	0.00	0.57	0.00	0.00	42.75	0.00	0.00
2027	3	0.71	0.00	0.00	0.54	0.00	0.00	42.75	0.00	0.00
2028	3	0.47	0.00	0.00	0.36	0.00	0.00	42.75	0.00	0.00
2029	1	0.27	0.00	0.00	0.21	0.00	0.00	42.75	0.00	0.00
2030	1	0.25	0.00	0.00	0.20	0.00	0.00	42.75	0.00	0.00
2031	1	0.24	0.00	0.00	0.19	0.00	0.00	42.75	0.00	0.00
Sub-T		13.51	0.00	0.00	10.29	0.00	0.00	42.75	0.00	0.00
After		0.35	0.00	0.00	0.27	0.00	0.00	42.75	0.00	0.00
Total		13.86	0.00	0.00	10.56	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		130.85	0.00	0.50						
		144.71	0.00	0.50						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil M\$	NGL M\$	Gas M\$	Other M\$	Total M\$	Prod Tax M\$	Adv Tax M\$	
2017	50.11	0.00	0.00	0.00	50.11	2.31	1.25	46.54
2018	47.84	0.00	0.00	0.00	47.84	2.21	1.20	44.43
2019	45.67	0.00	0.00	0.00	45.67	2.11	1.14	42.42
2020	43.72	0.00	0.00	0.00	43.72	2.02	1.09	40.61
2021	41.63	0.00	0.00	0.00	41.63	1.92	1.04	38.67
2022	39.75	0.00	0.00	0.00	39.75	1.84	0.99	36.92
2023	30.50	0.00	0.00	0.00	30.50	1.41	0.76	28.33
2024	27.02	0.00	0.00	0.00	27.02	1.25	0.68	25.10
2025	25.60	0.00	0.00	0.00	25.60	1.18	0.64	23.78
2026	24.32	0.00	0.00	0.00	24.32	1.12	0.61	22.59
2027	23.11	0.00	0.00	0.00	23.11	1.07	0.58	21.46
2028	15.38	0.00	0.00	0.00	15.38	0.71	0.38	14.29
2029	8.86	0.00	0.00	0.00	8.86	0.41	0.22	8.23
2030	8.42	0.00	0.00	0.00	8.42	0.39	0.21	7.82
2031	7.99	0.00	0.00	0.00	7.99	0.37	0.20	7.43
Sub-T	439.93	0.00	0.00	0.00	439.93	20.32	11.00	408.61
After	11.63	0.00	0.00	0.00	11.63	0.54	0.29	10.81
Total	451.56	0.00	0.00	0.00	451.56	20.86	11.29	419.41

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs M\$	Net Investments M\$	Trans. Costs M\$	Net Profits M\$	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual M\$	Cumulative M\$	M\$	M\$
2017	25.56	0.00	0.00	0.00	20.98	20.98	19.98	19.98
2018	25.56	0.00	0.00	0.00	18.87	39.85	16.27	36.25
2019	25.56	0.00	0.00	0.00	16.86	56.71	13.16	49.41
2020	25.56	0.00	0.00	0.00	15.05	71.76	10.63	60.04
2021	25.56	0.00	0.00	0.00	13.11	84.87	8.38	68.42
2022	25.56	0.00	0.00	0.00	11.36	96.23	6.58	75.00
2023	18.51	22.50	0.00	0.00	-12.68	83.55	-6.68	68.33
2024	16.56	0.00	0.00	0.00	8.54	92.09	4.05	72.38
2025	16.56	0.00	0.00	0.00	7.22	99.31	3.10	75.48
2026	16.56	0.00	0.00	0.00	6.03	105.34	2.35	77.83
2027	16.56	0.00	0.00	0.00	4.90	110.25	1.73	79.55
2028	10.28	15.00	0.00	0.00	-11.00	99.25	-3.40	76.16
2029	4.80	0.00	0.00	0.00	3.43	102.67	0.99	77.14
2030	4.80	0.00	0.00	0.00	3.02	105.69	0.79	77.93
2031	4.80	0.00	0.00	0.00	2.63	108.32	0.62	78.55
Sub-T	262.79	37.50	0.00	0.00	108.32	108.32	78.55	78.55
After	7.40	7.50	0.00	0.00	-4.10	-4.10	-0.70	-0.70
Total	270.19	45.00	0.00	0.00	104.22	104.22	77.85	77.85

Present Worth Profile (M\$)

PW 5.00% :	89.56
PW 8.00% :	82.22
PW 10.00% :	77.85
PW 12.00% :	73.86
PW 15.00% :	68.48
PW 20.00% :	60.91

Constant price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Non-Producing Rsv Category

MKM Engineering

TABLE 10

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	2	2.92	0.00	0.00	2.19	0.00	0.00	42.75	0.00	0.00
2018	2	3.41	0.00	0.00	2.56	0.00	0.00	42.75	0.00	0.00
2019	2	3.24	0.00	0.00	2.43	0.00	0.00	42.75	0.00	0.00
2020	2	3.08	0.00	0.00	2.31	0.00	0.00	42.75	0.00	0.00
2021	2	2.92	0.00	0.00	2.19	0.00	0.00	42.75	0.00	0.00
2022	2	2.78	0.00	0.00	2.08	0.00	0.00	42.75	0.00	0.00
2023	2	2.64	0.00	0.00	1.98	0.00	0.00	42.75	0.00	0.00
2024	2	2.51	0.00	0.00	1.88	0.00	0.00	42.75	0.00	0.00
2025	2	2.38	0.00	0.00	1.78	0.00	0.00	42.75	0.00	0.00
2026	2	2.26	0.00	0.00	1.70	0.00	0.00	42.75	0.00	0.00
2027	2	2.15	0.00	0.00	1.61	0.00	0.00	42.75	0.00	0.00
2028	2	2.05	0.00	0.00	1.53	0.00	0.00	42.75	0.00	0.00
2029	2	1.94	0.00	0.00	1.45	0.00	0.00	42.75	0.00	0.00
2030	2	1.84	0.00	0.00	1.38	0.00	0.00	42.75	0.00	0.00
2031	2	1.75	0.00	0.00	1.31	0.00	0.00	42.75	0.00	0.00
Sub-T		37.86	0.00	0.00	28.40	0.00	0.00	42.75	0.00	0.00
After		21.64	0.00	0.00	16.23	0.00	0.00	42.75	0.00	0.00
Total		59.50	0.00	0.00	44.63	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		21.21	0.00	0.22						
		80.71	0.00	0.22						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	93.77	0.00	0.00	0.00	93.77	4.33	2.34	87.09
2018	109.25	0.00	0.00	0.00	109.25	5.05	2.73	101.48
2019	103.79	0.00	0.00	0.00	103.79	4.79	2.59	96.41
2020	98.87	0.00	0.00	0.00	98.87	4.57	2.47	91.83
2021	93.67	0.00	0.00	0.00	93.67	4.33	2.34	87.00
2022	88.99	0.00	0.00	0.00	88.99	4.11	2.22	82.65
2023	84.54	0.00	0.00	0.00	84.54	3.90	2.11	78.52
2024	80.53	0.00	0.00	0.00	80.53	3.72	2.01	74.80
2025	76.29	0.00	0.00	0.00	76.29	3.52	1.91	70.86
2026	72.48	0.00	0.00	0.00	72.48	3.35	1.81	67.32
2027	68.86	0.00	0.00	0.00	68.86	3.18	1.72	63.96
2028	65.59	0.00	0.00	0.00	65.59	3.03	1.64	60.92
2029	62.14	0.00	0.00	0.00	62.14	2.87	1.55	57.72
2030	59.04	0.00	0.00	0.00	59.04	2.73	1.48	54.83
2031	56.09	0.00	0.00	0.00	56.09	2.59	1.40	52.09
Sub-T	1,213.91	0.00	0.00	0.00	1,213.91	56.07	30.35	1,127.49
After	693.86	0.00	0.00	0.00	693.86	32.05	17.35	644.46
Total	1,907.76	0.00	0.00	0.00	1,907.76	88.12	47.69	1,771.95

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----	----M\$ ----	---- M\$ ----
2017	14.47	0.00	0.00	0.00	72.62	72.62	68.52	68.52
2018	17.76	0.00	0.00	0.00	83.72	156.34	72.16	140.68
2019	17.76	0.00	0.00	0.00	78.65	234.99	61.37	202.05
2020	17.76	0.00	0.00	0.00	74.07	309.06	52.32	254.38
2021	17.76	0.00	0.00	0.00	69.24	378.30	44.27	298.65
2022	17.76	0.00	0.00	0.00	64.89	443.19	37.56	336.20
2023	17.76	0.00	0.00	0.00	60.76	503.95	31.84	368.04
2024	17.76	0.00	0.00	0.00	57.04	560.99	27.05	395.10
2025	17.76	0.00	0.00	0.00	53.10	614.09	22.80	417.89
2026	17.76	0.00	0.00	0.00	49.56	663.66	19.26	437.15
2027	17.76	0.00	0.00	0.00	46.20	709.85	16.25	453.40
2028	17.76	0.00	0.00	0.00	43.16	753.02	13.75	467.15
2029	17.76	0.00	0.00	0.00	39.96	792.97	11.52	478.67
2030	17.76	0.00	0.00	0.00	37.07	830.05	9.67	488.34
2031	17.76	0.00	0.00	0.00	34.33	864.38	8.11	496.45
Sub-T	263.11	0.00	0.00	0.00	864.38	864.38	496.45	496.45
After	364.06	15.00	0.00	0.00	265.40	265.40	36.91	36.91
Total	627.17	15.00	0.00	0.00	1,129.78	1,129.78	533.36	533.36

Present Worth Profile (M\$)

PW 5.00% :	739.43
PW 8.00% :	601.98
PW 10.00% :	533.36
PW 12.00% :	477.70
PW 15.00% :	411.88
PW 20.00% :	333.44

Constant price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Proved Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 11

Year	Wells	----- Estimated 8/8 Ths Production -----			----- Net Production -----			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf ----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf ----			
2017	68	36.46	0.00	0.00	28.01	0.00	0.00	42.75	0.00	0.00
2018	128	156.41	0.00	0.00	121.21	0.00	0.00	42.75	0.00	0.00
2019	188	220.42	0.00	0.00	171.22	0.00	0.00	42.75	0.00	0.00
2020	243	259.75	0.00	0.00	201.97	0.00	0.00	42.75	0.00	0.00
2021	243	267.40	0.00	0.00	208.00	0.00	0.00	42.75	0.00	0.00
2022	243	188.57	0.00	0.00	146.57	0.00	0.00	42.75	0.00	0.00
2023	243	152.00	0.00	0.00	118.09	0.00	0.00	42.75	0.00	0.00
2024	243	138.77	0.00	0.00	107.82	0.00	0.00	42.75	0.00	0.00
2025	243	129.86	0.00	0.00	100.91	0.00	0.00	42.75	0.00	0.00
2026	243	122.72	0.00	0.00	95.38	0.00	0.00	42.75	0.00	0.00
2027	243	116.02	0.00	0.00	90.19	0.00	0.00	42.75	0.00	0.00
2028	243	110.01	0.00	0.00	85.53	0.00	0.00	42.75	0.00	0.00
2029	243	103.76	0.00	0.00	80.69	0.00	0.00	42.75	0.00	0.00
2030	243	89.22	0.00	0.00	69.37	0.00	0.00	42.75	0.00	0.00
2031	188	63.79	0.00	0.00	49.55	0.00	0.00	42.75	0.00	0.00
Sub-T		2,155.16	0.00	0.00	1,674.51	0.00	0.00	42.75	0.00	0.00
After		96.75	0.00	0.00	74.00	0.00	0.00	42.75	0.00	0.00
Total		2,251.90	0.00	0.00	1,748.51	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		2,251.90	0.00	0.00						

Year	----- Company Future Gross Revenue -----					----- Prod & Adv Taxes -----		Revenue after Sev & Adv ----- M\$ -----
	Oil ----- M\$ -----	NGL ----- M\$ -----	Gas ----- M\$ -----	Other ----- M\$ -----	Total ----- M\$ -----	Prod Tax ----- M\$ -----	Adv Tax ----- M\$ -----	
2017	1,197.36	0.00	0.00	0.00	1,197.36	55.31	29.93	1,112.12
2018	5,181.79	0.00	0.00	0.00	5,181.79	239.35	129.54	4,812.90
2019	7,319.47	0.00	0.00	0.00	7,319.47	338.09	182.99	6,798.40
2020	8,634.00	0.00	0.00	0.00	8,634.00	398.81	215.85	8,019.35
2021	8,891.90	0.00	0.00	0.00	8,891.90	410.72	222.30	8,258.88
2022	6,265.92	0.00	0.00	0.00	6,265.92	289.42	156.65	5,819.85
2023	5,048.53	0.00	0.00	0.00	5,048.53	233.19	126.21	4,689.13
2024	4,609.43	0.00	0.00	0.00	4,609.43	212.91	115.24	4,281.28
2025	4,314.10	0.00	0.00	0.00	4,314.10	199.27	107.85	4,006.98
2026	4,077.56	0.00	0.00	0.00	4,077.56	188.34	101.94	3,787.28
2027	3,855.70	0.00	0.00	0.00	3,855.70	178.09	96.39	3,581.21
2028	3,656.45	0.00	0.00	0.00	3,656.45	168.89	91.41	3,396.15
2029	3,449.32	0.00	0.00	0.00	3,449.32	159.32	86.23	3,203.76
2030	2,965.62	0.00	0.00	0.00	2,965.62	136.98	74.14	2,754.49
2031	2,118.35	0.00	0.00	0.00	2,118.35	97.85	52.96	1,967.55
Sub-T	71,585.51	0.00	0.00	0.00	71,585.51	3,306.54	1,789.64	66,489.33
After	3,163.35	0.00	0.00	0.00	3,163.35	146.12	79.08	2,938.15
Total	74,748.86	0.00	0.00	0.00	74,748.86	3,452.65	1,868.72	69,427.49

Year	----- Deductions -----				----- Future Net Income Before Income Taxes -----			
	Lease Net Costs ----- M\$ -----	Net Investments ----- M\$ -----	Trans. Costs ----- M\$ -----	Net Profits ----- M\$ -----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
				Annual	Cumulative			
2017	59.66	5,252.00	0.00	0.00	-4,199.54	-4,199.54	-3,931.42	-3,931.42
2018	332.62	8,280.00	0.00	0.00	-3,799.71	-7,999.25	-3,288.20	-7,219.62
2019	620.62	8,280.00	0.00	0.00	-2,102.21	-10,101.47	-1,644.11	-8,863.72
2020	908.68	8,280.00	0.00	0.00	-1,169.33	-11,270.80	-827.15	-9,690.88
2021	1,153.38	3,450.00	0.00	0.00	3,655.51	-7,615.29	2,283.14	-7,407.74
2022	1,182.72	0.00	0.00	0.00	4,637.13	-2,978.17	2,691.30	-4,716.44
2023	1,182.72	0.00	0.00	0.00	3,506.41	528.24	1,838.71	-2,877.72
2024	1,182.72	0.00	0.00	0.00	3,098.56	3,626.80	1,469.97	-1,407.75
2025	1,182.72	0.00	0.00	0.00	2,824.26	6,451.07	1,212.53	-195.22
2026	1,182.72	0.00	0.00	0.00	2,604.56	9,055.62	1,012.28	817.06
2027	1,182.72	0.00	0.00	0.00	2,398.49	11,454.11	843.89	1,660.95
2028	1,182.72	0.00	0.00	0.00	2,213.43	13,667.54	704.95	2,365.90
2029	1,182.72	0.00	0.00	0.00	2,021.04	15,688.58	582.60	2,948.50
2030	1,057.74	300.00	0.00	0.00	1,396.75	17,085.33	366.41	3,314.91
2031	769.13	450.00	0.00	0.00	748.42	17,833.75	177.46	3,492.37
Sub-T	14,363.58	34,292.00	0.00	0.00	17,833.75	17,833.75	3,492.37	3,492.37
After	1,237.11	1,072.50	0.00	0.00	628.55	628.55	95.14	95.14
Total	15,600.69	35,364.50	0.00	0.00	18,462.30	18,462.30	3,587.50	3,587.50

Present Worth Profile (M\$)

PW 5.00% :	9,191.08
PW 8.00% :	5,503.84
PW 10.00% :	3,587.50
PW 12.00% :	2,011.26
PW 15.00% :	152.50
PW 20.00% :	-1,963.47

Constant price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Total Proved

MKM Engineering

TABLE 12

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf ----			
2017	76	40.92	0.00	0.00	31.37	0.00	0.00	42.75	0.00	0.00
2018	136	161.29	0.00	0.00	124.89	0.00	0.00	42.75	0.00	0.00
2019	196	225.06	0.00	0.00	174.71	0.00	0.00	42.75	0.00	0.00
2020	251	264.18	0.00	0.00	205.30	0.00	0.00	42.75	0.00	0.00
2021	251	271.60	0.00	0.00	211.16	0.00	0.00	42.75	0.00	0.00
2022	251	192.57	0.00	0.00	149.58	0.00	0.00	42.75	0.00	0.00
2023	251	155.57	0.00	0.00	120.79	0.00	0.00	42.75	0.00	0.00
2024	248	142.11	0.00	0.00	110.34	0.00	0.00	42.75	0.00	0.00
2025	248	133.03	0.00	0.00	103.30	0.00	0.00	42.75	0.00	0.00
2026	248	125.73	0.00	0.00	97.65	0.00	0.00	42.75	0.00	0.00
2027	248	118.88	0.00	0.00	92.34	0.00	0.00	42.75	0.00	0.00
2028	248	112.52	0.00	0.00	87.43	0.00	0.00	42.75	0.00	0.00
2029	246	105.96	0.00	0.00	82.35	0.00	0.00	42.75	0.00	0.00
2030	246	91.32	0.00	0.00	70.95	0.00	0.00	42.75	0.00	0.00
2031	191	65.77	0.00	0.00	51.05	0.00	0.00	42.75	0.00	0.00
Sub-T		2,206.53	0.00	0.00	1,713.20	0.00	0.00	42.75	0.00	0.00
After		118.74	0.00	0.00	90.50	0.00	0.00	42.75	0.00	0.00
Total		2,325.26	0.00	0.00	1,803.70	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		152.07	0.00	0.72						
		2,477.33	0.00	0.72						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	1,341.24	0.00	0.00	0.00	1,341.24	61.95	33.53	1,245.76
2018	5,338.88	0.00	0.00	0.00	5,338.88	246.60	133.47	4,958.81
2019	7,468.94	0.00	0.00	0.00	7,468.94	344.99	186.72	6,937.22
2020	8,776.60	0.00	0.00	0.00	8,776.60	405.39	219.41	8,151.79
2021	9,027.20	0.00	0.00	0.00	9,027.20	416.97	225.68	8,384.55
2022	6,394.66	0.00	0.00	0.00	6,394.66	295.37	159.87	5,939.42
2023	5,163.57	0.00	0.00	0.00	5,163.57	238.51	129.09	4,795.98
2024	4,716.98	0.00	0.00	0.00	4,716.98	217.88	117.92	4,381.18
2025	4,416.00	0.00	0.00	0.00	4,416.00	203.98	110.40	4,101.62
2026	4,174.36	0.00	0.00	0.00	4,174.36	192.81	104.36	3,877.19
2027	3,947.67	0.00	0.00	0.00	3,947.67	182.34	98.69	3,666.63
2028	3,737.42	0.00	0.00	0.00	3,737.42	172.63	93.44	3,471.36
2029	3,520.32	0.00	0.00	0.00	3,520.32	162.60	88.01	3,269.70
2030	3,033.07	0.00	0.00	0.00	3,033.07	140.10	75.83	2,817.14
2031	2,182.44	0.00	0.00	0.00	2,182.44	100.81	54.56	2,027.07
Sub-T	73,239.34	0.00	0.00	0.00	73,239.34	3,382.93	1,830.98	68,025.43
After	3,868.84	0.00	0.00	0.00	3,868.84	178.70	96.72	3,593.42
Total	77,108.19	0.00	0.00	0.00	77,108.19	3,561.63	1,927.70	71,618.85

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----		
2017	99.69	5,252.00	0.00	0.00	-4,105.93	-4,105.93	-3,842.92	-3,842.92
2018	375.94	8,280.00	0.00	0.00	-3,697.13	-7,803.06	-3,199.76	-7,042.68
2019	663.94	8,280.00	0.00	0.00	-2,006.71	-9,809.77	-1,569.58	-8,612.26
2020	952.00	8,280.00	0.00	0.00	-1,080.21	-10,889.98	-764.20	-9,376.46
2021	1,196.70	3,450.00	0.00	0.00	3,737.85	-7,152.13	2,335.79	-7,040.67
2022	1,226.04	0.00	0.00	0.00	4,713.38	-2,438.74	2,735.44	-4,305.23
2023	1,218.99	22.50	0.00	0.00	3,554.49	1,115.75	1,863.88	-2,441.35
2024	1,217.04	0.00	0.00	0.00	3,164.14	4,279.89	1,501.08	-940.28
2025	1,217.04	0.00	0.00	0.00	2,884.58	7,164.47	1,238.43	298.15
2026	1,217.04	0.00	0.00	0.00	2,660.15	9,824.62	1,033.88	1,332.03
2027	1,217.04	0.00	0.00	0.00	2,449.59	12,274.21	861.87	2,193.90
2028	1,210.76	15.00	0.00	0.00	2,245.59	14,519.81	715.30	2,909.21
2029	1,205.28	0.00	0.00	0.00	2,064.42	16,584.23	595.11	3,504.31
2030	1,080.30	300.00	0.00	0.00	1,436.84	18,021.07	376.87	3,881.18
2031	791.69	450.00	0.00	0.00	785.38	18,806.45	186.19	4,067.37
Sub-T	14,889.48	34,329.50	0.00	0.00	18,806.45	18,806.45	4,067.37	4,067.37
After	1,608.57	1,095.00	0.00	0.00	889.85	889.85	131.35	131.35
Total	16,498.05	35,424.50	0.00	0.00	19,696.30	19,696.30	4,198.71	4,198.71

Present Worth Profile (M\$)

PW 5.00% :	10,020.07
PW 8.00% :	6,188.04
PW 10.00% :	4,198.71
PW 12.00% :	2,562.82
PW 15.00% :	632.86
PW 20.00% :	-1,569.13

Constant price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Probable Rsv Class
Undeveloped Rsv Category

MKM Engineering

TABLE 13

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	6	17.13	0.00	0.00	12.93	0.00	0.00	42.75	0.00	0.00
2018	18	44.79	0.00	0.00	34.15	0.00	0.00	42.75	0.00	0.00
2019	30	51.92	0.00	0.00	39.78	0.00	0.00	42.75	0.00	0.00
2020	42	55.65	0.00	0.00	42.77	0.00	0.00	42.75	0.00	0.00
2021	54	58.40	0.00	0.00	44.98	0.00	0.00	42.75	0.00	0.00
2022	60	58.22	0.00	0.00	44.90	0.00	0.00	42.75	0.00	0.00
2023	60	45.26	0.00	0.00	34.84	0.00	0.00	42.75	0.00	0.00
2024	60	38.22	0.00	0.00	29.39	0.00	0.00	42.75	0.00	0.00
2025	60	34.68	0.00	0.00	26.67	0.00	0.00	42.75	0.00	0.00
2026	60	32.17	0.00	0.00	24.75	0.00	0.00	42.75	0.00	0.00
2027	60	29.99	0.00	0.00	23.09	0.00	0.00	42.75	0.00	0.00
2028	60	28.06	0.00	0.00	21.61	0.00	0.00	42.75	0.00	0.00
2029	60	26.12	0.00	0.00	20.13	0.00	0.00	42.75	0.00	0.00
2030	60	23.03	0.00	0.00	17.74	0.00	0.00	42.75	0.00	0.00
2031	49	18.55	0.00	0.00	14.27	0.00	0.00	42.75	0.00	0.00
Sub-T		562.18	0.00	0.00	431.99	0.00	0.00	42.75	0.00	0.00
After		74.97	0.00	0.00	56.67	0.00	0.00	42.75	0.00	0.00
Total		637.15	0.00	0.00	488.66	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		637.15	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	552.82	0.00	0.00	0.00	552.82	25.53	13.82	513.47
2018	1,459.86	0.00	0.00	0.00	1,459.86	67.43	36.50	1,355.93
2019	1,700.79	0.00	0.00	0.00	1,700.79	78.56	42.52	1,579.71
2020	1,828.30	0.00	0.00	0.00	1,828.30	84.45	45.71	1,698.14
2021	1,922.69	0.00	0.00	0.00	1,922.69	88.81	48.07	1,785.81
2022	1,919.40	0.00	0.00	0.00	1,919.40	88.66	47.99	1,782.76
2023	1,489.31	0.00	0.00	0.00	1,489.31	68.79	37.23	1,383.28
2024	1,256.41	0.00	0.00	0.00	1,256.41	58.03	31.41	1,166.96
2025	1,140.20	0.00	0.00	0.00	1,140.20	52.67	28.50	1,059.02
2026	1,058.15	0.00	0.00	0.00	1,058.15	48.88	26.45	982.82
2027	986.98	0.00	0.00	0.00	986.98	45.59	24.67	916.72
2028	923.80	0.00	0.00	0.00	923.80	42.67	23.09	858.03
2029	860.48	0.00	0.00	0.00	860.48	39.75	21.51	799.22
2030	758.30	0.00	0.00	0.00	758.30	35.03	18.96	704.32
2031	610.02	0.00	0.00	0.00	610.02	28.18	15.25	566.59
Sub-T	18,467.51	0.00	0.00	0.00	18,467.51	853.02	461.69	17,152.81
After	2,422.72	0.00	0.00	0.00	2,422.72	111.91	60.57	2,250.25
Total	20,890.23	0.00	0.00	0.00	20,890.23	964.92	522.26	19,403.06

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted		Discounted Ann @ 10.00%	Disc. Cum. Annual @ 10.00%
					Annual ---- M\$ ----	Cumulative ---- M\$ ----		
2017	7.04	828.00	0.00	0.00	-321.58	-321.58	-299.38	-299.38
2018	57.26	1,656.00	0.00	0.00	-357.33	-678.91	-612.72	-612.72
2019	114.86	1,656.00	0.00	0.00	-191.14	-870.05	-152.82	-765.55
2020	172.47	1,656.00	0.00	0.00	-130.33	-1,000.38	-95.05	-860.59
2021	230.06	1,656.00	0.00	0.00	-100.24	-1,100.63	-66.86	-927.45
2022	280.62	828.00	0.00	0.00	674.14	-426.48	378.24	-549.21
2023	288.00	0.00	0.00	0.00	1,095.28	668.80	575.01	25.80
2024	288.00	0.00	0.00	0.00	878.96	1,547.77	417.17	442.96
2025	288.00	0.00	0.00	0.00	771.02	2,318.79	331.10	774.07
2026	288.00	0.00	0.00	0.00	694.82	3,013.62	270.09	1,044.16
2027	288.00	0.00	0.00	0.00	628.72	3,642.34	221.24	1,265.40
2028	288.00	0.00	0.00	0.00	570.03	4,212.37	181.58	1,446.98
2029	288.00	0.00	0.00	0.00	511.22	4,723.59	147.39	1,594.37
2030	261.22	67.50	0.00	0.00	375.59	5,099.19	98.40	1,692.77
2031	203.93	90.00	0.00	0.00	272.66	5,371.84	64.60	1,757.37
Sub-T	3,343.46	8,437.50	0.00	0.00	5,371.84	5,371.84	1,757.37	1,757.37
After	497.45	292.50	0.00	0.00	1,460.30	1,460.30	187.19	187.19
Total	3,840.91	8,730.00	0.00	0.00	6,832.14	6,832.14	1,944.56	1,944.56

Present Worth Profile (M\$)

PW 5.00% :	3,632.08
PW 8.00% :	2,502.58
PW 10.00% :	1,944.56
PW 12.00% :	1,499.44
PW 15.00% :	989.38
PW 20.00% :	425.23

Constant price

La Vernia Field
Reserve and Economic Projection
As of 12/31/2016

Total Probable

MKM Engineering

TABLE 14

Year	Wells	Estimated 8/8 Ths Production			Net Production			Oil - \$/bbl -	NGL - \$/gal -	Gas - \$/Mcf -
		Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----	Oil ---- Mbbbl ----	NGL ---- Mgal ----	Gas ---- MMcf----			
2017	6	17.13	0.00	0.00	12.93	0.00	0.00	42.75	0.00	0.00
2018	18	44.79	0.00	0.00	34.15	0.00	0.00	42.75	0.00	0.00
2019	30	51.92	0.00	0.00	39.78	0.00	0.00	42.75	0.00	0.00
2020	42	55.65	0.00	0.00	42.77	0.00	0.00	42.75	0.00	0.00
2021	54	58.40	0.00	0.00	44.98	0.00	0.00	42.75	0.00	0.00
2022	60	58.22	0.00	0.00	44.90	0.00	0.00	42.75	0.00	0.00
2023	60	45.26	0.00	0.00	34.84	0.00	0.00	42.75	0.00	0.00
2024	60	38.22	0.00	0.00	29.39	0.00	0.00	42.75	0.00	0.00
2025	60	34.68	0.00	0.00	26.67	0.00	0.00	42.75	0.00	0.00
2026	60	32.17	0.00	0.00	24.75	0.00	0.00	42.75	0.00	0.00
2027	60	29.99	0.00	0.00	23.09	0.00	0.00	42.75	0.00	0.00
2028	60	28.06	0.00	0.00	21.61	0.00	0.00	42.75	0.00	0.00
2029	60	26.12	0.00	0.00	20.13	0.00	0.00	42.75	0.00	0.00
2030	60	23.03	0.00	0.00	17.74	0.00	0.00	42.75	0.00	0.00
2031	49	18.55	0.00	0.00	14.27	0.00	0.00	42.75	0.00	0.00
Sub-T		562.18	0.00	0.00	431.99	0.00	0.00	42.75	0.00	0.00
After		74.97	0.00	0.00	56.67	0.00	0.00	42.75	0.00	0.00
Total		637.15	0.00	0.00	488.66	0.00	0.00	42.75	0.00	0.00
Cum. Ult.		0.00	0.00	0.00						
Ult.		637.15	0.00	0.00						

Year	Company Future Gross Revenue					Prod & Adv Taxes		Revenue after Sev & Adv
	Oil ---- M\$ ----	NGL ---- M\$ ----	Gas ---- M\$ ----	Other ---- M\$ ----	Total ---- M\$ ----	Prod Tax ---- M\$ ----	Adv Tax ---- M\$ ----	
2017	552.82	0.00	0.00	0.00	552.82	25.53	13.82	513.47
2018	1,459.86	0.00	0.00	0.00	1,459.86	67.43	36.50	1,355.93
2019	1,700.79	0.00	0.00	0.00	1,700.79	78.56	42.52	1,579.71
2020	1,828.30	0.00	0.00	0.00	1,828.30	84.45	45.71	1,698.14
2021	1,922.69	0.00	0.00	0.00	1,922.69	88.81	48.07	1,785.81
2022	1,919.40	0.00	0.00	0.00	1,919.40	88.66	47.99	1,782.76
2023	1,489.31	0.00	0.00	0.00	1,489.31	68.79	37.23	1,383.28
2024	1,256.41	0.00	0.00	0.00	1,256.41	58.03	31.41	1,166.96
2025	1,140.20	0.00	0.00	0.00	1,140.20	52.67	28.50	1,059.02
2026	1,058.15	0.00	0.00	0.00	1,058.15	48.88	26.45	982.82
2027	986.98	0.00	0.00	0.00	986.98	45.59	24.67	916.72
2028	923.80	0.00	0.00	0.00	923.80	42.67	23.09	858.03
2029	860.48	0.00	0.00	0.00	860.48	39.75	21.51	799.22
2030	758.30	0.00	0.00	0.00	758.30	35.03	18.96	704.32
2031	610.02	0.00	0.00	0.00	610.02	28.18	15.25	566.59
Sub-T	18,467.51	0.00	0.00	0.00	18,467.51	853.02	461.69	17,152.81
After	2,422.72	0.00	0.00	0.00	2,422.72	111.91	60.57	2,250.25
Total	20,890.23	0.00	0.00	0.00	20,890.23	964.92	522.26	19,403.06

Year	Deductions				Future Net Income Before Income Taxes			
	Lease Net Costs ---- M\$ ----	Net Investments ---- M\$ ----	Trans. Costs ---- M\$ ----	Net Profits ---- M\$ ----	Undiscounted Annual ---- M\$ ----	Undiscounted Cumulative ---- M\$ ----	Discounted Ann @ 10.00% ---- M\$ ----	Disc. Cum. Annual @ 10.00% ---- M\$ ----
2017	7.04	828.00	0.00	0.00	-321.58	-321.58	-299.38	-299.38
2018	57.26	1,656.00	0.00	0.00	-357.33	-678.91	-612.72	-612.72
2019	114.86	1,656.00	0.00	0.00	-191.14	-870.05	-152.82	-765.55
2020	172.47	1,656.00	0.00	0.00	-130.33	-1,000.38	-95.05	-860.59
2021	230.06	1,656.00	0.00	0.00	-100.24	-1,100.63	-66.86	-927.45
2022	280.62	828.00	0.00	0.00	674.14	-426.48	378.24	-549.21
2023	288.00	0.00	0.00	0.00	1,095.28	668.80	575.01	25.80
2024	288.00	0.00	0.00	0.00	878.96	1,547.77	417.17	442.96
2025	288.00	0.00	0.00	0.00	771.02	2,318.79	331.10	774.07
2026	288.00	0.00	0.00	0.00	694.82	3,013.62	270.09	1,044.16
2027	288.00	0.00	0.00	0.00	628.72	3,642.34	221.24	1,265.40
2028	288.00	0.00	0.00	0.00	570.03	4,212.37	181.58	1,446.98
2029	288.00	0.00	0.00	0.00	511.22	4,723.59	147.39	1,594.37
2030	261.22	67.50	0.00	0.00	375.59	5,099.19	98.40	1,692.77
2031	203.93	90.00	0.00	0.00	272.66	5,371.84	64.60	1,757.37
Sub-T	3,343.46	8,437.50	0.00	0.00	5,371.84	5,371.84	1,757.37	1,757.37
After	497.45	292.50	0.00	0.00	1,460.30	1,460.30	187.19	187.19
Total	3,840.91	8,730.00	0.00	0.00	6,832.14	6,832.14	1,944.56	1,944.56

Present Worth Profile (M\$)

PW 5.00% :	3,632.08
PW 8.00% :	2,502.58
PW 10.00% :	1,944.56
PW 12.00% :	1,499.44
PW 15.00% :	989.38
PW 20.00% :	425.23

Tabular Summaries

Economic One-Liners

Project Name : La Vernia Field
Forecast price

As of Date: 12/31/2016
MKM ENGINEERING

TABLE 15

Lease Name Risked / UnRisked	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (MS)	Invest. (MS)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (MS)	Gas (MS)	Other (MS)	Non-Disc. (MS)			Disc. CF (MS)		
Proved Rsv Class												
Producing Rsv Category												
MILLS, L. H.	P-DP	4.45	0.00	368.55	0.00	0.00	0.00	280.23	22.50	65.82	41.29	22.43
ROGERS 1 & 3	P-DP	6.87	0.00	549.78	0.00	0.00	0.00	346.98	15.00	187.80	106.83	21.10
WISEMAN WH 30	P-DP	4.39	0.00	336.65	0.00	0.00	0.00	117.88	7.50	211.27	113.32	16.55
Total		15.71	0.00	1,254.98	0.00	0.00	0.00	745.09	45.00	464.89	261.44	22.43
Proved Rsv Class												
Non-Producing Rsv Category												
ROGERS 6	P-NP	23.21	0.00	2,119.90	0.00	0.00	0.00	690.56	7.50	1,421.84	513.40	40.00
ROGERS 7	P-NP	23.21	0.00	2,118.61	0.00	0.00	0.00	690.80	7.50	1,420.31	514.49	40.00
Total		46.42	0.00	4,238.51	0.00	0.00	0.00	1,381.36	15.00	2,842.15	1,027.89	40.00
Proved Rsv Class												
Undeveloped Rsv Category												
PUD 1	P-UD	32.41	0.00	2,290.09	0.00	0.00	0.00	504.37	727.50	1,058.22	469.56	13.10
PUD 10	P-UD	32.41	0.00	2,369.45	0.00	0.00	0.00	513.96	727.50	1,127.98	482.35	13.97
PUD 11	P-UD	32.41	0.00	2,376.69	0.00	0.00	0.00	510.52	727.50	1,138.67	486.06	13.93
PUD 12	P-UD	32.41	0.00	2,384.93	0.00	0.00	0.00	511.66	727.50	1,145.77	486.81	14.03
PUD 13	P-UD	32.41	0.00	2,394.32	0.00	0.00	0.00	512.37	727.50	1,154.45	488.31	14.12
PUD 14	P-UD	32.41	0.00	2,403.16	0.00	0.00	0.00	512.97	727.50	1,162.69	489.91	14.20
PUD 15	P-UD	32.41	0.00	2,413.41	0.00	0.00	0.00	513.01	727.50	1,172.90	492.44	14.26
PUD 16	P-UD	32.41	0.00	2,422.88	0.00	0.00	0.00	514.33	727.50	1,181.05	494.02	14.36
PUD 17	P-UD	32.41	0.00	2,434.02	0.00	0.00	0.00	514.44	727.50	1,192.08	497.11	14.43
PUD 18	P-UD	32.41	0.00	2,444.26	0.00	0.00	0.00	515.81	727.50	1,200.95	499.19	14.53
PUD 19	P-UD	32.41	0.00	2,452.78	0.00	0.00	0.00	515.78	727.50	1,209.50	500.13	14.60
PUD 2	P-UD	32.41	0.00	2,298.73	0.00	0.00	0.00	504.97	727.50	1,066.26	471.62	13.18
PUD 20	P-UD	32.41	0.00	2,460.66	0.00	0.00	0.00	516.79	727.50	1,216.37	500.28	14.70
PUD 21	P-UD	32.41	0.00	2,468.88	0.00	0.00	0.00	517.42	727.50	1,223.96	500.87	14.78
PUD 22	P-UD	32.41	0.00	2,477.17	0.00	0.00	0.00	517.92	727.50	1,231.75	501.72	14.86
PUD 23	P-UD	32.41	0.00	2,486.57	0.00	0.00	0.00	518.49	727.50	1,240.58	502.99	14.93
PUD 24	P-UD	32.41	0.00	2,495.78	0.00	0.00	0.00	519.54	727.50	1,248.75	504.08	15.03
PUD 25	P-UD	32.41	0.00	2,506.23	0.00	0.00	0.00	520.32	727.50	1,258.42	505.75	15.12
PUD 26	P-UD	32.41	0.00	2,516.14	0.00	0.00	0.00	521.00	727.50	1,267.64	507.55	15.20
PUD 27	P-UD	32.41	0.00	2,527.77	0.00	0.00	0.00	521.30	727.50	1,278.96	510.21	15.27
PUD 28	P-UD	32.41	0.00	2,538.13	0.00	0.00	0.00	521.86	727.50	1,288.77	512.71	15.34
PUD 29	P-UD	32.41	0.00	2,551.22	0.00	0.00	0.00	522.93	727.50	1,300.79	515.59	15.44
PUD 3	P-UD	32.41	0.00	2,308.99	0.00	0.00	0.00	505.59	727.50	1,075.90	474.24	13.26

Economic One-Liners

Project Name : La Vernia Field

As of Date: 12/31/2016

TABLE 15

Forecast price

MKM ENGINEERING

Lease Name Risky / UnRisky	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (M\$)	Invest. (M\$)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (M\$)	Gas (M\$)	Other (M\$)	Non-Disc. (M\$)			Disc. CF (M\$)		
PUD 30	P-UD	32.41	0.00	2,562.60	0.00	0.00	523.47	727.50	1,311.63	518.72	15.50	
PUD 31	P-UD	32.41	0.00	2,570.61	0.00	0.00	524.32	727.50	1,318.79	517.93	15.60	
PUD 32	P-UD	32.41	0.00	2,576.89	0.00	0.00	524.35	727.50	1,325.04	517.40	15.67	
PUD 33	P-UD	32.41	0.00	2,584.18	0.00	0.00	525.18	727.50	1,331.50	516.43	15.77	
PUD 34	P-UD	32.41	0.00	2,590.99	0.00	0.00	525.31	727.50	1,338.18	516.17	15.84	
PUD 35	P-UD	32.41	0.00	2,599.12	0.00	0.00	526.47	727.50	1,345.16	515.48	15.93	
PUD 36	P-UD	32.41	0.00	2,606.53	0.00	0.00	526.64	727.50	1,352.39	515.56	16.01	
PUD 37	P-UD	32.41	0.00	2,615.48	0.00	0.00	527.64	727.50	1,360.35	515.21	16.10	
PUD 38	P-UD	32.41	0.00	2,623.44	0.00	0.00	527.86	727.50	1,368.08	515.78	16.17	
PUD 39	P-UD	32.41	0.00	2,633.25	0.00	0.00	528.70	727.50	1,377.06	516.20	16.27	
PUD 4	P-UD	32.41	0.00	2,318.09	0.00	0.00	506.89	727.50	1,083.70	476.17	13.36	
PUD 40	P-UD	32.41	0.00	2,641.91	0.00	0.00	529.29	727.50	1,385.11	516.83	16.34	
PUD 41	P-UD	32.41	0.00	2,652.55	0.00	0.00	530.03	727.50	1,395.03	517.83	16.44	
PUD 42	P-UD	32.41	0.00	2,662.00	0.00	0.00	530.68	727.50	1,403.81	518.91	16.51	
PUD 43	P-UD	32.41	0.00	2,667.08	0.00	0.00	531.07	727.50	1,408.51	516.37	16.60	
PUD 44	P-UD	32.41	0.00	2,670.87	0.00	0.00	531.11	727.50	1,412.25	513.87	16.68	
PUD 45	P-UD	32.41	0.00	2,674.90	0.00	0.00	531.46	727.50	1,415.94	511.20	16.76	
PUD 46	P-UD	32.41	0.00	2,678.89	0.00	0.00	531.64	727.50	1,419.75	508.74	16.84	
PUD 47	P-UD	32.41	0.00	2,683.42	0.00	0.00	532.37	727.50	1,423.55	505.98	16.93	
PUD 5	P-UD	32.41	0.00	2,328.78	0.00	0.00	506.96	727.50	1,094.32	479.76	13.43	
PUD 6	P-UD	32.41	0.00	2,338.48	0.00	0.00	508.30	727.50	1,102.69	482.13	13.53	
PUD 7	P-UD	32.41	0.00	2,346.38	0.00	0.00	508.22	727.50	1,110.65	483.22	13.60	
PUD 8	P-UD	32.41	0.00	2,353.52	0.00	0.00	509.18	727.50	1,116.84	483.35	13.70	
PUD 9	P-UD	32.41	0.00	2,360.75	0.00	0.00	509.08	727.50	1,124.17	484.36	13.76	
ROGERS PUD 1	P-UD	50.67	0.00	4,060.32	0.00	0.00	739.92	147.50	3,172.89	1,478.52	35.29	
ROGERS PUD 2	P-UD	50.67	0.00	4,084.91	0.00	0.00	743.14	147.50	3,194.27	1,467.07	35.46	
ROGERS PUD 3	P-UD	50.67	0.00	4,109.94	0.00	0.00	746.38	147.50	3,216.06	1,456.11	35.62	
ROGERS PUD 4	P-UD	50.67	0.00	4,135.43	0.00	0.00	749.67	147.50	3,238.26	1,445.58	35.79	
WISEMAN PUD 1	P-UD	12.96	0.00	984.75	0.00	0.00	313.77	291.00	379.98	101.86	20.93	
WISEMAN PUD 2	P-UD	12.96	0.00	989.43	0.00	0.00	314.27	291.00	384.17	103.28	21.05	
Total		1,751.82	0.00	135,727.75	0.00	0.00	28,010.72	35,364.50	72,352.53	29,609.54	35.79	
Total		1,813.95	0.00	141,221.25	0.00	0.00	30,137.18	35,424.50	75,659.57	30,898.86	40.00	
PR-UD		4.67	0.00	329.33	0.00	0.00	91.50	145.50	92.33	20.43	13.03	

Proved Rsv Class
Probable Rsv Class
Undeveloped Rsv Category

Economic One-Liners

Project Name : La Vernia Field

As of Date: 12/31/2016

Forecast price

MKM ENGINEERING

TABLE 15

Lease Name Risked / UnRisked	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (MS)	Invest. (MS)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (MS)	Gas (MS)	Other (MS)	Non-Disc. (MS)			Disc. CF (MS)		
PtUD 10	PR-UD	4.68	0.00	341.70	0.00	0.00	0.00	92.63	145.50	103.58	26.36	13.84
PtUD 11	PR-UD	4.68	0.00	342.84	0.00	0.00	0.00	92.76	145.50	104.58	26.83	13.92
PtUD 12	PR-UD	4.68	0.00	344.06	0.00	0.00	0.00	92.84	145.50	105.73	27.37	14.01
PtUD 13	PR-UD	4.68	0.00	345.11	0.00	0.00	0.00	92.89	145.50	106.72	27.83	14.08
PtUD 14	PR-UD	4.68	0.00	346.67	0.00	0.00	0.00	93.02	145.50	108.15	28.50	14.17
PtUD 15	PR-UD	4.68	0.00	347.84	0.00	0.00	0.00	93.10	145.50	109.25	29.04	14.25
PtUD 16	PR-UD	4.68	0.00	349.49	0.00	0.00	0.00	93.22	145.50	110.77	29.77	14.34
PtUD 17	PR-UD	4.68	0.00	351.01	0.00	0.00	0.00	93.33	145.50	112.18	30.47	14.43
PtUD 18	PR-UD	4.68	0.00	352.54	0.00	0.00	0.00	93.42	145.50	113.62	31.18	14.51
PtUD 19	PR-UD	4.68	0.00	353.68	0.00	0.00	0.00	93.50	145.50	114.68	31.65	14.58
PtUD 2	PR-UD	4.68	0.00	331.60	0.00	0.00	0.00	91.85	145.50	94.25	21.43	13.16
PtUD 20	PR-UD	4.68	0.00	355.02	0.00	0.00	0.00	93.59	145.50	115.93	32.11	14.68
PtUD 21	PR-UD	4.68	0.00	355.92	0.00	0.00	0.00	93.63	145.50	116.79	32.43	14.74
PtUD 22	PR-UD	4.68	0.00	357.38	0.00	0.00	0.00	93.74	145.50	118.14	32.95	14.84
PtUD 23	PR-UD	4.68	0.00	358.66	0.00	0.00	0.00	93.89	145.50	119.27	33.40	14.92
PtUD 24	PR-UD	4.68	0.00	360.04	0.00	0.00	0.00	93.97	145.50	120.56	33.92	15.01
PtUD 25	PR-UD	4.68	0.00	361.19	0.00	0.00	0.00	94.03	145.50	121.66	34.37	15.07
PtUD 26	PR-UD	4.68	0.00	362.94	0.00	0.00	0.00	94.18	145.50	123.26	35.04	15.17
PtUD 27	PR-UD	4.68	0.00	364.21	0.00	0.00	0.00	94.11	145.50	124.61	35.65	15.22
PtUD 28	PR-UD	4.68	0.00	366.08	0.00	0.00	0.00	94.26	145.50	126.32	36.40	15.32
PtUD 29	PR-UD	4.68	0.00	367.81	0.00	0.00	0.00	94.37	145.50	127.94	37.12	15.40
PtUD 3	PR-UD	4.68	0.00	332.78	0.00	0.00	0.00	92.03	145.50	95.26	21.98	13.25
PtUD 30	PR-UD	4.68	0.00	369.57	0.00	0.00	0.00	94.50	145.50	129.57	37.86	15.48
PtUD 31	PR-UD	4.68	0.00	370.72	0.00	0.00	0.00	94.56	145.50	130.66	38.24	15.55
PtUD 32	PR-UD	4.68	0.00	371.86	0.00	0.00	0.00	94.64	145.50	131.71	38.44	15.65
PtUD 33	PR-UD	4.68	0.00	372.64	0.00	0.00	0.00	94.68	145.50	132.47	38.60	15.72
PtUD 34	PR-UD	4.68	0.00	373.87	0.00	0.00	0.00	94.77	145.50	133.60	38.84	15.82
PtUD 35	PR-UD	4.68	0.00	374.94	0.00	0.00	0.00	94.90	145.50	134.54	39.06	15.90
PtUD 36	PR-UD	4.68	0.00	376.09	0.00	0.00	0.00	94.98	145.50	135.61	39.32	15.98
PtUD 37	PR-UD	4.68	0.00	377.05	0.00	0.00	0.00	95.02	145.50	136.54	39.57	16.05
PtUD 38	PR-UD	4.68	0.00	378.50	0.00	0.00	0.00	95.15	145.50	137.86	39.92	16.15
PtUD 39	PR-UD	4.68	0.00	379.60	0.00	0.00	0.00	95.22	145.50	138.88	40.21	16.23
PtUD 4	PR-UD	4.68	0.00	334.37	0.00	0.00	0.00	92.14	145.50	96.73	22.84	13.34
PtUD 40	PR-UD	4.68	0.00	381.14	0.00	0.00	0.00	95.36	145.50	140.28	40.62	16.32
PtUD 41	PR-UD	4.68	0.00	382.57	0.00	0.00	0.00	95.44	145.50	141.63	41.04	16.41

Economic One-Liners

Project Name : La Vernia Field

As of Date: 12/31/2016

TABLE 15

Forecast price

MKM ENGINEERING

Lease Name Risked / UnRisked	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (M\$)	Invest. (M\$)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (M\$)	Gas (M\$)	Other (M\$)	Non-Disc. (M\$)			Disc. CF (M\$)		
PtUD 42	PR-UD	4.68	0.00	384.01	0.00	0.00	0.00	95.56	145.50	142.95	41.46	16.49
PtUD 43	PR-UD	4.68	0.00	384.86	0.00	0.00	0.00	95.59	145.50	143.77	41.59	16.56
PtUD 44	PR-UD	4.68	0.00	385.53	0.00	0.00	0.00	95.62	145.50	144.41	41.45	16.66
PtUD 45	PR-UD	4.68	0.00	385.97	0.00	0.00	0.00	95.64	145.50	144.83	41.37	16.72
PtUD 46	PR-UD	4.68	0.00	386.68	0.00	0.00	0.00	95.69	145.50	145.49	41.23	16.82
PtUD 47	PR-UD	4.68	0.00	387.29	0.00	0.00	0.00	95.81	145.50	145.98	41.12	16.90
PtUD 48	PR-UD	4.68	0.00	387.94	0.00	0.00	0.00	95.84	145.50	146.60	41.02	16.99
PtUD 49	PR-UD	4.68	0.00	388.47	0.00	0.00	0.00	95.85	145.50	147.12	40.96	17.06
PtUD 5	PR-UD	4.68	0.00	335.83	0.00	0.00	0.00	92.25	145.50	98.08	23.63	13.43
PtUD 50	PR-UD	4.68	0.00	389.27	0.00	0.00	0.00	95.95	145.50	147.82	40.86	17.16
PtUD 51	PR-UD	4.68	0.00	389.90	0.00	0.00	0.00	96.08	145.50	148.32	40.75	17.25
PtUD 52	PR-UD	4.68	0.00	390.72	0.00	0.00	0.00	96.14	145.50	149.07	40.69	17.34
PtUD 53	PR-UD	4.68	0.00	391.46	0.00	0.00	0.00	96.20	145.50	149.76	40.64	17.43
PtUD 54	PR-UD	4.68	0.00	392.21	0.00	0.00	0.00	96.24	145.50	150.47	40.61	17.51
PtUD 55	PR-UD	4.68	0.00	392.78	0.00	0.00	0.00	96.28	145.50	151.00	40.54	17.58
PtUD 56	PR-UD	4.68	0.00	393.47	0.00	0.00	0.00	96.32	145.50	151.65	40.39	17.68
PtUD 57	PR-UD	4.68	0.00	393.92	0.00	0.00	0.00	96.32	145.50	152.09	40.30	17.74
PtUD 58	PR-UD	4.68	0.00	394.64	0.00	0.00	0.00	96.38	145.50	152.76	40.15	17.84
PtUD 59	PR-UD	4.68	0.00	395.26	0.00	0.00	0.00	96.48	145.50	153.28	40.03	17.92
PtUD 6	PR-UD	4.68	0.00	337.29	0.00	0.00	0.00	92.34	145.50	99.45	24.44	13.51
PtUD 60	PR-UD	4.68	0.00	395.92	0.00	0.00	0.00	96.52	145.50	153.90	39.93	18.01
PtUD 7	PR-UD	4.68	0.00	338.35	0.00	0.00	0.00	92.41	145.50	100.44	24.96	13.58
PtUD 8	PR-UD	4.68	0.00	339.58	0.00	0.00	0.00	92.49	145.50	101.59	25.46	13.68
PtUD 9	PR-UD	4.68	0.00	340.39	0.00	0.00	0.00	92.52	145.50	102.37	25.82	13.74
ROGERS PUD 1	PR-UD	51.69	0.00	4,209.82	0.00	0.00	0.00	387.54	0.00	3,822.28	1,719.74	40.00
ROGERS PUD 2	PR-UD	51.66	0.00	4,230.57	0.00	0.00	0.00	386.05	0.00	3,844.52	1,704.77	40.00
ROGERS PUD 3	PR-UD	51.63	0.00	4,251.68	0.00	0.00	0.00	384.59	0.00	3,867.09	1,690.21	40.00
ROGERS PUD 4	PR-UD	51.60	0.00	4,273.15	0.00	0.00	0.00	383.14	0.00	3,890.01	1,676.13	40.00
Total		487.36	0.00	38,987.78	0.00	0.00	0.00	7,205.05	8,730.00	23,052.73	8,881.00	40.00
Total		487.36	0.00	38,987.78	0.00	0.00	0.00	7,205.05	8,730.00	23,052.73	8,881.00	40.00
Grand Total		2,301.31	0.00	180,209.02	0.00	0.00	0.00	37,342.23	44,154.50	98,712.30	39,779.86	40.00

Economic One-Liners

Project Name : La Vernia Field
 Constant price

As of Date: 12/31/2016
 MKM ENGINEERING

TABLE 16

Lease Name Risked / UnRisked	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (MS)	Cash Flow			Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (MS)	Gas (MS)	Other (MS)	Invest. (MS)		Non-Disc. (MS)	Disc. CF (MS)		
Proved Rsv Class												
Producing Rsv Category												
MILLS, L. H.	P-DP	1.55	0.00	66.29	0.00	0.00	60.67	22.50	-16.88	-7.20	6.22	
ROGERS 1 & 3	P-DP	4.62	0.00	197.58	0.00	0.00	148.91	15.00	33.67	30.33	11.47	
WISEMAN WH 30	P-DP	4.39	0.00	187.69	0.00	0.00	92.76	7.50	87.43	54.72	16.55	
Total		10.56	0.00	451.56	0.00	0.00	302.34	45.00	104.22	77.85	16.55	
Proved Rsv Class												
Non-Producing Rsv Category												
ROGERS 6	P-NP	22.31	0.00	953.88	0.00	0.00	381.49	7.50	564.89	266.17	35.52	
ROGERS 7	P-NP	22.31	0.00	953.88	0.00	0.00	381.49	7.50	564.89	267.19	35.48	
Total		44.63	0.00	1,907.76	0.00	0.00	762.98	15.00	1,129.78	533.36	35.52	
Proved Rsv Class												
Undeveloped Rsv Category												
PUD 1	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.09	727.50	258.89	13.86	13.10	
PUD 10	P-UD	32.41	0.00	1,385.49	0.00	0.00	402.19	727.50	255.80	11.08	13.97	
PUD 11	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.08	727.50	258.90	12.72	13.93	
PUD 12	P-UD	32.41	0.00	1,385.49	0.00	0.00	399.54	727.50	258.44	12.37	14.03	
PUD 13	P-UD	32.41	0.00	1,385.49	0.00	0.00	399.55	727.50	258.43	12.24	14.12	
PUD 14	P-UD	32.41	0.00	1,385.49	0.00	0.00	399.57	727.50	258.42	12.12	14.20	
PUD 15	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.00	727.50	258.99	12.31	14.26	
PUD 16	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.54	727.50	258.44	11.93	14.36	
PUD 17	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.97	727.50	259.01	12.11	14.43	
PUD 18	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.51	727.50	258.47	11.73	14.53	
PUD 19	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.00	727.50	258.99	11.86	14.60	
PUD 2	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.12	727.50	258.87	13.72	13.18	
PUD 20	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.34	727.50	258.64	11.64	14.70	
PUD 21	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.35	727.50	258.63	11.53	14.78	
PUD 22	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.31	727.50	258.68	11.46	14.86	
PUD 23	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.21	727.50	258.77	11.43	14.93	
PUD 24	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.54	727.50	258.44	11.21	15.03	
PUD 25	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.55	727.50	258.43	11.09	15.12	
PUD 26	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.57	727.50	258.41	10.98	15.20	
PUD 27	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.13	727.50	258.85	11.09	15.27	
PUD 28	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.03	727.50	258.96	11.12	15.34	
PUD 29	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.10	727.50	258.88	10.91	15.44	
PUD 3	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.00	727.50	258.99	13.59	13.26	

Economic One-Liners

Project Name : La Vernia Field

As of Date: 12/31/2016

TABLE 16

Constant price

MKM ENGINEERING

Lease Name Risked / UnRisked	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (M\$)	Invest. (M\$)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (M\$)	Gas (M\$)	Other (M\$)	Non-Disc. (M\$)			Disc. CF (M\$)		
PUD 30	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.93	727.50	259.05	10.95	15.50	
PUD 31	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.13	727.50	258.86	10.69	15.60	
PUD 32	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.82	727.50	259.17	10.82	15.67	
PUD 33	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.03	727.50	258.95	10.57	15.77	
PUD 34	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.78	727.50	259.20	10.65	15.84	
PUD 35	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.21	727.50	258.77	10.35	15.93	
PUD 36	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.96	727.50	259.02	10.43	16.01	
PUD 37	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.22	727.50	258.76	10.09	16.10	
PUD 38	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.99	727.50	259.00	10.22	16.17	
PUD 39	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.06	727.50	258.92	10.10	16.27	
PUD 4	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.54	727.50	258.44	13.16	13.36	
PUD 40	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.09	727.50	258.90	10.00	16.34	
PUD 41	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.04	727.50	258.95	9.93	16.44	
PUD 42	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.06	727.50	258.92	9.84	16.51	
PUD 43	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.06	727.50	258.92	9.73	16.60	
PUD 44	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.88	727.50	259.10	9.76	16.68	
PUD 45	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.90	727.50	259.08	9.66	16.76	
PUD 46	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.85	727.50	259.14	9.61	16.84	
PUD 47	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.15	727.50	258.84	9.45	16.93	
PUD 5	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.97	727.50	259.01	13.37	13.43	
PUD 6	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.51	727.50	258.47	12.95	13.53	
PUD 7	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.00	727.50	258.99	13.10	13.60	
PUD 8	P-UD	32.41	0.00	1,385.48	0.00	0.00	399.34	727.50	258.64	12.85	13.70	
PUD 9	P-UD	32.41	0.00	1,385.48	0.00	0.00	398.84	727.50	259.15	13.01	13.76	
ROGERS PUD 1	P-UD	49.84	0.00	2,130.67	0.00	0.00	421.18	147.50	1,561.99	812.54	30.60	
ROGERS PUD 2	P-UD	49.84	0.00	2,130.67	0.00	0.00	421.17	147.50	1,562.00	799.14	30.77	
ROGERS PUD 3	P-UD	49.84	0.00	2,130.67	0.00	0.00	421.26	147.50	1,561.91	785.95	30.94	
ROGERS PUD 4	P-UD	49.84	0.00	2,130.67	0.00	0.00	421.24	147.50	1,561.93	772.98	31.10	
WISEMAN PUD 1	P-UD	12.96	0.00	554.20	0.00	0.00	236.80	291.00	26.40	-59.61	20.93	
WISEMAN PUD 2	P-UD	12.96	0.00	554.20	0.00	0.00	236.77	291.00	26.43	-58.87	21.05	
Proved Rsv Class	Total	1,748.51	0.00	74,748.86	0.00	0.00	20,922.07	35,364.50	18,462.30	3,587.50	31.10	
Probable Rsv Class	Total	1,803.70	0.00	77,108.19	0.00	0.00	21,987.39	35,424.50	19,696.30	4,198.71	35.52	
Undeveloped Rsv Category												
PR-UD		4.67	0.00	199.70	0.00	0.00	74.18	145.50	-19.98	-44.17	13.03	

Economic One-Liners

Project Name : La Vernia Field

As of Date: 12/31/2016

Constant price

MKM ENGINEERING

TABLE 16

Lease Name Risky / UnRisky	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (M\$)	Invest. (M\$)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (M\$)	Gas (M\$)	Other (M\$)	Non-Disc. (M\$)			Disc. CF (M\$)		
PtUD 10	PR-UD	4.68	0.00	200.07	0.00	0.00	74.38	145.50	-19.81	-40.88	13.84	
PtUD 11	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-40.56	13.92	
PtUD 12	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-40.21	14.01	
PtUD 13	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-39.94	14.08	
PtUD 14	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-39.56	14.17	
PtUD 15	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-39.28	14.25	
PtUD 16	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-38.90	14.34	
PtUD 17	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-38.58	14.43	
PtUD 18	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-38.26	14.51	
PtUD 19	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-38.00	14.58	
PtUD 2	PR-UD	4.68	0.00	200.07	0.00	0.00	74.34	145.50	-19.77	-43.65	13.16	
PtUD 20	PR-UD	4.68	0.00	200.07	0.00	0.00	74.39	145.50	-19.82	-37.61	14.68	
PtUD 21	PR-UD	4.68	0.00	200.07	0.00	0.00	74.39	145.50	-19.82	-37.37	14.74	
PtUD 22	PR-UD	4.68	0.00	200.07	0.00	0.00	74.38	145.50	-19.81	-37.00	14.84	
PtUD 23	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-36.71	14.92	
PtUD 24	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-36.40	15.01	
PtUD 25	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-36.15	15.07	
PtUD 26	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-35.81	15.17	
PtUD 27	PR-UD	4.68	0.00	200.07	0.00	0.00	74.31	145.50	-19.74	-35.50	15.22	
PtUD 28	PR-UD	4.68	0.00	200.07	0.00	0.00	74.31	145.50	-19.74	-35.16	15.32	
PtUD 29	PR-UD	4.68	0.00	200.07	0.00	0.00	74.30	145.50	-19.73	-34.87	15.40	
PtUD 3	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-43.39	13.25	
PtUD 30	PR-UD	4.68	0.00	200.07	0.00	0.00	74.30	145.50	-19.73	-34.58	15.48	
PtUD 31	PR-UD	4.68	0.00	200.07	0.00	0.00	74.30	145.50	-19.73	-34.34	15.55	
PtUD 32	PR-UD	4.68	0.00	200.07	0.00	0.00	74.28	145.50	-19.71	-34.00	15.65	
PtUD 33	PR-UD	4.68	0.00	200.07	0.00	0.00	74.28	145.50	-19.71	-33.78	15.72	
PtUD 34	PR-UD	4.68	0.00	200.07	0.00	0.00	74.27	145.50	-19.70	-33.44	15.82	
PtUD 35	PR-UD	4.68	0.00	200.07	0.00	0.00	74.31	145.50	-19.74	-33.18	15.90	
PtUD 36	PR-UD	4.68	0.00	200.07	0.00	0.00	74.31	145.50	-19.74	-32.90	15.98	
PtUD 37	PR-UD	4.68	0.00	200.07	0.00	0.00	74.31	145.50	-19.74	-32.68	16.05	
PtUD 38	PR-UD	4.68	0.00	200.07	0.00	0.00	74.31	145.50	-19.74	-32.36	16.15	
PtUD 39	PR-UD	4.68	0.00	200.07	0.00	0.00	74.33	145.50	-19.76	-32.14	16.23	
PtUD 4	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-42.98	13.34	
PtUD 40	PR-UD	4.68	0.00	200.07	0.00	0.00	74.33	145.50	-19.76	-31.84	16.32	
PtUD 41	PR-UD	4.68	0.00	200.07	0.00	0.00	74.32	145.50	-19.75	-31.57	16.41	

Economic One-Liners

Project Name : La Vernia Field

As of Date: 12/31/2016

Constant price

MKM ENGINEERING

TABLE 16

Lease Name Risked / UnRisked	Reserve Category	Net Reserves			Net Revenue			Expense & Tax (M\$)	Invest. (M\$)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	OH (M\$)	Gas (M\$)	Other (M\$)	Non-Disc. (M\$)			Disc. CF (M\$)		
PtUD 42	PR-UD	4.68	0.00	200.07	0.00	0.00	74.33	145.50	-19.76	-31.31	16.49	
PtUD 43	PR-UD	4.68	0.00	200.07	0.00	0.00	74.32	145.50	-19.75	-31.09	16.56	
PtUD 44	PR-UD	4.68	0.00	200.07	0.00	0.00	74.29	145.50	-19.72	-30.78	16.66	
PtUD 45	PR-UD	4.68	0.00	200.07	0.00	0.00	74.29	145.50	-19.72	-30.58	16.72	
PtUD 46	PR-UD	4.68	0.00	200.07	0.00	0.00	74.28	145.50	-19.71	-30.28	16.82	
PtUD 47	PR-UD	4.68	0.00	200.07	0.00	0.00	74.34	145.50	-19.77	-30.05	16.90	
PtUD 48	PR-UD	4.68	0.00	200.07	0.00	0.00	74.33	145.50	-19.76	-29.79	16.99	
PtUD 49	PR-UD	4.68	0.00	200.07	0.00	0.00	74.32	145.50	-19.75	-29.59	17.06	
PtUD 5	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-42.62	13.43	
PtUD 50	PR-UD	4.68	0.00	200.07	0.00	0.00	74.34	145.50	-19.77	-29.30	17.16	
PtUD 51	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-29.13	17.25	
PtUD 52	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-28.85	17.34	
PtUD 53	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-28.61	17.43	
PtUD 54	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-28.38	17.51	
PtUD 55	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-28.18	17.58	
PtUD 56	PR-UD	4.68	0.00	200.07	0.00	0.00	74.39	145.50	-19.82	-27.90	17.68	
PtUD 57	PR-UD	4.68	0.00	200.07	0.00	0.00	74.39	145.50	-19.82	-27.72	17.74	
PtUD 58	PR-UD	4.68	0.00	200.07	0.00	0.00	74.38	145.50	-19.81	-27.45	17.84	
PtUD 59	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-27.23	17.92	
PtUD 6	PR-UD	4.68	0.00	200.07	0.00	0.00	74.41	145.50	-19.84	-42.27	13.51	
PtUD 60	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-27.00	18.01	
PtUD 7	PR-UD	4.68	0.00	200.07	0.00	0.00	74.42	145.50	-19.85	-41.97	13.58	
PtUD 8	PR-UD	4.68	0.00	200.07	0.00	0.00	74.39	145.50	-19.82	-41.55	13.68	
PtUD 9	PR-UD	4.68	0.00	200.07	0.00	0.00	74.39	145.50	-19.82	-41.28	13.74	
ROGERS PUD 1	PR-UD	51.97	0.00	2,221.60	0.00	0.00	216.61	0.00	2,004.99	1,034.10	37.18	
ROGERS PUD 2	PR-UD	51.97	0.00	2,221.60	0.00	0.00	216.61	0.00	2,004.99	1,017.05	37.35	
ROGERS PUD 3	PR-UD	51.97	0.00	2,221.60	0.00	0.00	216.51	0.00	2,005.09	1,000.28	37.52	
ROGERS PUD 4	PR-UD	51.97	0.00	2,221.60	0.00	0.00	216.51	0.00	2,005.09	983.78	37.68	
Total		488.66	0.00	20,890.23	0.00	0.00	5,328.09	8,730.00	6,832.14	1,944.56	37.68	
Total		488.66	0.00	20,890.23	0.00	0.00	5,328.09	8,730.00	6,832.14	1,944.56	37.68	
Grand Total		2,292.36	0.00	97,998.42	0.00	0.00	27,315.48	44,154.50	26,528.44	6,143.27	37.68	

**Gross
Ultimates,
Interests &
Prices**

GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS

TABLE 17

As of 12/31/2016
Forecast price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
Proved Reserve Class									
Developed Producing Reserve Category									
MILLS, L. H.	PDP	125.39	0.39	5.93	0.00	119.46	0.39	1.00000000	0.75000000
ROGERS 1 & 3	PDP	19.83	0.11	9.16	0.00	10.67	0.11	1.00000000	0.75000000
WISEMAN WH 30	PDP	6.35	0.00	5.63	0.00	0.72	0.00	1.00000000	0.78000000
		151.57	0.50	20.72	0.00	130.85	0.50		
Proved Reserve Class									
Non Producing Reserve Category									
ROGERS 6	P-NP	41.55	0.11	30.94	0.00	10.61	0.11	1.00000000	0.75000000
ROGERS 7	P-NP	41.56	0.11	30.95	0.00	10.61	0.11	1.00000000	0.75000000
		83.11	0.22	61.90	0.00	21.21	0.22		
Proved Reserve Class									
Undeveloped Reserve Category									
PUD 1	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 10	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 11	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 12	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 13	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 14	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 15	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 16	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 17	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 18	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 19	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 2	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 20	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 21	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 22	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 23	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 24	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

TABLE 17

As of 12/31/2016
Forecast price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
PUD 25	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 26	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 27	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 28	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 29	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 3	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 30	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 31	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 32	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 33	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 34	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 35	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 36	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 37	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 38	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 39	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 4	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 40	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 41	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 42	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 43	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 44	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 45	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 46	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 47	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 5	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 6	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 7	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 8	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 9	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
ROGERS PUD 1	P-UD	67.56	0.00	67.56	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 2	P-UD	67.56	0.00	67.56	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 3	P-UD	67.56	0.00	67.56	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 4	P-UD	67.56	0.00	67.56	0.00	0.00	0.00	1.00000000	0.75000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

TABLE 17

As of 12/31/2016
Forecast price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
WISEMAN PUD 1	P-UD	16.62	0.00	16.62	0.00	0.00	0.00	1.00000000	0.78000000
WISEMAN PUD 2	P-UD	16.62	0.00	16.62	0.00	0.00	0.00	1.00000000	0.78000000
		2,256.31	0.00	2,256.31	0.00	0.00	0.00	0.00	0.00
Proved Reserve Class		2,490.99	0.72	2,338.93	0.00	152.07	0.72		
Probable Reserve Class									
Undeveloped Reserve Category									
Pr-UD 1	Pr-UD	5.99	0.00	5.99	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 10	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 11	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 12	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 13	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 14	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 15	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 16	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 17	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 18	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 19	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 2	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 20	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 21	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 22	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 23	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 24	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 25	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 26	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 27	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 28	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 29	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 3	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 30	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

TABLE 17

As of 12/31/2016
Forecast price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
Pr-UD 31	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 32	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 33	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 34	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 35	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 36	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 37	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 38	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 39	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 4	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 40	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 41	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 42	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 43	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 44	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 45	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 46	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 47	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 48	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 49	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 5	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 50	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 51	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 52	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 53	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 54	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 55	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 56	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 57	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 58	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 59	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 6	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 60	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 7	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

TABLE 17

As of 12/31/2016
Forecast price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MBbls)</u>	<u>Ultimate Gas (MMcft)</u>	<u>Rem Oil (MBbls)</u>	<u>Rem Gas (MMcft)</u>	<u>Cum Oil (MBbls)</u>	<u>Cum Gas (MMcft)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
Pt-UD 8	Pt-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pt-UD 9	Pt-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
ROGERS PUD 1	Pt-UD	68.91	0.00	68.91	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 2	Pt-UD	68.88	0.00	68.88	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 3	Pt-UD	68.84	0.00	68.84	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 4	Pt-UD	68.80	0.00	68.80	0.00	0.00	0.00	1.00000000	0.75000000
		635.42	0.00	635.42	0.00	0.00	0.00	0.00	0.75000000
Probable Reserve Class		635.42	0.00	635.42	0.00	0.00	0.00	0.00	0.00
Grand Total		3,126.41	0.72	2,974.35	0.00	152.07	0.72		

GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS

TABLE 18

As of 12/31/2016
Constant price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
Proved Reserve Class									
Developed Producing Reserve Category									
MILLS, L. H.	PDP	121.53	0.39	2.07	0.00	119.46	0.39	1.00000000	0.75000000
ROGERS 1 & 3	PDP	16.83	0.11	6.16	0.00	10.67	0.11	1.00000000	0.75000000
WISEMAN WH 30	PDP	6.35	0.00	5.63	0.00	0.72	0.00	1.00000000	0.78000000
		144.71	0.50	13.86	0.00	130.85	0.50		
Proved Reserve Class									
Non Producing Reserve Category									
ROGERS 6	P-NP	40.36	0.11	29.75	0.00	10.61	0.11	1.00000000	0.75000000
ROGERS 7	P-NP	40.36	0.11	29.75	0.00	10.61	0.11	1.00000000	0.75000000
		80.71	0.22	59.50	0.00	21.21	0.22		
Proved Reserve Class									
Undeveloped Reserve Category									
PUD 1		41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 10	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 11	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 12	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 13	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 14	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 15	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 16	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 17	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 18	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 19	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 2	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 20	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 21	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 22	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 23	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 24	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

TABLE 18

As of 12/31/2016
Constant price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
PUD 25	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 26	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 27	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 28	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 29	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 3	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 30	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 31	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 32	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 33	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 34	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 35	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 36	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 37	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 38	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 39	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 4	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 40	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 41	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 42	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 43	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 44	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 45	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 46	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 47	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 5	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 6	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 7	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 8	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
PUD 9	P-UD	41.55	0.00	41.55	0.00	0.00	0.00	1.00000000	0.78000000
ROGERS PUD 1	P-UD	66.45	0.00	66.45	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 2	P-UD	66.45	0.00	66.45	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 3	P-UD	66.45	0.00	66.45	0.00	0.00	0.00	1.00000000	0.75000000
ROGERS PUD 4	P-UD	66.45	0.00	66.45	0.00	0.00	0.00	1.00000000	0.75000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

TABLE 18

As of 12/31/2016
Constant price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
WISEMAN PUD 1	P-UD	16.62	0.00	16.62	0.00	0.00	0.00	1.00000000	0.78000000
WISEMAN PUD 2	P-UD	16.62	0.00	16.62	0.00	0.00	0.00	1.00000000	0.78000000
		2,251.90	0.00	2,251.90	0.00	0.00	0.00	0.00	0.00
Proved Reserve Class		2,477.33	0.72	2,325.26	0.00	152.07	0.72		
Probable Reserve Class									
Undeveloped Reserve Category									
Pr-UD 1	Pr-UD	5.99	0.00	5.99	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 10	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 11	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 12	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 13	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 14	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 15	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 16	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 17	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 18	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 19	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 2	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 20	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 21	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 22	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 23	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 24	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 25	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 26	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 27	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 28	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 29	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 3	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 30	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

TABLE 18

As of 12/31/2016
Constant price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
Pr-UD 31	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 32	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 33	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 34	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 35	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 36	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 37	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 38	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 39	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 4	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 40	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 41	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 42	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 43	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 44	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 45	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 46	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 47	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 48	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 49	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 5	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 50	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 51	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 52	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 53	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 54	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 55	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 56	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 57	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 58	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 59	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 6	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 60	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000
Pr-UD 7	Pr-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.00000000	0.78000000

**GROSS ULTIMATE, REMAINING AND CUMULATIVE RESERVES
and EVALUATED INTERESTS**

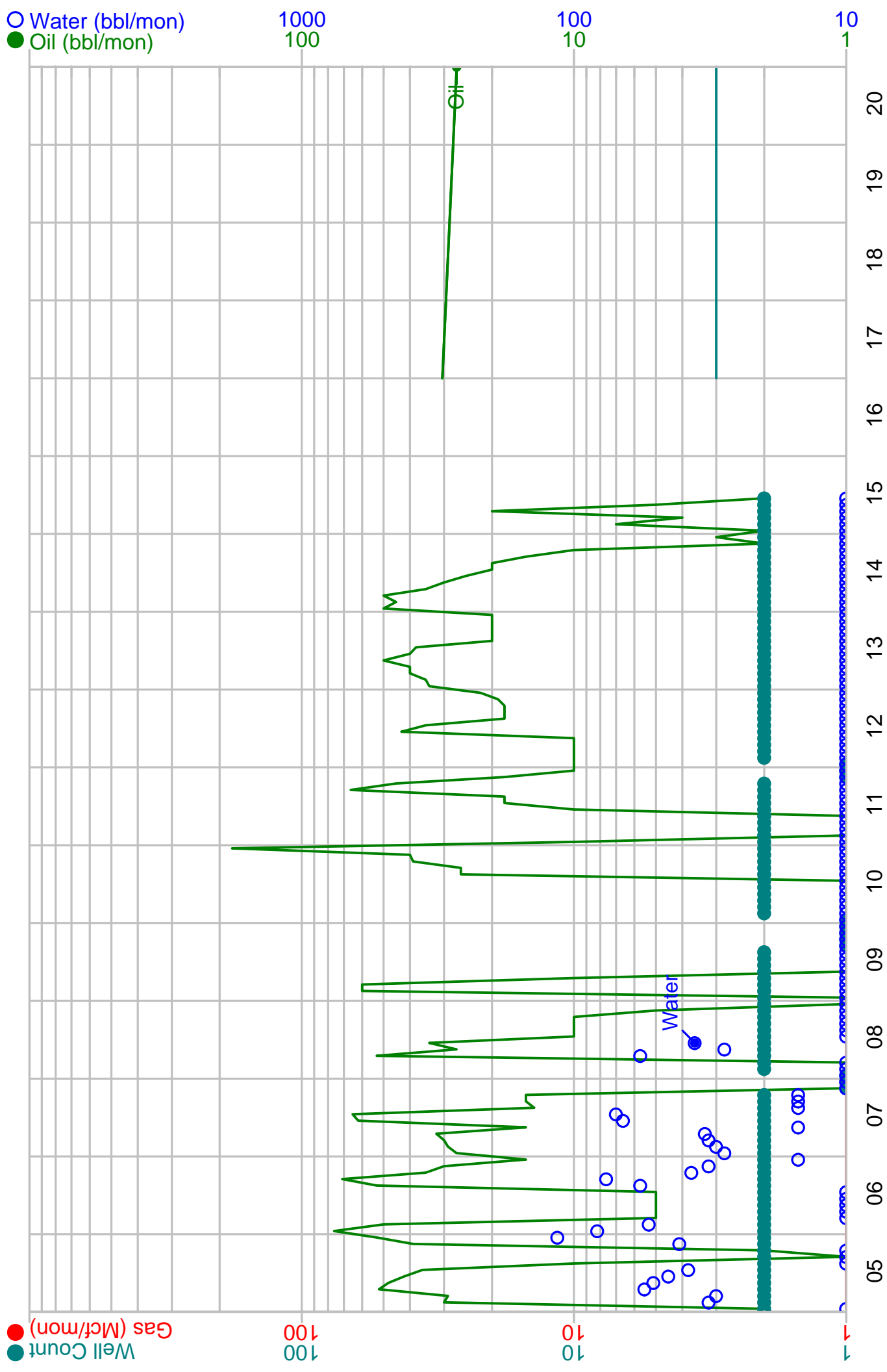
TABLE 18

As of 12/31/2016
Constant price

<u>Lease Name</u>	<u>Reserve Category</u>	<u>Ultimate Oil (MMbbls)</u>	<u>Ultimate Gas (MMcuf)</u>	<u>Rem Oil (MMbbls)</u>	<u>Rem Gas (MMcuf)</u>	<u>Cum Oil (MMbbls)</u>	<u>Cum Gas (MMcuf)</u>	<u>Working Interest Decimal</u>	<u>Revenue Interest Decimal</u>
PtUD 8	Pt-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.000000000	0.780000000
PtUD 9	Pt-UD	6.00	0.00	6.00	0.00	0.00	0.00	1.000000000	0.780000000
ROGERS PUD 1	Pt-UD	69.29	0.00	69.29	0.00	0.00	0.00	1.000000000	0.750000000
ROGERS PUD 2	Pt-UD	69.29	0.00	69.29	0.00	0.00	0.00	1.000000000	0.750000000
ROGERS PUD 3	Pt-UD	69.29	0.00	69.29	0.00	0.00	0.00	1.000000000	0.750000000
ROGERS PUD 4	Pt-UD	69.29	0.00	69.29	0.00	0.00	0.00	1.000000000	0.750000000
		637.15	0.00	637.15	0.00	0.00	0.00	0.00	0.750000000
Probable Reserve Class		637.15	0.00	637.15	0.00	0.00	0.00	0.00	0.00
Grand Total		3,114.48	0.72	2,962.41	0.00	152.07	0.72		

DECLINE CURVES

MILLS, L. H.
KAYE (NAVARRO)
WILSON, TX



○ Water (bbl/mon)
● Oil (bbl/mon)

1000
100

100
10

10
1

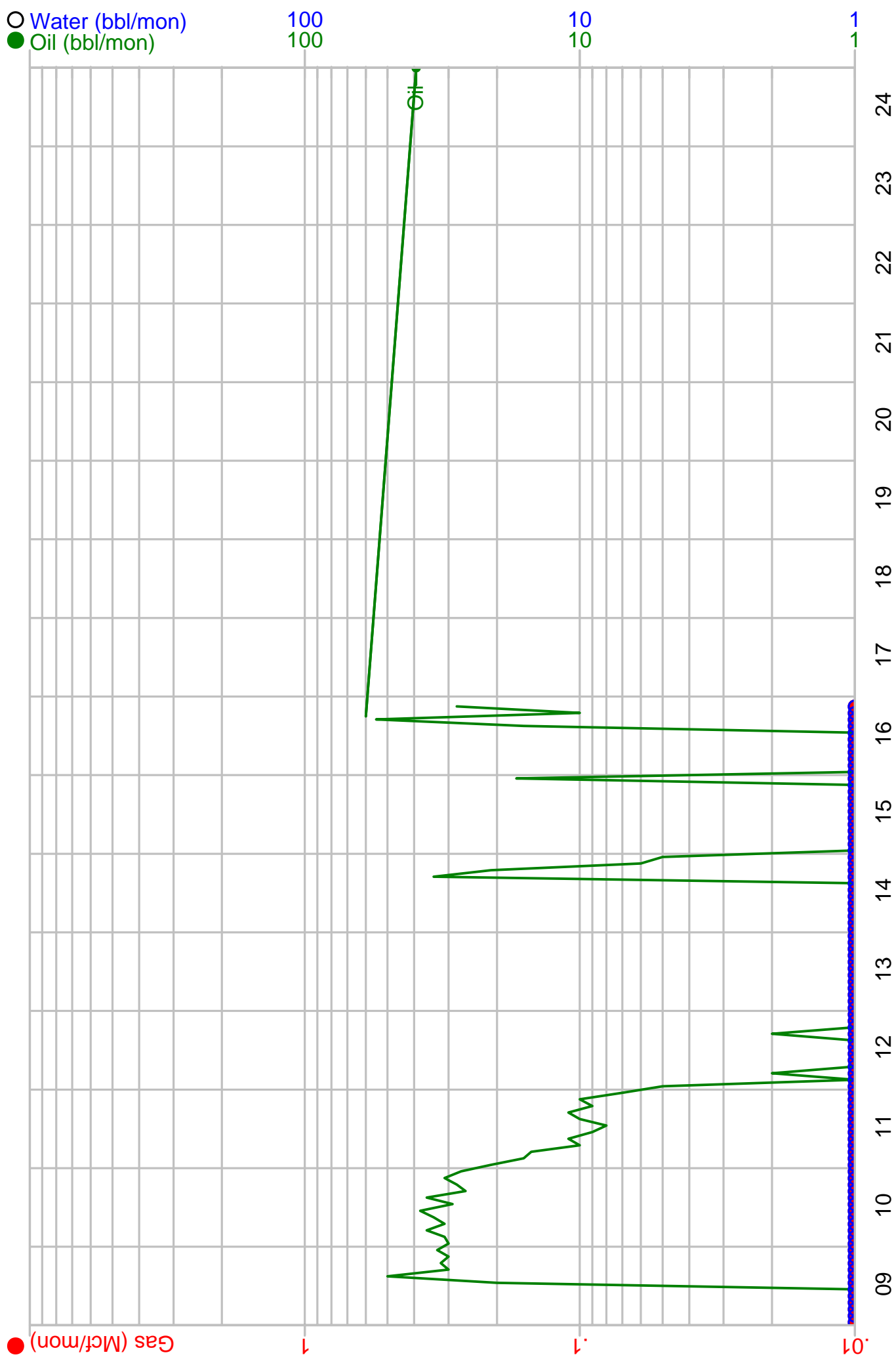
● Well Count
● Gas (Mcf/mon)

100
10

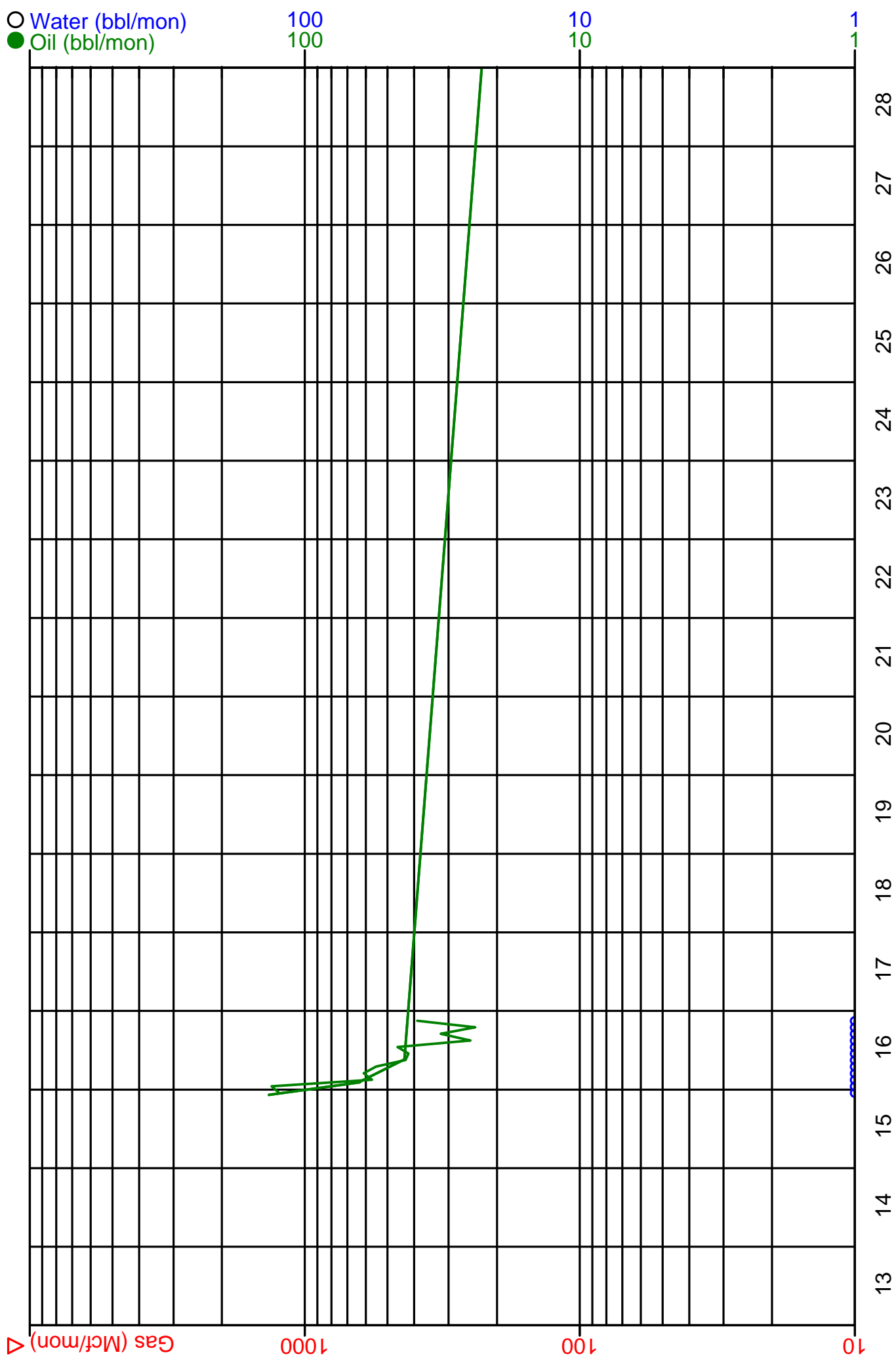
10
1

1
1

ROGERS 1 & 3
MAPLE HUGHES (BURTON 1550)
GUADALUPE, TX

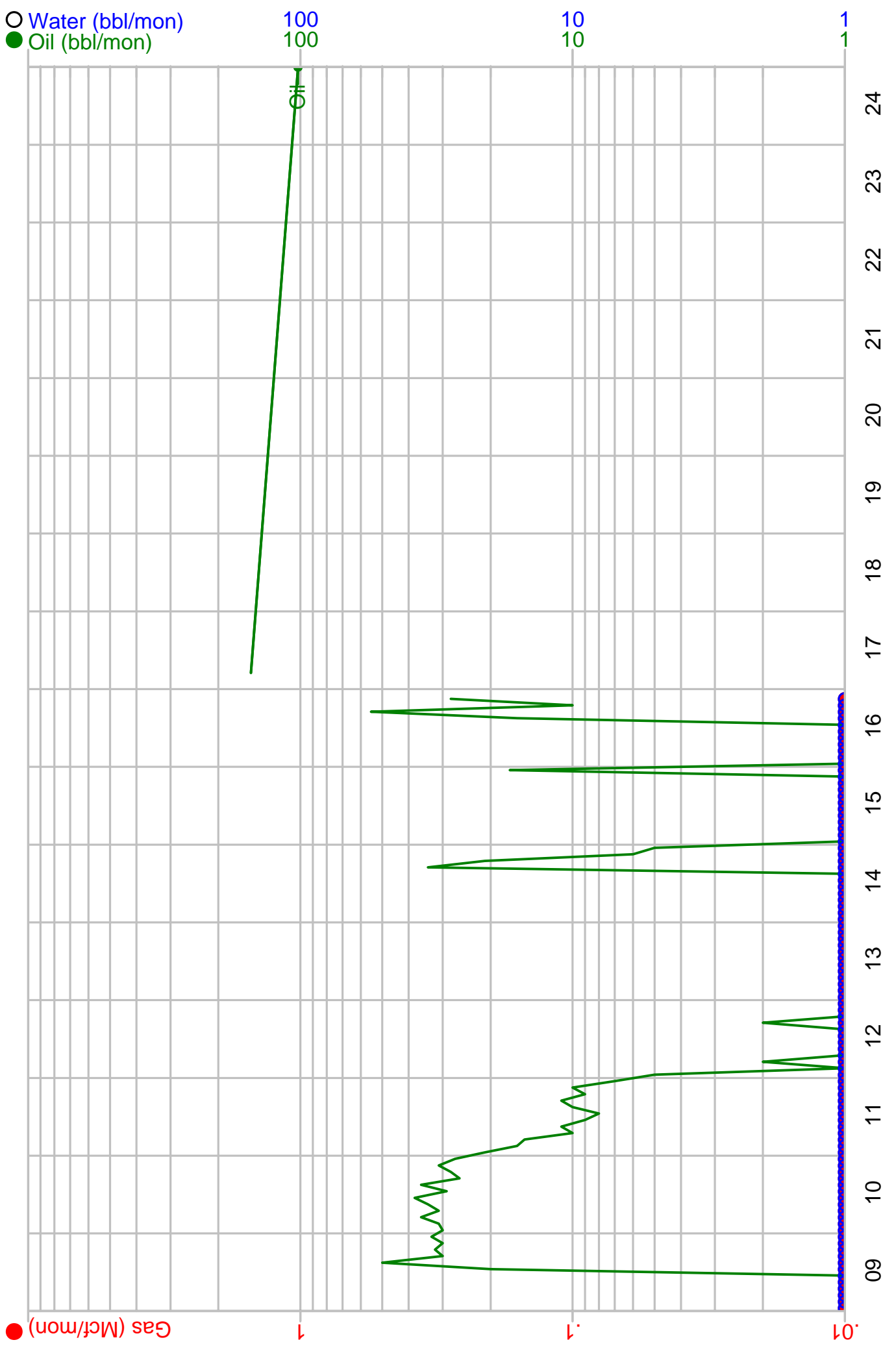


WISEMAN WH 30
LA VERNIA
WILSON, TX



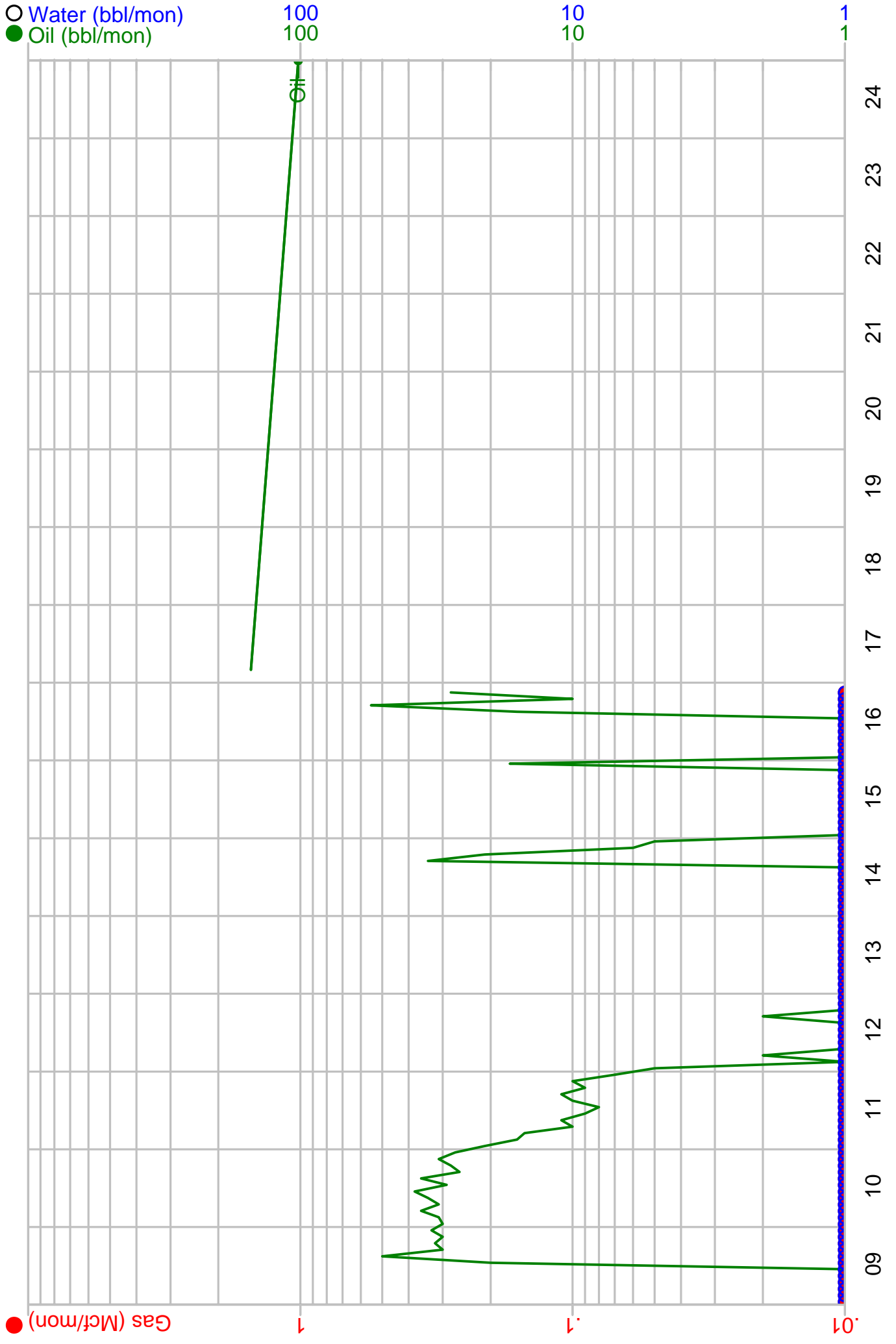
ROGERS 6
MAPLE HUGHES (BURTON 1550)
GUADALUPE, TX

○ Water (bbl/mon)
● Oil (bbl/mon)



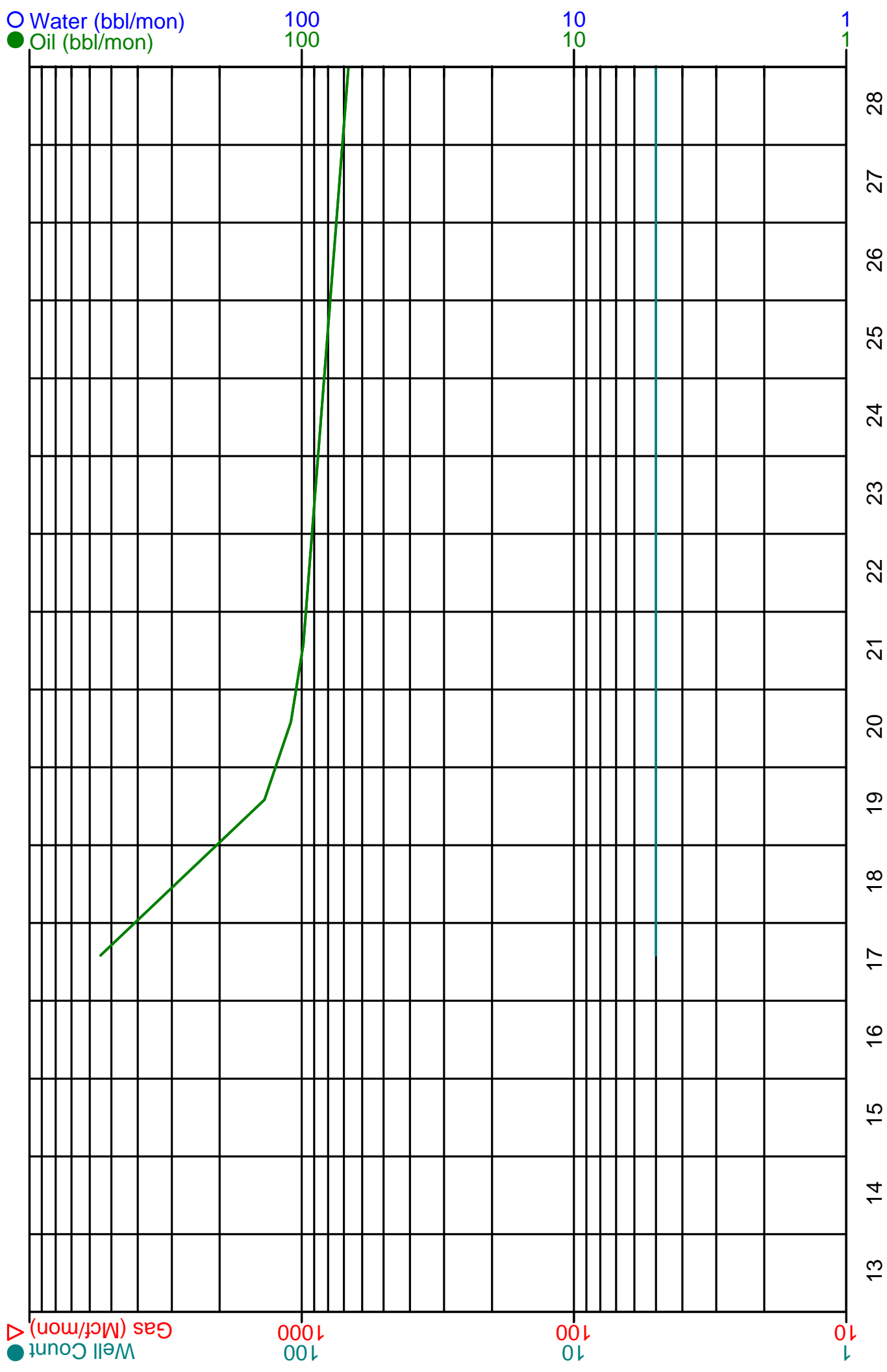
ROGERS 7
MAPLE HUGHES (BURTON 1550)
GUADALUPE, TX

○ Water (bbl/mon)
● Oil (bbl/mon)



PUD 1

LA VERNIA
GUADALUPE, TX



Appendix "C"

**Form 51-101F3
Report of
Management and Directors on Oil and Gas Disclosure**

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of *NI 51-101* must in all *material* respects be in the following form:

**Report of Management and Directors
on Reserves Data and Other Information**

Management of Advantagewon Oil Corp. (the "Corporation") are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

Reserves Data to Report

An independent qualified reserves evaluator has evaluated and reviewed the Corporation's reserves data. The report of the independent qualified reserves evaluator is presented below.

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 reserves data with management and the independent qualified reserves evaluator.

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 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 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 reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

"Frank Kordy"
Frank Kordy, Corporate Secretary

"Paul Haber"
Paul Haber, Chief Executive Officer

"Stan Dimakos"
Stan Dimakos, Director

"Jason Ewart"
Jason Ewart, Director

Appendix “D”

**ADVANTAGEWON OIL CORP. AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Consolidated Financial Statements
(Expressed in Canadian dollars)

ADVANTAGEWON OIL CORPORATION

Years ended December 31, 2016 and 2015

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@uhymh.com
Web www.uhymh.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Advantagewon Oil Corporation

We have audited the accompanying consolidated financial statements of Advantagewon Oil Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Advantagewon Oil Corporation and its subsidiaries as at December 31, 2016 and 2015, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Advantagewon Oil Corporation had continuing losses during the year ended December 31, 2016 and a working capital deficiency as at December 31, 2016. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties which cast significant doubt about the ability of Advantagewon Oil Corporation to continue as a going concern.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 19, 2017

ADVANTAGEWON OIL CORPORATION

Consolidated Statements of Financial Position
(All amounts stated in Canadian Dollars)

As at

	Notes	December 31, 2016	December 31, 2015
ASSETS			
Current assets			
Cash		\$ 606,693	\$ 120,368
Accounts receivable	16	41,716	434,119
Prepaid expenses		110,319	54,013
Inventory		37,789	-
Short-term investment	13	112,500	-
Total current assets		909,017	608,500
Non-current assets			
Exploration and evaluation properties	5	1,096,466	488,919
Oil and gas property	6	6,015,134	6,199,695
Equipment	7	217,264	230,089
Total non-current assets		7,328,864	6,918,703
Total assets		\$ 8,237,881	\$ 7,527,203
SHAREHOLDERS EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	16	\$ 1,003,551	\$ 1,593,748
Share subscription payable	10(d)	345,000	-
Convertible debentures	9	503,698	325,247
Current portion of loans payable and long-term debt	8	272,707	868,938
Total current liabilities		2,124,956	2,787,933
Non-current liabilities			
Convertible debentures	9	-	90,271
Loans payable and long-term debt	8	633,497	-
Decommissioning liabilities	11	858,465	594,750
Total non-current liabilities		1,491,962	685,021
Total liabilities		3,616,619	3,472,954
Shareholders' equity			
Common shares	10(a)	7,518,634	6,072,862
Shares to be issued	10(d)	13,500	178,000
Warrant reserve	10(c)	583,000	790,563
Share-based payments reserve	10(b)	493,498	476,714
Convertible debentures conversion option		278,183	227,250
Deficit		(5,221,724)	(4,803,030)
Accumulated other comprehensive income		955,872	1,111,890
Total shareholders' equity		4,620,963	4,054,249
Total liabilities and shareholders' equity		\$ 8,237,881	\$ 7,527,203

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Notes 5 and 15)
Subsequent events (Note 19)

Approved on behalf of the Board:

Signed "Frank Kordy" Director

Signed "Jason Ewart", Director

The accompanying notes are an integral part of these consolidated financial statements.

ADVANTAGEWON OIL CORPORATION

Consolidated Statements of Operations and Comprehensive Loss
(All amounts stated in Canadian Dollars)

For the years ended

	Notes	December 31, 2016	December 31, 2015
Revenues			
Oil and gas revenue		\$ 465,366	\$ 434,357
Royalties		(104,762)	(97,820)
		<u>360,604</u>	<u>336,537</u>
Operating costs and expenses			
Production expenses		279,163	387,873
Depletion, depreciation and amortization		122,517	142,477
Accretion expense	11	5,393	7,381
Exploration expenditures		-	41,401
General and administrative expenses	12	768,325	1,773,395
Total operating costs and expenses		<u>1,175,398</u>	<u>2,352,527</u>
Loss before other expense		(814,794)	(2,015,990)
Other expenses			
Loss on amendment to convertible debentures	9	(50,933)	-
Gain on settlement of accounts payable	10 (a)	127,600	-
Financing cost		(471,130)	(535,855)
Loss before income taxes		(1,209,257)	(2,551,845)
Deferred income tax recovery	14(a)	-	82,000
Net loss for the year		<u>(1,209,257)</u>	<u>(2,469,845)</u>
Other comprehensive income			
Exchange differences on translating foreign operations		(156,018)	880,672
Comprehensive loss		<u>\$ (1,365,275)</u>	<u>\$ (1,589,173)</u>
Net loss per share:			
Basic and diluted		\$ (0.01)	\$ (0.04)
Weighted average number of shares outstanding - basic and diluted		113,336,692	56,518,228

The accompanying notes are an integral part of these consolidated financial statements.

ADVANTAGEWON OIL CORPORATION

Consolidated Statements of Changes in Shareholders' Equity
(All amounts stated in Canadian Dollars)

	Notes	Number of common shares	Common shares	Number of shares to be Issued	Shares to be Issued	Warrant reserve	Share-based payment reserve	Convertible debentures conversion option	Deficit	Accumulated other comprehensive income	Total
Balance, December 31, 2014		50,719,378	\$ 4,379,630	-	\$ -	\$ 807,363	\$ 458,500	\$ -	\$(2,355,985)	\$ 231,218	\$ 3,520,726
Private placement	10,a)(ii)	45,489,485	909,790	-	-	-	-	-	-	-	909,790
Shares issued for financings	10,a)(iii)	4,667,477	1,041,900	-	-	-	-	-	-	-	1,041,900
Issuance of convertible debentures, net of deferred tax	9	-	-	-	-	-	-	227,250	-	-	227,250
Convertible debentures exercised	10,a)(i)	200,000	14,000	-	-	6,000	-	-	-	-	20,000
Shares to be issued – anti-dilution	10,a)(v)	-	-	8,900,000	178,000	-	-	-	-	-	178,000
Expiry of warrants		-	-	-	-	(22,800)	-	-	22,800	-	-
Share issue cost		-	(172,458)	-	-	-	-	-	-	-	(172,458)
Share-based payments	10,b)	-	-	-	-	-	18,214	-	-	-	18,214
Share proceeds receivable	10,a)(ii)	-	(100,000)	-	-	-	-	-	-	-	(100,000)
Net loss for the year		-	-	-	-	-	-	-	(2,469,845)	-	(2,469,845)
Other comprehensive income		-	-	-	-	-	-	-	-	880,672	880,672
Balance, December 31, 2015		101,076,340	\$ 6,072,862	8,900,000	\$ 178,000	\$ 790,563	\$ 476,714	\$ 227,250	\$(4,803,030)	\$ 1,111,890	\$ 4,054,249
Private placement	10,a)(vi)	9,836,667	1,475,500	-	-	-	-	-	-	-	1,475,500
Shares issued for debt settlements	10,a)(vii)	3,124,565	211,212	-	-	-	-	-	-	-	211,212
Shares issued for services rendered	10,a)(viii)	1,666,667	112,500	-	-	-	-	-	-	-	112,500
Shares issued for property acquisitions	10,a)(ix)	516,891	46,534	-	-	-	-	-	-	-	46,534
Shares issued - anti-dilution	10,a)(v)	8,900,000	178,000	(8,900,000)	(178,000)	-	-	-	-	-	-
Shares to be issued	10,d)	-	-	150,000	13,500	-	-	-	-	-	13,500
Expiry of warrants	10,a)(c)	-	-	-	-	(790,563)	-	-	790,563	-	-
Issuance of warrants	10,a)(c)	-	(583,000)	-	-	583,000	-	-	-	-	-
Share issue cost (recovery)		-	5,026	-	-	-	-	-	-	-	5,026
Amendment of convertible debentures	9	-	-	-	-	-	-	50,933	-	-	50,933
Share-based payments	10,b), 16	-	-	-	-	-	16,784	-	-	-	16,784
Net loss for the year		-	-	-	-	-	-	-	(1,209,257)	-	(1,209,257)
Other comprehensive income		-	-	-	-	-	-	-	-	(156,018)	(156,018)
Balance, December 31, 2016		125,121,130	\$ 7,518,634	150,000	\$ 13,500	\$ 583,000	\$ 493,498	\$ 278,183	\$(5,221,724)	\$ 955,872	\$ 4,620,963

The accompanying notes are an integral part of these consolidated financial statements.

ADVANTAGEWON OIL CORPORATION

Consolidated Statements of Cash Flows
(All amounts stated in Canadian Dollars)

For the years ended

	Notes	December 31, 2016	December 31, 2015
Cash Flows (Used In) Operating Activities			
Net loss for the year		\$ (1,209,257)	\$ (2,469,845)
Items not affecting cash:			
Share-based payments	10(b)	16,784	1,060,114
Depletion, depreciation and amortization		123,229	142,477
Accretion of decommissioning liability	11	5,393	7,381
Accretion of debt finance costs		42,000	120,682
Accretion on convertible debentures		93,180	170,111
Gain on settlement of accounts payable		(127,600)	-
Deferred income tax recovery	14(a)	-	(82,000)
Convertible debt conversion adjustment		50,933	-
Change in non-cash working capital items:			
(Increase) decrease in accounts receivable		(20,097)	96,411
(Increase) decrease in prepaid expenses		(58,371)	11,719
Increase in accounts payable and accrued liabilities		54,284	424,225
(Increase) in inventory		(37,789)	-
Net cash flows (used in) operating activities		<u>(1,067,311)</u>	<u>(518,725)</u>
Cash Flows (Used In) Investing Activities			
Exploration and evaluation and oil and gas expenditures		<u>(511,342)</u>	<u>(562,381)</u>
Net cash flows (used in) investing activities		<u>(511,342)</u>	<u>(562,381)</u>
Cash Flows From Financing Activities			
Private placements	10(a)	1,888,000	268,604
Share subscriptions received		345,000	-
Receipt of loans payable	8	25,000	425,000
Repayment of loans payable	8	(191,218)	(68,954)
Issuance of convertible debentures	9	-	560,250
Share and debt issuance cost recovery		5,026	5,542
Net cash flows from financing activities		<u>2,071,808</u>	<u>1,190,442</u>
Effect of exchange rate changes on cash		<u>(6,830)</u>	<u>(27,447)</u>
Change in cash		486,325	81,889
Cash, beginning of year		120,368	38,479
Cash, end of year		<u>\$ 606,693</u>	<u>\$ 120,368</u>
SUPPLEMENTARY INFORMATION			
Shares issued and to be issued for properties		60,034	-
Shares issued for debt financings		-	1,041,900
Change in accounts payable and accrued liabilities relating to properties		165,470	(136,390)
Change in accounts receivable relating to private placements		(412,500)	414,900
Shares issued in settlement of accounts payable and accrued liabilities		211,212	126,286

The accompanying notes are an integral part of these consolidated financial statements.

ADVANTAGEWON OIL CORPORATION

Notes to the Consolidated Financial Statements
December 31, 2016 and 2015
(All amounts stated in Canadian Dollars)

1. Nature and Continuance of Operations

Advantagewon Oil Corporation (the "Company") was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company is engaged in the acquisition, exploration, development and production of oil and gas reserves in North America. The address of its registered office is 47 Colborne Street, Suite 307, Toronto, ON M5E 1P8.

The consolidated financial statements of the Company for the years ended December 31, 2016 and 2015 were reviewed, approved and authorized for issue by the Board of Directors on April 19, 2017.

The business of exploring for oil and gas reserves involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The recoverability of the carrying value of the properties and the Company's continued existence is dependent upon the preservation of its properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing registration or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations, restriction and political uncertainty.

The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses and a working capital deficit, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Material uncertainties as mentioned above cause significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

2. Basis of Preparation

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standard ("IFRS") issued by the International Accounting Standard Board ("IASB") and interpretations from the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis except for the short term investment which is measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Significant Accounting Policies

Basis of consolidation

These consolidated financial statements include the accounts of the Company, together with its wholly owned subsidiaries, Advantagewon Oil US Corporation (USA), Ainslie Oil Corporation (Canada) and Plutus US Oil Corporation (USA). All intercompany accounts and transactions have been eliminated.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

ADVANTAGEWON OIL CORPORATION

Notes to the Consolidated Financial Statements
December 31, 2016 and 2015
(All amounts stated in Canadian Dollars)

3. Significant Accounting Policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each entity in the consolidated group are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The functional currency of the Company and Ainslie Oil Corporation is Canadian dollars ("CAD") and the functional currency of Advantagewon Oil, and Plutus US Oil Corporation, is US dollars. The presentation currency of the Company is CAD.

The financial statements of entities that have a functional currency different from that of the Company are translated into Canadian dollars as follows: assets and liabilities, at the closing rate at the date of the Company's consolidated statement of financial position, and income and expenses, at the average rate of the year (as this is considered a reasonable approximation of the actual rates prevailing at the transaction dates). All resulting changes are recognized in other comprehensive income (loss) as exchange differences on translating foreign operations.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of operations.

Inventories

The Company's oil production is stored in oil tanks until such time as it is delivered for sale. Any remaining oil production in tanks at the end of the reporting period is recognized as inventory in the consolidated financial statements and is valued at the lower of cost and net realizable value. The cost of inventory includes production costs, including direct overhead costs, and depletion. Net realizable value is determined with reference to the relevant average sales price realized for oil production during the immediately preceding period, less variable selling expenses. If the carrying value exceeds the net realizable amount, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist. As at December 31, 2016 and 2015, the Company did not have any inventory on hand.

Equipment

Equipment is stated at cost less accumulated amortization and any accumulated impairment losses. Where an item of equipment comprises major components having different useful lives, they are accounted for as separate items of equipment.

The gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the consolidated statement of operations.

Expenditures to replace a component of an item of property equipment that is accounted for separately are capitalized with the existing carrying amount of the component written off. Other subsequent expenditures are capitalized if future economic benefits will arise from the expenditure. All other expenditures, including repair and maintenance, are recognized in the consolidated statement of operations as incurred.

Amortization of equipment is computed using the unit of production method based on proven and probable reserves or until the related properties are sold, abandoned or considered to be impaired in value.

Exploration and evaluation property and oil and gas property

- *Exploration and evaluation properties*

The Company capitalizes all costs associated with undeveloped properties, except for costs incurred before the Company has obtained the legal right to explore an area, in which case, costs are expensed as incurred. Once a licence to explore an area has been secured, expenditures are capitalized and include costs for an area or project and may include lease acquisitions, geological and geophysical expenditures, equipment costs, that portion of general and administrative expenses directly attributable to these activities and costs associated with decommissioning liabilities. Once technical feasibility and commercial viability of a project is demonstrable, the costs are reclassified to oil and gas properties.

ADVANTAGEWON OIL CORPORATION

Notes to the Consolidated Financial Statements
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3. Significant Accounting Policies (continued)

Exploration and evaluation property and oil and gas property (continued)

- ***Oil and gas property and equipment***

The Company capitalizes all costs associated with its development and production expenditures, including accrued costs for decommissioning liabilities. Capitalized costs include the acquisition of leases and oil and gas rights, geological and geophysical expenditures, equipment costs and that portion of general and administrative expenses directly attributable to these activities. Expenditures that improve the productive capacity or extend the life of a property are capitalized. Maintenance and repairs are generally expensed as incurred.

Capitalized costs associated with properties with proved reserves are depleted on a unit of production basis based on proven and probable reserves or until the properties are abandoned, sold or considered to be impaired in value. Oil and gas properties are tested for impairment in accordance with the policy for impairment of non-financial assets as set out below.

Impairment of non-financial assets

Non-financial assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount of an asset is the greater of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units or CGUs). If the carrying value of a CGU is assessed not to be recoverable, an impairment loss is recognized.

An assessment is made, at each reporting date, as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount and, if appropriate, reverses all or part of the impairment. If the impairment is reversed, the carrying value of the asset is increased to the newly estimated recoverable amount.

The increased carrying amount may not exceed the carrying amount that would have resulted after taking into account the depletion if no impairment loss had been recognized in the prior years. The amount of any impairment reversal is recorded immediately in operations for the year.

General provisions

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of operations, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liability

A decommissioning liability is recognized when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the liability can be made. Decommissioning liabilities are related to obligations to plug a well, dismantle or remove property, plant and equipment, or complete site restoration work. The Company has estimated its decommissioning liability in consultation with third parties and such estimates are based on current costs and technology. When a decommissioning liability is recognized, a corresponding amount, equivalent to the amount of the obligation, is recognized as part of the cost of the related oil and gas properties.

Decommissioning liabilities are measured at the present value of the expected expenditures required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The effect of any changes to the decommissioning liability, including changes to the underlying estimates and changes in market interest rates used to discount the obligation, is added to or deducted from the cost of the related assets. Accretion, representing the increase in the decommissioning liability due to the passage of time, is recognized as a finance cost.

ADVANTAGEWON OIL CORPORATION

Notes to the Consolidated Financial Statements
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3. Significant Accounting Policies (continued)

Income taxes

Income taxes comprise current and deferred income taxes. Income taxes are recognized in the consolidated statements of operations, except to the extent that they relate to items recognized directly in other comprehensive income (loss) (OCI) or directly in shareholders' equity, in which case, the income taxes are also recognized directly in OCI or shareholders' equity, respectively. Current income taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred income taxes are recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income taxes are not recognized if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable income nor loss. Deferred income taxes are provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income taxes are determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position dates and are expected to apply when the deferred income tax asset is realized or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. Deferred income tax assets and liabilities are presented as non-current.

Revenue

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, the sales price and costs can be measured reliably, and it is probable that the economic benefits will flow to the Company. These criteria are generally met at the time the crude oil or natural gas is shipped, delivered to the customer, title and risk have passed to the customer and acceptance of the product, when contractually required, has been obtained.

Share-based payments

The Company grants stock options to certain employees, directors, consultants and contractors of the Company. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For those options and warrants that expire after vesting, the recorded value is transferred to deficit. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Share-based payment expense is recognized over the tranche's vesting period by increasing share-based payment reserve based on the number of awards expected to vest. This number is reviewed at least annually, with any change in estimate recognized immediately in share-based payment expense with a corresponding adjustment to share-based payment reserve.

Share capital

Incremental costs directly attributable to the issuance of share capital are recognized as a deduction from common shares.

Loss per share

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants and convertible debentures, in the weighted average number of common shares outstanding during the period, if dilutive. During the years ended December 31, 2016 and 2015 all outstanding options, warrants and convertible debentures were anti-dilutive and were therefore excluded from the diluted loss per share calculation.

ADVANTAGEWON OIL CORPORATION

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3. Significant Accounting Policies (continued)

Financial instruments

The Company's financial instruments consist of cash, accounts receivable, short term investment, accounts payable and accrued liabilities, convertible debentures and loans payable.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are no longer recognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are no longer recognized when the related obligation specified in the contract is discharged, cancelled or expired.

Classification of financial instruments in the Company's consolidated financial statements depends on the purpose for which the financial instruments were acquired or incurred. Management determines the classification of financial instruments at initial recognition.

Financial assets and financial liabilities at fair value through profit or loss

A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives, if any, are also included in the category, unless they are designated as hedges. Transaction costs related to these financial instruments are expensed in the consolidated statement of operations. The Company's short term investment is classified in this category and is classified as Level 1 in the below fair value hierarchy. At December 31, 2015, the Company had no financial instruments carried at fair value to classify in the fair value hierarchy.

Loans and receivables and other financial liabilities

Loans and receivables and other financial liabilities are non-derivative financial assets and financial liabilities with fixed or determinable payments that are not quoted in an active market. The Company's cash and accounts receivable are classified as loans and receivables and all of the Company's liabilities are classified as other financial liabilities. Loans and receivables and other financial liabilities are initially recognized at the amount expected to be received less, when material, a discount to reduce the amounts to fair value. Transaction costs related to these financial instruments are also included in the carrying value. Subsequently, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method.

Sensitivity analysis-fair value hierarchy

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially lower terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of operations.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that financial assets are impaired. Objective evidence may include significant financial difficulty of the obligor or delinquencies in interest and principal payments. If such evidence exists, the Company recognizes an impairment loss equal to the difference between the carrying value of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. An impairment loss on financial assets carried at amortized cost is reversed in subsequent periods if the amount of the loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognized.

ADVANTAGEWON OIL CORPORATION

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3. Significant Accounting Policies (continued)

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

New Accounting Policies

During the year ended December 31, 2016, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 7, IFRS 11 and IAS 1. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers (“IFRS 15”) proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease.

ADVANTAGEWON OIL CORPORATION

Notes to the Consolidated Financial Statements
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3. Significant Accounting Policies (continued)

Future Accounting Pronouncements (continued)

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 7 – Statement of Cash Flows (“IAS 7”) was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration (“IFRIC 22”) was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

4. Management’s Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the consolidated financial statements:

- *Assets’ carrying values and impairment charges*
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.
- *Capitalization of costs*
Management has determined that exploration and evaluation and development costs incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic information, history of conversion of deposits to proven and probable reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Notes 5 and 6 for details of capitalized costs.
- *Impairment of exploration and evaluation and oil and gas properties*
While assessing whether any indications of impairment exist for exploration and evaluation and oil and gas properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of the properties. Internal sources of information include the manner in which the properties are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company’s properties, costs to sell the properties and the appropriate discount rate. Reductions in price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, and reductions in the amount of proven and probable reserves and/or adverse current economics can result in a write-down of the carrying amounts of the Company’s properties.

ADVANTAGEWON OIL CORPORATION

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4. Management's Critical Accounting Estimates and Judgments (continued)

- *Share-based payments*
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.
- *Oil and natural gas reserves*
The Company's reserves of oil and natural gas are estimated based on information compiled by the Company's qualified persons, independent geologists and engineers. The process of estimating reserves requires significant judgment in evaluating and assessing available geological, geophysical, engineering and economic data, projected rates of production, estimated commodity price forecasts and the timing of future expenditures, all of which are, by their very nature, subject to interpretation and uncertainty. The evaluation of recoverable reserves is an ongoing process impacted by current production, continuing development activities and changing economic conditions. Changes in estimates of reserves may materially impact the carrying value of the Company's oil and gas properties, the recorded amount of depletion, the determination of the Company's obligations pursuant to decommissioning liabilities and the assessment of impairment provisions.
- *Depletion of oil and gas properties*
Oil and gas properties are depleted using the units of production method over proved and probable reserves. Changes in oil and gas reserve estimates will result in changes to the depletion charges over the remaining life of the operations. A decrease in the oil and gas reserves would increase depletion expense, and this could have a material impact on the operating results.
- *Decommissioning liabilities*
The Company is required to provide for decommissioning liabilities. The Company must estimate these costs in accordance with existing laws, contracts and other policies. The estimate of future costs involves a number of estimates relating to timing, type of costs and associated contract negotiations, and review of potential methods and technical advancements. Furthermore, due to uncertainties concerning environmental remediation, the ultimate cost of the Company's decommissioning liability could differ from amounts provided. The estimate of the Company's obligation is subject to change due to amendments to applicable laws and regulations and as new information concerning the Company's operations become available. The Company is not able to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future.
- *Income taxes and recoverability of potential deferred tax assets*
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.
- *Business combinations vs. asset acquisitions*
Determination of whether a set of assets acquired and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. In making this determination, the Company considers items including, but not limited to: whether there are inputs and processes attributable to the set of assets and liabilities, the extent of the infrastructure in place, the work required to bring the acquired assets to production and whether the project has resources or reserves. Such judgments are inherently uncertain and could have a significant effect on the method of accounting for the acquisition and the disclosures required.

ADVANTAGEWON OIL CORPORATION

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4. Management's Critical Accounting Estimates and Judgments (continued)

- *Production stage*
The Company makes estimates about which indicators to consider when determining whether a project has reached an operating level consistent with the use intended by management. The determination of commercial production may impact whether costs are capitalized as oil and gas properties or expensed as operating costs, and the timing and amount of depreciation and depletion.
- *Contingencies*
See Note 15

5. Exploration and Evaluation Property

La Vernia Property

The La Vernia Property is located in Texas and is in the exploration and evaluation stage. The Company holds a 100% working interest in this property and net revenue interests ranging from 75% to 83.33% depending on the lease. The leases have an initial term ending in June 2017 and in order to keep the leases, the Company must drill two wells before the initial term expires.

Rogers Property

In 2016, the Company acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Company will also issue between 266,000 and 487,000 common shares of the Company with the quantity being dependent on the amount of production from the wells and the costs incurred. During 2016, US\$90,300 (\$119,684) was paid to the vendors pursuant to the agreement. A 5% overriding royalty interest will be paid to the vendors after the Company recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Mills Property

In November 2016, the Company acquired a 100% working interest and a 75% net revenue interest in the Mills Lease located in Texas for 516,891 common shares at a deemed price of \$0.15 each. Subsequent to December 31, 2016, the vendors also received US\$2,400 plus a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Opal and Lerma Property

In November 2016, the Company acquired a 23.6% working interest in the Opal and Lerma Lease located in Texas for US\$10,000 cash consideration, 20,000 common shares, and a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well payable to the vendor.

The following table presents a continuity of the Company's exploration and evaluation properties for the years ended December 31, 2016 and 2015:

	La Vernia		Total	
Balance, December 31, 2014	\$	90,753	\$	90,753
Acquisitions		415		415
Exploration expenditures (recovery)		380,235		380,235
Foreign exchange		17,516		17,516
Balance, December 31, 2015	\$	488,919	\$	488,919

ADVANTAGEWON OIL CORPORATION

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5. Exploration and Evaluation Property (continued)

	La Vernia	Rogers Lease	Mills	Opal and Lerma	Total
Balance, December 31, 2015	\$ 488,919	\$ -	\$ -	\$ -	\$ 488,919
Acquisitions	-	119,684	21,703	20,912	162,299
Exploration expenditures (recovery)	(28,502)	162,365	45,487	-	179,350
Asset retirement obligation	-	72,486	67,824	134,965	275,275
Foreign exchange	(14,726)	3,799	1,276	274	(9,377)
Balance, December 31, 2016	\$ 445,691	\$ 358,334	\$ 136,290	\$ 156,151	\$ 1,096,466

6. Oil and Gas Property

The following table presents a continuity of the Saratoga Property for the years ended December 31, 2016 and 2015. The Saratoga Property is located in Texas and is currently producing. The Company holds a 100% working interest in this property and is entitled to between 77.5% and 80% of the revenues earned from the wells currently under production.

	Saratoga Property, Texas
Balance, December 31, 2014	\$ 5,170,823
Exploration and development expenditures	45,341
Depletion	(113,372)
Foreign exchange	999,490
Asset retirement obligation	97,413
Balance, December 31, 2015	\$ 6,199,695
Exploration and development expenditures	5,785
Depletion	(116,635)
Foreign exchange	(151,661)
Asset retirement obligation	77,950
Balance, December 31, 2016	\$ 6,015,134

ADVANTAGEWON OIL CORPORATION

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7. Equipment

The following table presents the cost and accumulated amortization of equipment for the years ended December 31, 2016 and 2015. All of the Company's equipment is located in the United States.

Cost	December 31, 2016		December 31, 2015	
Opening balance	\$	262,969	\$	221,220
Additions		-		-
Foreign exchange		(6,171)		41,749
Ending balance	\$	256,798	\$	262,969
Accumulated Amortization				
Opening balance	\$	32,880	\$	1,949
Amortization		5,563		30,931
Foreign exchange		1,091		-
Ending balance	\$	39,534	\$	32,880
Carrying amount	\$	217,264	\$	230,089

8. Long-Term Debt

Loans Payable: Loan #1

On June 10, 2014, a secured promissory note of \$600,000 was obtained from Fountain Asset Corp. ("Fountain") (formerly Global Capital Corporation). The promissory note bears interest at 24% per annum, paid monthly and was originally scheduled to mature on June 10, 2015. The loan amount was to be used exclusively for the purpose of financing an additional well on the Company's Saratoga oil field and the acquisition of land leases surrounding the field. The loan was secured with a general security agreement covering the assets of the Company.

The loan was to be repaid each month in an amount equal to 15% of the gross revenues received by the Company in the prior month with the balance due upon maturity. A structuring fee of \$24,000 was paid relating the promissory note. As further consideration for the borrowing, the Company issued to Fountain 1,993,001 shares of the Company valued at \$0.075 per share.

The loan agreement provided for a potential additional tranche of financing in the amount of \$400,000 to be issued at the discretion of Fountain. Upon drawing down on the additional amount, the Company will issue shares of the Company to the lender representing 3.2% of the number of issued and outstanding shares as at May 30, 2014.

Transaction costs of \$191,787 were incurred and offset against the carrying value of the loan. This amount will be accreted over the term of the loan using the effective interest rate method.

The Company and Fountain entered into anti-dilution agreement whereby Fountain is entitled to the issuance of shares in order to maintain their ownership interest in the Company. Fountain will be issued shares should the Company issue common shares or convertible securities at a price less than \$0.10 per share prior to becoming a publicly traded company.

On June 3, 2015, Fountain advanced a further \$240,000 in loans to the Company. The amount bears interest at 24% per annum is to be repaid each month in an amount equal to 15% of the gross revenues received by the Company. The Company was required to pay the accrued interest on the loan on November 30, 2015 and will commence paying interest monthly. Commencing December 1, 2015, the Company's monthly principal payment shall be calculated as the greater of i) \$15,000 and ii) 15% of the gross revenues received in the prior month.

Fountain has the option to convert all of a portion of the loan into common shares of the Company at a conversion price equal to the price per share ascribed to the shares of the Company pursuant to the going public transaction.

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8. Long-Term Debt (continued)

As consideration for entering into this agreement, the Company issued to Fountain 4,667,477 shares of the Company. The Company is required to produce a minimum of 1,000 barrels of oil per month. The Company is required to maintain a monthly current ratio of (0.5:1.0) commencing on June 30, 2016.

During 2016, the Company issued a total of 8,900,000 shares to Fountain pursuant to the anti-dilution clause of their agreement with the Company.

On June 30, 2016, the loan agreement was amended to extend the maturity date to April 28, 2018.

As at December 31, 2016, the outstanding balance on this loan is \$552,012 and the carrying value of the loan has been reduced by deferred financing costs of \$33,405.

Loans Payable: Loan #2

On August 11, 2015, the Company entered into an agreement to receive a loan of \$185,000 with bearing interest of 24% and maturing at August 31, 2016. The Company was required to pay the borrower 2% of all gross oil revenue during the time that the loan is outstanding. The loan was secured by the assets of the Company.

On November 23, 2016, the borrower sold, assigned and transferred \$90,000 of the principal loan to a related party. As at December 31, 2016, the total outstanding loan balance and accrued interest is \$99,901. The entire amount of the loan is reported as a short-term liability.

Subsequent to December 31, 2016, a total of \$99,901 of the outstanding loan balance and accrued interest was paid to the lender in full settlement of the loan.

Loans Payable: Loan #3

On November 23, 2016, the Company assigned, by way of a third party agreement a \$90,000 loan bearing annual interest of 24% and maturing on January 31, 2018. (See Loan #2 above.)

Loans Payable: Loan #4

As at December 31, 2016, the Company received a loan from a corporation controlled by officers of the Company for \$20,000. The amount is unsecured, non-interest bearing with no fixed terms of repayment. The loan was repaid in full subsequent to December 31, 2016.

Long-Term Accounts Payable and Accrued Liabilities

In 2016, the Company amended the terms of an amount payable to a vendor totalling US\$149,976 (\$201,372). Under the revised payment terms, the payable incurs interest of 6% per annum commencing on August 1, 2016. The Company paid 10% of the principal amount which was due on August 31, 2016 and made monthly repayments in the amount of US\$4,349 (\$7,522). In October 2016, the Company sold the amount payable's full balance including accrued interest of US\$132,018 (\$177,261) to a third party in exchange for 1,244,444 common shares. (See Note 10).

In 2016, the Company amended the terms of an amount payable to a vendor totalling US\$70,255 (\$94,331). Under the revised payment terms, the payable incurs interest of 6% per annum commencing on August 1, 2016. The Company paid 10% of the principal amount which was due on August 31, 2016. In October 2016, the Company repaid the full balance including accrued interest of US\$70,084 (\$93,445) through the issuance of 622,969 common shares. (See Note 10).

In July 2016, the Company agreed to a payment plan with a vendor to provide monthly instalments of \$8,000 towards an amount owing of approximately \$156,000. Should the Company raise additional equity financing prior to the payment in full of the outstanding amount, it is agreed that the parties will revisit this payment plan. Included in long term accounts payable and accrued liabilities is \$3,758 relating to this vendor.

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8. Long-Term Debt (continued)

Long-Term Accounts Payable and Accrued Liabilities (continued)

Holders of \$424,423 in accounts payable and accrued liabilities have agreed to convert their debt to equity at \$0.15 a unit upon the closing of the Qualifying Transaction. Each unit will be comprised of one common share and one half share purchase warrant with each whole warrant being exercisable at \$0.25 for three years. The amounts owing are non-interest bearing and are payable to directors of the Company and corporations controlled by directors of the Company. Included in long term accounts payable and accrued liabilities is \$151,515 relating to this debt.

9. Convertible Debentures

On March 23, 2015, the Company closed a \$250,000 financing of convertible debentures maturing on March 23, 2016. The debentures bear interest at 20% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

On March 16, 2015, the Company closed a \$100,000 financing of convertible debentures maturing on March 16, 2017. The debentures bear interest at 20% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share. The convertible debentures are secured with a general security agreement covering the assets of the Company.

During the year ended December 31, 2015, the Company closed a \$10,000 financing of convertible debentures maturing within two years from the closing date. The debentures bear interest at 12% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

During 2015, the Company closed a \$130,000 financing of convertible debentures maturing within one year from the closing date. The debentures bear interest at 12% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

During 2015, the Company closed a \$70,250 financing of convertible debentures maturing within two years from the closing date. The debentures bear interest at 24% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

The debentures were recorded in the consolidated statement of financial position at the net present value of future payments. After discounting the liability to its estimated fair value using the calculated discount rate, the liability and equity portions of the 2015 convertible debentures were \$251,000 and \$309,250 respectively. There were no transaction costs to offset against the carrying value of the convertible debentures. A deferred tax recovery on the issuance of the debentures of \$82,000 was recorded for the year ended December 31, 2015 relating to the equity conversion option.

During 2016, the agreements for certain convertible debentures with a combined face value totalling \$385,000 were amended such that these debentures will be converted into units of the Company at \$0.15 a unit upon the completion of becoming a public company. Each unit will be comprised of one common share and one half share purchase warrant with each whole warrant being exercisable at \$0.25 for three years. In addition, the debenture holders will receive six months of interest upon completion of the conversion. The amendments will result in additional shares and warrants being issued upon conversion. The fair value of the incremental shares to be issued was estimated based on the value of shares issued in the closest private placement to the date of the amendment. The fair value of the warrants to be issued was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 224%; risk-free interest rate of 0.39% and an estimated life of three years. The incremental value of the amendment was estimated to be \$50,933 and this amount was recorded as an expense in the statement of operations for 2016 and as an increase to the equity conversion option in the statement of financial position as at December 31, 2016.

During 2016, convertible debentures in the amount of \$5,000 were redeemed by the Company. Subsequent to December 31, 2016, \$100,000 of convertible debentures were redeemed by the Company.

ADVANTAGEWON OIL CORPORATION

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10. Equity

a) Common shares

The Company is authorized to issue an unlimited number of common shares without par value.

	<u>Number</u>	<u>Amount (\$)</u>
Balance, December 31, 2014	50,719,378	\$4,379,630
Issuance on conversion of convertible debentures (i)	200,000	14,000
Private placement (ii)	45,489,485	909,790
Shares issued for financing (iii)	4,667,477	1,041,900
Share issue cost	-	(172,458)
Share proceeds receivable	-	(100,000)
Balance, December 31, 2015	<u>101,076,340</u>	<u>\$6,072,862</u>
Shares issued for anti-dilution (v)	8,900,000	178,000
Private placement (vi)	9,836,667	1,475,500
Shares issued for debt settlement (iv, vii)	3,124,565	211,212
Shares issued for services rendered (viii)	1,666,667	112,500
Shares issued for properties (ix)	516,891	46,534
Allocated to warrants	-	(583,000)
Share issue cost recovery	-	5,026
Balance, December 31, 2016	<u>125,121,130</u>	<u>\$7,518,634</u>

- i) On November 20, 2015, convertible debentures with a value of \$20,000 were converted into 200,000 units of the Company. Each unit consists of one common share and one half share purchase warrant which each whole warrant exercisable at \$0.20 per share for two years. The fair value of the warrants of \$6,000 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 224%; risk-free interest rate of 0.61% and an estimated life of two years.
- ii) During 2015, the Company issued 45,489,485 common shares at a price of \$0.02 per share for gross proceeds of \$909,790. Of the total proceeds, a promissory note has been signed for \$100,000 bearing interest at 3% per annum with a maturity date of November 1, 2020. The promissory note is secured by the shareholder's interest in the Company. The promissory note has been offset against the common shares. Directors and officers of the Company and corporations controlled by these individuals subscribed for 6,734,335 shares for proceeds of \$134,686.
- iii) During 2015, the Company issued a total of 4,667,477 shares to Fountain pursuant to their agreement with the Company discussed in Note 8. The fair value of 3,867,000 of the shares issued was estimated at \$1,006,000 based on the value of shares issued in the closest private placement to the date the shares were issued. The fair value of 800,000 of the shares was estimated at \$35,900 being the estimated fair value of the option granted to the lender to provide additional financing in exchange for shares of the Company.
- iv) On January 4, 2016, 1,000,000 shares were issued to an officer of the Company as partial payment for amounts owing for services rendered. The value of the shares was estimated at \$20,000 based on the value of shares issued in the most recently completed private placement.
- v) On January 22, 2016, 8,900,000 shares were issued to Fountain pursuant to the anti-dilution clause in their agreement discussed in Note 8.
- vi) During 2016, the Company issued a total of 9,836,667 units at a price of \$0.15 each for total gross proceeds of \$1,475,500. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant allows the holder to purchase one common share of the Company at \$0.25 for 36 months.

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10. Equity (continued)

- vii) During 2016, 1,244,444 shares were issued for trade payable debt and a total of 1,880,119 shares were issued to officers of the Company as payment for amounts owing for services rendered. The fair value of the shares issued was estimated at \$211,212 based on the value of shares issued in the closest private placement to the date the shares were issued for the debt financings. \$127,600 was recognized as gain on settlement of debt.
- viii) In October 2016, the Company engaged Gunpowder Capital Corp. ("Gunpowder") to assist the Company with a going public transaction. Pursuant to the agreement, Gunpowder subscribed for 1,666,667 common shares of the Company by issuing to the Company 2,500,000 shares of Gunpowder. See Note 15(f).
- ix) 516,891 shares were issued to an officer of the Company as partial payment for the acquisition of Mills Lease property. The value of the shares was estimated at \$46,534 based on the value of shares issued in the most recently completed private placement.

b) Stock Options

During 2014, a stock option plan was implemented (the "Plan"), pursuant to which, the Corporation may issue options up to 10% of the outstanding common shares of the Corporation to employees, directors and officers.

During 2014, 5,250,000 stock options were granted. Of these options, 4,750,000 vested immediately, 250,000 vest upon producing oil from certain areas of the LaVernia property and 250,000 vest upon achieving operating cash flow from the LaVernia property equalling the Company's investment in that property.

There were no stock options granted during the year ended December 31, 2015 or 2016.

The table below summarizes information about the stock options outstanding as at December 31, 2016:

Grant date	Expiry date	# Outstanding	# Exercisable	Exercise price (\$)	Estimated fair value expense (\$)
April 20, 2014	April 30, 2019	2,000,000	2,000,000	0.10	127,900
July 9, 2014	July 9, 2019	550,000	550,000	0.25	36,000
September 1, 2014	September 1, 2017	700,000	700,000	0.25	42,000
December 1, 2014	December 1, 2019	2,000,000	1,500,000	0.25	287,598
		<u>5,250,000</u>	<u>4,750,000</u>	0.19	<u>493,498</u>

The stock options outstanding at December 31, 2016 and 2015 had a weighted average exercise price of \$0.19 and a weighted average remaining contractual life of 2.3 years (2015 – 3.3 years). The weighted average grant date fair value of stock options granted in 2016 and 2015 were \$nil.

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10. Equity (continued)

c) Warrants

A continuity of warrant transactions during 2016 and 2015 is as follows:

	Number of warrants outstanding	Value of warrants (\$)	Weighted average exercise price (\$)
Balance, December 31, 2014	8,707,331	807,363	0.34
Expired	(450,000)	(22,800)	(0.20)
Issuance on conversion of convertible debt	100,000	6,000	0.20
Balance, December 31, 2015	8,357,331	790,563	0.35
Expired	(8,357,331)	(790,563)	(0.35)
Issued during the period	9,836,667	583,000	0.25
Balance, December 31, 2016	9,836,667	583,000	0.25

During 2016, 9,836,667 warrants which have an exercise price of \$0.25 were issued and were assigned an estimated fair value of \$432,000 using the Black Scholes pricing model with the following assumptions: expected volatility of 181%; a risk-free interest rate of 0.98%; expected dividend yield of Nil%; and 36 months expected term.

The Company issued all warrants an exercise price equal to or greater than the market value of the underlying common shares on the date of issue.

The table below summarizes information about the warrants outstanding as at December 31, 2016:

Expiry date	# Outstanding	Exercise price (\$)	Estimated fair value (\$)
July 21, 2019	2,000,000	0.25	118,286
August 8, 2019	1,160,000	0.25	68,788
September 2, 2019	666,667	0.25	39,533
October 10, 2019	3,786,667	0.25	224,549
November 21, 2019	833,333	0.25	49,417
December 16, 2019	1,390,000	0.25	82,427
	<u>9,836,667</u>		<u>583,000</u>

d) Shares to be Issued

As at December 31, 2015, there were 8,900,000 shares to be issued to Fountain pursuant to the anti-dilution clause in their agreement discussed in Note 8. These shares were issued on January 22, 2016.

As at December 31, 2016, the Company received \$345,000 for units which were issued in 2017. The amount received is presented as share subscription payable on the statement of financial position. Subsequent to December 31, 2016, the Company issued 2,300,000 units at a price of \$0.15 each. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant allows the holder to purchase one common share of the Company at \$0.25 for 36 months.

During year ended December 31, 2016, the Company agreed to issue a supplier 150,000 common shares at a price of \$0.15 each for services rendered.

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11. Decommissioning Liabilities

The carrying amount of the Company's decommissioning liabilities comprise the expected future abandonment and site restoration costs associated with the oil and gas properties that the Company operates. Abandonment and site restoration costs are based on the Company's net ownership in the underlying wells and facilities, the estimated cost to abandon these wells and facilities and the estimated timing of the costs to be incurred in future periods.

The liability is based upon estimates and assumptions, as follows:

- Total undiscounted future remediation costs are estimated to be US\$690,253 (\$926,802). The present value has been calculated assuming a 2.1% annual rate of inflation, with settlement of the liability occurring in approximately ten years.
- Discount rate of 2.45%.

The following reconciles the Company's decommissioning liabilities on a discounted basis:

	For the years ended December 31,	
	2016	2015
Balance, beginning of year	\$ 594,750	\$ 410,183
Increase in (settlement of) decommissioning liability	275,999	97,413
Accretion	5,393	7,381
Foreign exchange	(17,677)	79,773
Balance, end of year	\$ 858,465	\$ 594,750

12. General and Administrative Expenses

	For the years ended December 31,	
	2016	2015
Management fees	\$ 74,015	\$ 94,920
Consulting fees	49,103	408,635
Professional fees	342,643	149,796
Listing and filing fees	9,092	-
Advertising and promotion	259,111	39,589
Share-based compensation	16,784	1,060,114
General office and other	17,577	20,341
Total general and administrative expenses	\$ 768,325	\$ 1,773,395

13. Short-Term Investments

At December 31, 2016, the Company has a short-term investment of 2,500,000 common shares of Gunpowder common stock acquired in October 2016 through the issuance of 1,666,667 shares of the Company (Note 15(f)). The investment is carried at a fair value of \$112,500 (2015 - \$nil) based on the quoted market price of the Gunpowder shares as at December 31, 2016.

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14. Income Taxes

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2015 - 26.5%) were as follows:

	For the years ended December 31,	
	2016	2015
Loss before income taxes	\$ (1,209,257)	\$ (2,551,845)
Expected income tax recovery based on statutory rate	(320,000)	(676,000)
Adjustment to expected income tax benefit:		
Non-deductible expenses	58,000	395,000
Difference in foreign tax rates	-	(20,000)
Change in foreign exchange rates	71,000	(508,000)
Deferred tax benefits not recognized	191,000	727,000
Deferred income tax (recovery)	-	(82,000)
Deferred tax recognized in equity	-	82,000
Total taxation	\$ -	\$ -

b) Deferred Tax Balances

The tax effect of temporary differences that give rise to deferred income tax assets and liabilities as at December 31, 2016 and 2015 are as follows:

	2016	2015
Recognized deferred tax assets and liabilities:		
Exploration and evaluation property and oil and gas property	\$ (1,626,000)	\$ (1,626,000)
Non-capital loss carry-forwards	1,626,000	1,626,000
Expected income tax recovery based on statutory rate	\$ -	\$ -

c) Unrecognized Deferred Tax Assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2016	2015
Non-capital losses	\$ 6,423,000	\$ 4,306,000
Share and debt costs of issuance	900,000	1,229,000
Decommissioning liability	858,000	532,000
Total	\$ 8,181,000	\$ 6,067,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

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14. Income Taxes (continued)

d) Tax Loss Carry-Forwards

As at December 31, 2016, the Company has approximately \$3,370,000 of non-capital losses in Canada which under certain circumstances can be used to reduce the taxable income of future years. Of this amount, \$29,000 expire in 2033, \$808,000 expire in 2034, \$1,290,000 expire in 2035 and \$1,243,000 expire in 2036.

As at December 31, 2015, the Company has approximately \$7,699,000 (US\$5,733,000) of non-capital losses in the United States which under certain circumstances can be used to reduce the taxable income of future years. Of this amount, \$1,232,000 expire in 2033, \$3,801,000 expire in 2034, \$1,589,000 expire in 2035 and \$1,077,000 expire in 2036.

15. Commitments and Contingencies

- a) In 2016, the Company entered into an occupancy lease agreement. Under the terms of the occupancy lease agreement expiring January 31, 2022. The Company is required to make minimum monthly payments of \$1,881 for office space and \$2,472 for utilities and realty taxes.
- b) The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- c) The Company is party to certain management contracts. These contracts require that an additional payment of up to \$442,000 be made upon the occurrence of certain events such as termination or change of control. As a triggering event has not taken place, the contingent payment has not been reflected in these consolidated financial statements. Furthermore, certain contracts are contingent on oil production and could pay up to USD\$25,000 per month on top of a drilling bonus of USD\$5,000 for each well drilled that produces on average 10 barrels per day for the first 30 days.
- d) In July 2016, the Company agreed to a payment plan with a vendor to provide monthly instalments of \$8,000 towards the amount owing of approximately \$156,000 until the amount is repaid. Should the Company raise additional equity financing prior to the payment in full of the outstanding amount, it is agreed that the parties will revisit this payment plan.
- e) In 2016, the Company acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Company also will issue between 266,000 and 487,000 shares of the Company with the quantity being dependent on the amount of production from the wells and the costs incurred.

A 5% overriding royalty interest will be paid to the vendors after the Company recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

- f) In October 2016, the Company engaged Gunpowder to assist the Company with a going public transaction. Pursuant to the agreement, Gunpowder subscribed for 1,666,667 common shares of the Company by issuing the Company 2,500,000 shares of Gunpowder. Gunpowder issued 2,500,000 shares to the Company in October 2016 (See Note 13).

The Company paid Gunpowder a cash fee of \$30,000 and will issue to Gunpowder \$250,000 of common shares of the Company upon the successful completion of a going public transaction. If the Company chooses not to complete a going public transaction, the 2,500,000 Gunpowder shares will be returned to Gunpowder. A director of the Company is an officer of Gunpowder and another director of the Company is an officer and director of Gunpowder.

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16. Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any corporations owned or controlled by them.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the periods presented were as follows:

	For the years ended December 31,	
	2016	2015
Short-term benefits	\$ 250,521	\$ 670,517
Share-based payments	16,784	18,214
Total Remuneration	\$ 267,305	\$ 688,731

As at December 31, 2016, there was \$461,829 (December 31, 2015 - \$570,779) in accounts payable and accrued liabilities owing to corporations controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

As at December 31, 2016, there was \$4,256 (December 31, 2015 - \$44,157) in accounts receivable from a corporation controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the year ended December 31, 2016, the corporations controlled by officers and directors of the Company were paid \$64,304 (2015 - \$99,181) relating to costs that were capitalized to the Company's exploration and evaluation and oil and gas properties.

During 2016, the Company issued 880,121 shares to related parties as partial payments for amounts owing for services rendered. The value of the shares was estimated at \$79,210 based on the value of shares issued in the most recently completed private placement.

See Note 15(f).

17. Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance. There have been no significant changes in the risks, objectives, policies and procedures during the years ended December 31, 2016 and 2015.

a) Foreign exchange risk

Foreign exchange risk arises when assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company does not hedge foreign currency exposures. All of the operating assets are located in United States and the majority of liabilities that are related to the properties are also in the United States. Therefore this limits any significant foreign currency risk as the local currency to pay these liabilities is dominated in USD.

b) Credit risk

Credit risk arises from deposits with banks, as well as credit exposures to customers, including outstanding receivables. At December 31, 2016, all of the Company's trade receivables of approximately \$37,500 (December 31, 2015 - \$17,000) are due from two customers to which the Company sells all of its oil. All oil sales occur in the United States. The Company monitors the credit risk of its customers on a regular basis. Management believes the risk of loss associated with these assets is remote.

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17. Risk Management (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's accounts payable and accrued liabilities are generally due within 30 days and are subject to normal trade terms. The Company's loan payable matures in 2017 (see Note 8). The Company's convertible debentures mature in 2017.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had a cash balance of \$606,693 (December 31, 2015 - \$120,368) to settle current liabilities of \$2,124,956 (December 31, 2015 - \$2,787,933).

d) Interest rate risk

The Company has cash balances and fixed interest rate bearing debt. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company does not have an exposure to a change in interest rates as all debts are at fixed rates.

e) Sensitivity analysis

The Company does not believe it has a significant sensitivity to fluctuations in currency exchange rates or interest rates.

Capital management

The capital structure of the Company as at December 31, 2016 and 2015 consists of equity attributable to common shareholders comprised of common shares, equity reserves, deficit, convertible debentures and loans payable.

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of oil and gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological and economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no significant changes in the Company's approach to capital management during the years ended December 31, 2016 and 2015. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

18. Segmented Reporting

The Company currently has one operating segment, being the acquisition, exploration, development and operation of oil and gas properties in the United States.

19. Subsequent Events

- a) On January 23, 2017, the Company entered in agreement with G6 Enterprises Corporation incorporated in the State of Texas and owner of a 100% working interest (75% Net Revenue Interest) in the Black and Morris Leases to purchase the Lease Interests with the payment of US\$20,000 in cash and the issuance of 40,000 common shares of the Company. The purchase also includes all equipment on the property and any oil for available for sale in the tanks related to the Black and Morris Lease.
- b) On January 19, 2017, the Company entered into a consulting agreement with 3 Stones Exploration Inc. to assist the Company in managing its operations in Texas. The consultant will earn between US\$3,000 and US\$8,000 per month dependent on production and sales volumes. The consultant will also be granted 100,000 stock options exercisable at \$0.15 per share for 5 years.

ADVANTAGEWON OIL CORPORATION

Notes to the Consolidated Financial Statements
December 31, 2016 and 2015
(All amounts stated in Canadian Dollars)

19. Subsequent Events (continued)

- c) On January 23, 2017, the Company purchased the Junsen Transue Lease (100% working interest and a 75% net revenue interest) from Own The Well Inc. for US\$18,000 cash consideration.
- d) On January 10, 2017, the Company completed the purchase of the Mills Lease for US\$2,400 in cash consideration and issuance 516,891 of common shares of the Company. On February 1, 2017, a one and a half percent (1.5%) overriding royalty interest in the Lease was transferred to the Company.
- e) On February 16, 2017, the Company settled a claim against the Company by a former employee of the Company. Under the terms of the settlement the Company paid US\$39,000 to the employee and allowed him to retain 1,250,000 stock options previously granted.
- f) On February 27, 2017, the Company purchased various leases from LT Oil, LLC for US\$150,000 of cash consideration and the issuance 300,000 common shares of the Company. Of the cash portion of the purchase price paid, US\$100,000 has been paid and the remainder is payable after 60 calendar days from the closing date. In addition, the Company purchased the R.J. Huebinger lease for US\$18,000 in cash.
- g) During 2017, the Company entered into a purchase agreement to acquire 100% of the issued and outstanding shares of Albaro Oil Corp., which holds a 56.25% working interest in the Opal and Lerma Lease, for consideration of the issuance of 20,300,000 common shares and 14,550,000 common share purchase warrants. Each warrant is exercisable into one common share at \$0.25 for 24 months. Subsequent to December 31, 2016, the Company issued a total of 20,300,000 shares and 14,550,000 warrants to the shareholders of Albaro Oil Corp. pursuant to agreement with the Company.
- h) During 2017, the Company raised \$1,740,209 via the issuance of units for cash consideration. The Company issued 11,601,394 units at a price of \$0.15 each. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant allows the holder to purchase one common share of the Company at \$0.25 for 36 months.
- i) On January 24, 2017, the Company and the Board of Directors ("BOD") resolved to grant 2,625,000 incentive stock options to certain key employees, consultants, and directors under the Corporation's Stock Option Plan. The options have a 5 year term, vest immediately and are exercisable at \$0.15 per share.

Appendix “E”

**ADVANTAGEWON OIL CORP. UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016**

Condensed Interim Consolidated Financial Statements
(Unaudited - Expressed in Canadian dollars)

ADVANTAGEWON OIL CORPORATION

Three months ended March 31, 2017 and 2016

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - All amounts stated in Canadian Dollars)

As at

	Notes	March 31, 2017	December 31, 2016
ASSETS			
Current assets			
Cash		\$ 729,458	\$ 606,693
Accounts and other receivable	15	47,456	41,716
Prepaid expenses		105,487	110,319
Inventory		48,504	37,789
Short-term investment	13	112,500	112,500
Total current assets		<u>1,043,405</u>	<u>909,017</u>
Non-current assets			
Exploration and evaluation properties	5	4,710,763	1,096,466
Oil and gas property	6	5,873,392	6,015,134
Equipment	7	180,457	217,264
Total non-current assets		<u>10,764,612</u>	<u>7,328,864</u>
Total assets		<u>\$ 11,808,017</u>	<u>\$ 8,237,881</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	15	\$ 679,887	\$ 1,003,551
Share subscription payable	10(d)	-	345,000
Convertible debentures	9	403,698	503,698
Current portion of loans payable and long-term debt	8	170,008	272,707
Total current liabilities		<u>1,253,593</u>	<u>2,124,956</u>
Non-current liabilities			
Loans payable and long-term debt	8	554,738	633,497
Decommissioning liabilities	11	1,575,642	858,465
Total non-current liabilities		<u>2,130,380</u>	<u>1,491,962</u>
Total liabilities		<u>3,383,973</u>	<u>3,616,918</u>
Shareholders' equity			
Common shares	10(a)	10,403,144	7,518,634
Shares to be issued	10(d)	13,500	13,500
Warrant reserve	10(c)	1,974,000	583,000
Share-based payments reserve	10(b)	695,010	493,498
Convertible debentures conversion option		278,183	278,183
Deficit		(5,836,245)	(5,221,724)
Accumulated other comprehensive income		896,452	955,872
Total shareholders' equity		<u>8,424,044</u>	<u>4,620,963</u>
Total liabilities and shareholders' equity		<u>\$ 11,808,017</u>	<u>\$ 8,237,881</u>

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Notes 5 and 14)
Subsequent event (Note 18)

Approved on behalf of the Board:

Signed "Frank Kordy" Director

Signed "Jason Ewart", Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - All amounts stated in Canadian Dollars)

For the three months ended March 31,

	Notes	2017	2016
Revenues			
Oil and gas revenue		\$ 133,872	\$ 95,028
Royalties		(30,218)	(21,697)
		<u>103,654</u>	<u>73,331</u>
Operating costs and expenses			
Production expenses		114,031	59,233
Exploration expense		28,997	-
Depletion, depreciation and amortization		61,052	38,839
Accretion expense	11	6,582	2,026
General and administrative expenses	12	435,846	90,446
Total operating costs and expenses		<u>646,508</u>	<u>190,544</u>
Loss before other expenses		<u>(542,854)</u>	<u>(117,213)</u>
Other expenses			
Loss on amendment to convertible debentures	9	-	(50,933)
Financing cost		(71,667)	(156,852)
Net loss for the period		<u>(614,521)</u>	<u>(324,998)</u>
Other comprehensive income			
Exchange differences on translating foreign operations		(59,420)	(351,922)
Comprehensive loss		<u>\$ (673,941)</u>	<u>\$ (676,920)</u>
Net loss per share:			
Basic and diluted		\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding - basic and diluted		143,321,010	102,076,340

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - All amounts stated in Canadian Dollars)

Notes	Number of common shares	Common shares	Number of shares to be Issued	Shares to be Issued	Warrant reserve	Share-based payment reserve	Convertible debentures conversion option	Deficit	Accumulated other comprehensive income	Total	
Balance, December 31, 2015		\$ 101,076,340	\$ 6,072,862	8,900,000	\$ 178,000	\$ 790,563	\$ 476,714	\$ 227,250	\$(4,803,030)	\$ 1,111,890	\$ 4,054,249
Shares issued and to be issued for payables		1,000,000	20,000	-	-	-	-	-	-	-	20,000
Shares to be issued		-	-	150,000	13,500	-	-	-	-	-	13,500
Shares to be issued – anti-dilution		-	178,000	(8,900,000)	(178,000)	-	-	-	-	-	-
Expiry of warrants		-	-	-	-	(5,738)	-	5,738	-	-	-
Share issue cost (recovery)		-	6,241	-	-	-	-	-	-	-	6,241
Amendment of convertible debentures		-	-	-	-	-	50,933	-	-	-	50,933
Share-based payments		-	-	-	-	4,196	-	-	-	-	4,196
Net loss for the period		-	-	-	-	-	-	(324,998)	-	-	(324,998)
Other comprehensive income		-	-	-	-	-	-	-	(351,922)	(351,922)	(351,922)
Balance, March 31, 2016		\$ 102,076,340	\$ 6,277,103	150,000	\$ 13,500	\$ 784,825	\$ 480,910	\$ 278,183	\$(5,122,290)	\$ 759,968	\$ 3,472,199
Balance, December 31, 2016		\$ 125,121,130	\$ 7,518,634	150,000	\$ 13,500	\$ 583,000	\$ 493,498	\$ 278,183	\$(5,221,724)	\$ 955,872	\$ 4,620,963
Private placement	10,a)(i)	11,601,396	1,736,610	-	-	-	-	-	-	-	1,736,610
Shares issued for property acquisitions	10,a)(ii)(iv)	20,340,000	1,830,600	-	-	-	-	-	-	-	1,830,600
Issuance of warrants	10,c)	-	(682,000)	-	-	682,000	-	-	-	-	-
Issuance of warrants	10,c)	-	-	-	-	709,000	-	-	-	-	709,000
Share issue cost		-	(700)	-	-	-	-	-	-	-	(700)
Share-based payments	10,b)	-	-	-	-	-	201,512	-	-	-	201,512
Net loss for the period		-	-	-	-	-	-	(614,521)	-	-	(614,521)
Other comprehensive income		-	-	-	-	-	-	-	(59,420)	(59,420)	(59,420)
Balance, March 31, 2017		\$ 157,062,526	\$ 10,403,144	150,000	\$ 13,500	\$ 1,974,000	\$ 695,010	\$ 278,183	\$(5,836,245)	\$ 896,452	\$ 8,424,044

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - All amounts stated in Canadian Dollars)

For the periods ended March 31,

	Notes	2017	2016
Cash Flows (Used In) Operating Activities			
Net loss for the period		\$ (614,521)	\$ (324,998)
Items not affecting cash:			
Share-based payments	10(b)	201,512	4,196
Depletion, depreciation and amortization		72,248	26,300
Accretion of decommissioning liability	11	6,582	2,026
Accretion of debt finance costs		7,708	8,596
Accretion on convertible debentures		-	72,500
Convertible debt conversion adjustment		-	50,933
Change in non-cash working capital items:			
(Increase) decrease in accounts and other receivable		(5,740)	(10,726)
(Increase) decrease in inventory		(10,715)	-
Decrease (increase) in prepaid expenses		4,832	(15,939)
(Decrease) increase in accounts payable and accrued liabilities		(209,706)	137,651
Net cash flows (used in) operating activities		<u>(547,800)</u>	<u>(49,461)</u>
Cash Flows (Used In) Investing Activities			
Exploration and evaluation and oil and gas expenditures		<u>(479,778)</u>	<u>(253,603)</u>
Net cash flows (used in) investing activities		<u>(479,778)</u>	<u>(253,603)</u>
Cash Flows From Financing Activities			
Private placements	10(a)	1,391,610	412,500
Receipt of loans payable	8	-	25,000
Repayment of loans payable	8	(145,000)	-
Repayment of convertible debentures	9	(100,000)	(88,804)
Share and debt issuance cost		(700)	6,241
Net cash flows from financing activities		<u>1,145,910</u>	<u>354,937</u>
Effect of exchange rate changes on cash		<u>4,433</u>	<u>12,121</u>
Change in cash		122,765	63,994
Cash, beginning of period		<u>606,693</u>	<u>120,368</u>
Cash, end of period		<u>\$ 729,458</u>	<u>\$ 184,362</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited - All amounts stated in Canadian Dollars)

1. Nature and Continuance of Operations

Advantagewon Oil Corporation (the "Company") was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company is engaged in the acquisition, exploration, development and production of oil and gas reserves in North America. The address of its registered office is 47 Colborne Street, Suite 307, Toronto, ON M5E 1P8.

The condensed interim consolidated financial statements of the Company for the three months ended March 31 2017 and 2016 were reviewed, approved and authorized for issue by the Board of Directors on May 24, 2017.

The business of exploring for oil and gas reserves involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. The recoverability of the carrying value of the properties and the Company's continued existence is dependent upon the preservation of its properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing registration or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations, restriction and political uncertainty.

The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses and a working capital deficit, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Material uncertainties as mentioned above cause significant doubt upon the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements. Such adjustments could be material.

2. Basis of Preparation and Significant Accounting Policies

The condensed interim consolidated financial statements of the Company have been prepared in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for the short term investment which is measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Significant Accounting Policies

These condensed interim consolidated financial statements have been prepared in accordance with the significant accounting policies described in Note 3 of the Company's consolidated financial statements as at and for the year ended December 31, 2016 except for the following: the Company has adopted the amendments to IAS 7 – Statement of Cash Flows and IAS 12 – Income Taxes which are effective for annual periods beginning on or after January 1, 2017. The adoption of these amendments did not have any material impact on the Company's condensed interim consolidated financial statements.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited - All amounts stated in Canadian Dollars)

4. Management's Critical Accounting Estimates and Judgments

The preparation of the condensed interim consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with the significant accounting judgements, estimates, and assumptions set out in Note 4 of the consolidated financial statements as at and for the year ended December 31, 2016.

5. Exploration and Evaluation Properties

La Vernia Property

The La Vernia Property is located in Texas and is in the exploration and evaluation stage. The Company holds a 100% working interest in this property and net revenue interests ranging from 75% to 83.33% depending on the lease. The leases have an initial term ending in June 2017 and in order to keep the leases, the Company must drill two wells before the initial term expires.

Rogers Property

In 2016, the Company acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Company will also issue between 266,000 and 487,000 common shares of the Company with the quantity being dependent on the amount of production from the wells and the costs incurred. During 2016, US\$90,300 (\$119,684) was paid to the vendors pursuant to the agreement. A 5% overriding royalty interest will be paid to the vendors after the Company recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Mills Property

In November 2016, the Company acquired a 100% working interest and a 75% net revenue interest in the Mills Lease located in Texas for 516,891 common shares at a deemed price of \$0.15 each. In 2017, the vendors also received US\$2,400 plus a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Opal and Lerma Property

In November 2016, the Company acquired a 23.6% working interest in the Opal and Lerma Lease located in Texas for US\$10,000 cash consideration, 20,000 common shares, and a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well payable to the vendor. In 2017, the Company entered into a purchase agreement to acquire 100% of the issued and outstanding shares of Albaro Oil Corp., which holds a 56.25% working interest in the Opal and Lerma Lease, for consideration of the issuance of 20,300,000 common shares and 14,550,000 common share purchase warrants. Each warrant is exercisable into one common share at \$0.25 for 24 months (see Notes 10(a)(iv) and 10(e)).

Black and Morris Leases

On January 23, 2017, the Company entered in agreement with G6 Enterprises Corporation incorporated in the State of Texas and owner of a 100% working interest (75% Net Revenue Interest) in the Black and Morris Leases to purchase the Lease Interests with the payment of US\$20,000 in cash and the issuance of 40,000 common shares of the Company. The purchase also includes all equipment on the property and any oil for available for sale in the tanks related to the Black and Morris Lease.

JunsenTransue Lease

On January 23, 2017, the Company purchased the Junsen Transue Lease (100% working interest and a 75% net revenue interest) from Own The Well Inc. for US\$18,000 cash consideration.

LT Oil Property

On February 27, 2017, the Company purchased various leases from LT Oil, LLC for US\$150,000 of cash consideration and the issuance 300,000 common shares of the Company. Of the cash portion of the purchase price paid, US\$100,000 has been paid and the remainder is payable after 60 calendar days from the closing date. The 300,000 shares have not yet been issued (see Note 10(d)).

R.J. Huebinger Lease

On February 27, 2017, the Company purchased a 100% working interest and a 80% net revenue interest in the R.J. Huebinger Lease for US\$18,000 of cash consideration.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited - All amounts stated in Canadian Dollars)

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited - All amounts stated in Canadian Dollars)

5. Exploration and Evaluation Properties (continued)

	Balance, December 31, 2016	Acquisition s	Exploration expenditure s	Decommissionin g Liabilities	Foreign exchang e	Balance, March 31, 2017
La Vernia	\$445,691	\$ -	\$ -	\$ -	\$(4,250)	\$441,441
Rogers	358,334	-	25,081	-	(3,300)	380,115
Mills	136,290	3,178	-	23,287	(1,285)	161,470
Opal and Lerma	156,151	2,560,410	9,806	-	(3,317)	2,723,050
LT Oil	-	134,762	3,887	639,009	-	777,658
Black and Morris	-	26,534	26,202	92,600	-	145,336
Junsen Transue	-	23,881	-	-	-	23,881
R.J. Huebinger	-	24,138	3,660	30,014	-	57,812
	\$1,096,466	\$2,772,903	\$68,636	\$ 784,910	\$(12,152)	\$4,710,763

6. Oil and Gas Property

The following table presents a continuity of the Saratoga Property for the period ended March 31, 2017. The Saratoga Property is located in Texas and is currently producing. The Company holds a 100% working interest in this property and is entitled to between 77.5% and 80% of the revenues earned from the wells currently under production.

	Saratoga Property, Texas
Balance, December 31, 2016	\$ 6,015,134
Exploration and development expenditures	(46,727)
Depletion	(37,673)
Foreign exchange	(57,342)
Asset retirement obligation	-
Balance, March 31, 2017	\$ 5,873,392

7. Equipment

The following table presents the cost and accumulated amortization of equipment for the period ended March 31, 2017. All of the Company's equipment is located in the United States.

Cost	March 31, 2017
Opening balance	\$ 256,798
Additions / Adjustments	-
Foreign exchange	(2,683)
Ending balance	\$ 254,115
Accumulated Amortization	
Opening balance	\$ 39,534
Amortization / Adjustments	34,575
Foreign exchange	(451)
Ending balance	\$ 73,658
Carrying amount	\$ 180,457

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited - All amounts stated in Canadian Dollars)

8. Long-Term Debt

Loans Payable: Loan #1

On June 10, 2014, a secured promissory note of \$600,000 was obtained from Fountain Asset Corp. ("Fountain"). The promissory note bears interest at 24% per annum, paid monthly and was originally scheduled to mature on June 10, 2015. The loan amount was to be used exclusively for the purpose of financing an additional well on the Company's Saratoga oil field and the acquisition of land leases surrounding the field. The loan was secured with a general security agreement covering the assets of the Company.

The loan was to be repaid each month in an amount equal to 15% of the gross revenues received by the Company in the prior month with the balance due upon maturity. A structuring fee of \$24,000 was paid relating to the promissory note. As further consideration for the borrowing, the Company issued to Fountain 1,993,001 shares of the Company valued at \$0.075 per share.

The loan agreement provided for a potential additional tranche of financing in the amount of \$400,000 to be issued at the discretion of Fountain. Upon drawing down on the additional amount, the Company will issue shares of the Company to the lender representing 3.2% of the number of issued and outstanding shares as at May 30, 2014.

Transaction costs of \$191,787 were incurred and offset against the carrying value of the loan. This amount will be accreted over the term of the loan using the effective interest rate method.

The Company and Fountain entered into an anti-dilution agreement whereby Fountain is entitled to the issuance of shares in order to maintain their ownership interest in the Company. Fountain will be issued shares should the Company issue common shares or convertible securities at a price less than \$0.10 per share prior to becoming a publicly traded company.

On June 3, 2015, Fountain advanced a further \$240,000 in loans to the Company. The amount bears interest at 24% per annum and is to be repaid each month in an amount equal to 15% of the gross revenues received by the Company. The Company was required to pay the accrued interest on the loan on November 30, 2015 and will commence paying interest monthly. Commencing December 1, 2015, the Company's monthly principal payment shall be calculated as the greater of i) \$15,000 and ii) 15% of the gross revenues received in the prior month.

Fountain has the option to convert all or a portion of the loan into common shares of the Company at a conversion price equal to the price per share ascribed to the shares of the Company pursuant to the going public transaction.

As consideration for entering into this agreement, the Company issued to Fountain 4,667,477 shares of the Company. The Company is required to produce a minimum of 1,000 barrels of oil per month. The Company is required to maintain a monthly current ratio of (0.5:1.0) commencing on June 30, 2016.

During 2016, the Company issued a total of 8,900,000 shares to Fountain pursuant to the anti-dilution clause of their agreement with the Company.

On June 30, 2016, the loan agreement was amended to extend the maturity date to April 28, 2018.

As at March 31, 2017, the outstanding balance on this loan is \$507,012 (December 31, 2016 - \$552,012).

Loans Payable: Loan #2

On August 11, 2015, the Company entered into an agreement to receive a loan of \$185,000 with bearing interest of 24% and maturing at August 31, 2016. The Company was required to pay the borrower 2% of all gross oil revenue during the time that the loan is outstanding. The loan was secured by the assets of the Company.

On November 23, 2016, the borrower sold, assigned and transferred \$90,000 of the principal loan to a related party. As at December 31, 2016, the total remaining outstanding loan balance and accrued interest was \$99,901. During 2017, the full balance outstanding of \$99,901 was paid to the lender in full settlement of the loan.

Loans Payable: Loan #3

On November 23, 2016, the Company assigned, by way of a third party agreement a \$90,000 loan bearing annual interest of 24% and maturing on January 31, 2018. (See Loan #2 above.)

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited - All amounts stated in Canadian Dollars)

8. Long-Term Debt (continued)

Loans Payable: Loan #4

As at December 31, 2016, the Company received a loan from a corporation controlled by officers of the Company for \$20,000. The amount is unsecured, non-interest bearing with no fixed terms of repayment. The loan was repaid in full during 2017.

Long-Term Accounts Payable and Accrued Liabilities

Holders of \$424,423 in accounts payable and accrued liabilities have agreed to convert their debt to equity at \$0.15 a unit upon the closing of the Qualifying Transaction. Each unit will be comprised of one common share and one half share purchase warrant with each whole warrant being exercisable at \$0.25 for three years. The amounts owing are non-interest bearing and are payable to directors of the Company and corporations controlled by directors of the Company. Included in long term accounts payable and accrued liabilities is \$151,515 relating to this debt.

9. Convertible Debentures

On March 23, 2015, the Company closed a \$250,000 financing of convertible debentures maturing on March 23, 2016. The debentures bear interest at 20% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

On March 16, 2015, the Company closed a \$100,000 financing of convertible debentures maturing on March 16, 2016. The debentures bear interest at 20% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share. The convertible debentures are secured with a general security agreement covering the assets of the Company.

During the year ended December 31, 2015, the Company closed a \$10,000 financing of convertible debentures maturing within two years from the closing date. The debentures bear interest at 12% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

During 2015, the Company closed a \$130,000 financing of convertible debentures maturing within one year from the closing date. The debentures bear interest at 12% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

During 2015, the Company closed a \$70,250 financing of convertible debentures maturing within two years from the closing date. The debentures bear interest at 24% per annum. Each debenture is convertible at the holder's option into one common share at any time prior to maturity at a conversion price of \$0.35 per common share.

The debentures were recorded in the Condensed Interim Consolidated statement of financial position at the net present value of future payments. After discounting the liability to its estimated fair value using the calculated discount rate, the liability and equity portions of the 2015 convertible debentures were \$251,000 and \$309,250 respectively. There were no transaction costs to offset against the carrying value of the convertible debentures. A deferred tax recovery on the issuance of the debentures of \$82,000 was recorded for the year ended December 31, 2015 relating to the equity conversion option.

During 2016, the agreements for certain convertible debentures with a combined face value totalling \$385,000 were amended such that these debentures will be converted into units of the Company at \$0.15 a unit upon the completion of becoming a public company. Each unit will be comprised of one common share and one half share purchase warrant with each whole warrant being exercisable at \$0.25 for three years. In addition, the debenture holders will receive six months of interest upon completion of the conversion. The amendments will result in additional shares and warrants being issued upon conversion. The fair value of the incremental shares to be issued was estimated based on the value of shares issued in the closest private placement to the date of the amendment. The fair value of the warrants to be issued was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 224%; risk-free interest rate of 0.39% and an estimated life of three years. The incremental value of the amendment was estimated to be \$50,933 and this amount was recorded as an expense in the statement of operations for 2016 and as an increase to the equity conversion option in the statement of financial position as at December 31, 2016.

During 2016, convertible debentures in the amount of \$5,000 were repaid by the Company. During 2017, \$100,000 of convertible debentures were repaid by the Company.

ADVANTAGEWON OIL CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Unaudited - All amounts stated in Canadian Dollars)

10. Equity

a) Common shares

The Company is authorized to issue an unlimited number of common shares without par value.

	<u>Number</u>	<u>Amount (\$)</u>
Balance, December 31, 2016	125,121,130	\$7,518,634
Private placement (i)	11,601,396	1,736,610
Shares issued for properties (ii, iv)	20,340,000	1,830,600
Allocated to warrants	-	(682,000)
Share issue cost recovery	-	(700)
Balance, March 31, 2017	<u>157,062,526</u>	<u>\$10,403,144</u>

- i) During 2017, the Company closed various tranches of a private placement raising gross proceeds of \$1,736,610 through the issuance of 11,601,396 units at \$0.15 per unit. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant allows the holder to purchase one common share of the Company at \$0.25 for 36 months. The fair value of the warrants was estimated at \$682,000 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 0%; expected volatility of 148%; expected dividend yield of 0% and expected life of 36 months.
- ii) On January 23, 2017, the Company entered in agreement with G6 Enterprises Corporation incorporated in the State of Texas and owner of a 100% working interest (75% Net Revenue Interest) in the Black and Morris Leases to purchase the Lease Interests with the payment of US\$20,000 in cash and the issuance of 40,000 common shares of the Company. The purchase also includes all equipment on the property and any oil for available for sale in the tanks related to the Black and Morris Lease. The fair value of the shares issued was estimated at \$3,600 based on the value of shares issued in the closest private placement to the date the shares were issued.
- iii) On February 27, 2017, the Company purchased various leases from LT Oil, LLC for US\$150,000 of cash consideration and the issuance 300,000 common shares of the Company. Of the cash portion of the purchase price paid, US\$100,000 has been paid and the remainder is payable after 60 calendar days from the closing date. In addition, the Company purchased an additional lease for US\$18,000 in cash.
- iv) During 2017, the Company entered into a purchase agreement to acquire 100% of the issued and outstanding shares of Albaro Oil Corp., which holds a 56.25% working interest in the Opal and Lerma Lease, for consideration of the issuance of 20,300,000 common shares and 14,550,000 common share purchase warrants. Each warrant is exercisable into one common share at \$0.25 for 24 months. The fair value of the shares issued was estimated at \$1,827,000 based on the value of shares issued in the closest private placement to the date the shares were issued. The fair value of the warrants was estimated at \$709,000 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 0%; expected volatility of 148%; expected dividend yield of 0% and expected life of two years.

b) Stock Options

During 2014, a stock option plan was implemented (the "Plan"), pursuant to which, the Corporation may issue options up to 10% of the outstanding common shares of the Corporation to employees, directors and officers.

During 2014, 5,250,000 stock options were granted. Of these options, 4,750,000 vested immediately, 250,000 vest upon producing oil from certain areas of the LaVernia property and 250,000 vest upon achieving operating cash flow from the LaVernia property equalling the Company's investment in that property.

On January 24, 2017, the Company granted 2,625,000 incentive stock options to certain key employees, consultants, and directors under the Corporation's Stock Option Plan. The options have a 5 year term, vest immediately and are exercisable at \$0.15 per share.

ADVANTAGEWON OIL CORPORATION

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10. Equity (continued)

The table below summarizes information about the stock options outstanding as at March 31, 2017:

Grant date	Expiry date	# Outstanding	# Exercisable	Exercise price (\$)	Estimated fair value expense (\$)
April 20, 2014	April 30, 2019	2,000,000	2,000,000	0.10	127,900
July 9, 2014	July 9, 2019	550,000	550,000	0.25	36,000
September 1, 2014	September 1, 2017	700,000	700,000	0.25	42,000
December 1, 2014	December 1, 2019	2,000,000	1,500,000	0.25	287,598
January 24, 2017	January 24, 2022	2,625,000	2,625,000	0.15	201,512
		7,875,000	7,375,000		\$695,010

The stock options outstanding at March 31, 2017 had a weighted average exercise price of \$0.17 and a weighted average remaining contractual life of 3.2 years.

c) Warrants

A continuity of warrant transactions during 2017 is as follows:

	Number of warrants outstanding	Value of warrants (\$)	Weighted average exercise price (\$)
Balance, December 31, 2016	9,836,667	583,000	0.25
Issued during the period	26,151,396	1,391,000	0.25
Balance, March 31, 2017	35,988,063	\$1,974,000	\$0.25

The Company issued all warrants an exercise price equal to or greater than the market value of the underlying common shares on the date of issue.

The table below summarizes information about the warrants outstanding as at March 31, 2017:

Expiry date	# Outstanding	Exercise price (\$)	Estimated fair value (\$)
July 21, 2019	2,000,000	0.25	118,286
August 8, 2019	1,160,000	0.25	68,788
September 2, 2019	666,667	0.25	39,533
October 10, 2019	3,786,667	0.25	224,549
November 21, 2019	833,333	0.25	49,417
December 16, 2019	1,390,000	0.25	82,427
January 11, 2020	3,099,998	0.25	182,237
January 27, 2020	5,673,331	0.25	333,513
February 9, 2020	246,666	0.25	14,501
February 9, 2020	14,550,000	0.25	709,000
March 1, 2020	113,334	0.25	6,662
March 29, 2020	2,468,067	0.25	145,088
	35,988,063		\$1,974,000

ADVANTAGEWON OIL CORPORATION

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10. Equity (continued)

d) Shares to be Issued

During year ended December 31, 2016, the Company agreed to issue a supplier 150,000 common shares at a price of \$0.15 each for services rendered. These shares have not yet been issued as at March 31, 2017.

The LT Oil 300,000 shares have not yet been issued as at March 31, 2017.

e) Acquisition of Albaro Oil Corp.

On February 9, 2017, the Company acquired 100% of the outstanding shares of Albaro Oil Corp. The transaction did not constitute a business combination as Albaro Oil Corp. did not meet the definition of a business. As a result, the transaction was accounted for as an asset acquisition at the fair value of the consideration given. See Note 10(a)(iv) for details of the valuation of the shares and warrants issued to the Albaro Oil Corp. shareholders as consideration. The allocation of the purchase price is as follows:

Purchase price consideration paid

Common shares issued	\$ 1,827,000
Warrants issued	709,000
	<u>\$ 2,536,000</u>

Allocation of purchase price

Exploration and evaluation properties	\$ <u>2,536,000</u>
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11. Decommissioning Liabilities

The carrying amount of the Company's decommissioning liabilities comprise the expected future abandonment and site restoration costs associated with the oil and gas properties that the Company operates. Abandonment and site restoration costs are based on the Company's net ownership in the underlying wells and facilities, the estimated cost to abandon these wells and facilities and the estimated timing of the costs to be incurred in future periods.

The liability is based upon estimates and assumptions, as follows:

- Total undiscounted future remediation costs are estimated to be US\$1,233,157 (\$1,639,975). The present value has been calculated assuming a 2.1% annual rate of inflation, with settlement of the liability occurring in approximately ten years.
- Discount rate of 2.45%.

The following reconciles the Company's decommissioning liabilities on a discounted basis for the period ended:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Balance, beginning of period	\$ 858,465	\$ 594,750
Increase in decommissioning liability	718,468	275,999
Accretion	6,582	5,393
Foreign exchange	<u>(7,873)</u>	<u>(17,677)</u>
Balance, end of period	<u>\$ 1,575,642</u>	<u>\$ 858,465</u>

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12. General and Administrative Expenses

The following reconciles the Company's general and administrative expenses for the periods ended:

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Management fees	\$ 21,500	\$ 16,950
Consulting fees	19,392	3,138
Professional fees	37,427	58,108
Listing and filing fees	4,881	-
Advertising and promotion	134,671	5,650
Share-based compensation	201,512	4,196
General office	16,463	2,404
Total general and administrative expenses	<u>\$ 435,846</u>	<u>\$ 90,446</u>

13. Short-Term Investments

At December 31, 2016 and March 31, 2017, the Company has a short-term investment of 2,500,000 common shares of Gunpowder Capital Corp. ("Gunpowder"). The investment is carried at a fair value of \$112,500 (December 31, 2016 - \$112,500) based on the quoted market price of the Gunpowder shares as at March 31, 2017 and December 31, 2016.

14. Commitments and Contingencies

- a) In 2016, the Company entered into an occupancy lease agreement. Under the terms of the occupancy lease agreement expiring January 31, 2022. The Company is required to make minimum monthly payments of \$1,881 for office space and \$2,472 for utilities and realty taxes.
- b) The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- c) The Company is party to certain management contracts. These contracts require that an additional payment of up to \$442,000 be made upon the occurrence of certain events such as termination or change of control. As a triggering event has not taken place, the contingent payment has not been reflected in these condensed interim consolidated financial statements. Furthermore, certain contracts are contingent on oil production and could pay up to USD\$25,000 per month on top of a drilling bonus of USD\$5,000 for each well drilled that produces on average 10 barrels per day for the first 30 days.
- d) In July 2016 the Company agreed to a payment plan with a vendor to provide monthly instalments of \$8,000 towards the amount owing of approximately \$156,000 until the amount is repaid. Should the Company raise additional equity financing prior to the payment in full of the outstanding amount, it is agreed that the parties will revisit this payment plan.
- e) In 2016, the Company acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Company also will issue between 266,000 and 487,000 shares of the Company with the quantity being dependent on the amount of production from the wells and the costs incurred.

A 5% overriding royalty interest will be paid to the vendors after the Company recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

ADVANTAGEWON OIL CORPORATION

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14. Commitments and Contingencies (continued)

- f) In October 2016, the Company engaged Gunpowder to assist the Company with a going public transaction. Pursuant to the agreement, Gunpowder subscribed for 1,666,667 common shares of the Company by issuing the Company 2,500,000 shares of Gunpowder. Gunpowder issued 2,500,000 shares to the Company in October 2016 (See Note 13).

The Company paid Gunpowder a cash fee of \$30,000 in 2016 and will issue to Gunpowder \$250,000 of common shares of the Company upon the successful completion of a going public transaction. If the Company chooses not to complete a going public transaction, the 2,500,000 Gunpowder shares will be returned to Gunpowder. A director of the Company is an officer of Gunpowder and another director of the Company is an officer and director of Gunpowder.

- g) On January 19, 2017, the Company entered into a consulting agreement with 3 Stones Exploration Inc. to assist the Company in managing its operations in Texas. The consultant will earn between US\$3,000 and US\$8,000 per month dependent on production and sales volumes. The consultant was granted 150,000 stock options exercisable at \$0.15 per share for 5 years.
- h) On February 16, 2017, the Company settled a claim against the Company by a former employee of the Company. Under the terms of the settlement the Company paid US\$39,000 to the employee and allowed him to retain 1,250,000 stock options previously granted.

15. Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any corporations owned or controlled by them.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the periods presented were as follows:

	For the periods ended March 31,	
	2017	2016
Short-term benefits	\$ 35,022	\$ 250,521
Share-based payments	201,512	16,784
Total Remuneration	\$ 236,534	\$ 267,305

As at March 31, 2017, there was \$381,523 (December 31, 2016 - \$461,829) in accounts payable and accrued liabilities owing to corporations controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

As at March 31, 2017, there was \$1,257 (December 31, 2016 - \$4,256) in accounts receivable from a corporation controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the period ended March 31, 2017, the remuneration of the corporations controlled by officers and directors of the Company were \$21,500 (December 31, 2016 - \$64,304) and \$22,475 relating to costs that were capitalized to the Company's exploration and evaluation and oil and gas properties.

During the period ended March 31, 2017, the Company issued 1,850,000 common share purchase options to related parties.

ADVANTAGEWON OIL CORPORATION

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16. Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance. There have been no significant changes in the risks, objectives, policies and procedures during the period ended March 31, 2017.

a) Foreign exchange risk

Foreign exchange risk arises when assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company does not hedge foreign currency exposures. All of the operating assets are located in United States and the majority of liabilities that are related to the properties are also in the United States. Therefore this limits any significant foreign currency risk as the local currency to pay these liabilities is dominated in USD.

b) Credit risk

Credit risk arises from deposits with banks, as well as credit exposures to customers, including outstanding receivables. At March 31, 2017, all of the Company's trade receivables of approximately \$24,180 (December 31, 2016 - \$37,500) are due from one customer to which the Company sells its oil. All oil sales occur in the United States. The Company monitors the credit risk of its customers on a regular basis. Management believes the risk of loss associated with these assets is remote.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's accounts payable and accrued liabilities are generally due within 30 days and are subject to normal trade terms. The Company's loans payable mature in 2018 (see Note 8). The Company's convertible debentures mature in 2017.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Company had a cash balance of \$729,458 (December 31, 2016 - \$606,693) to settle current liabilities of \$1,253,593 (December 31, 2016 - \$2,124,956).

d) Interest rate risk

The Company has cash balances and fixed interest rate bearing debt. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company does not have an exposure to a change in interest rates as all debts are at fixed rates.

e) Sensitivity analysis

The Company does not believe it has a significant sensitivity to fluctuations in currency exchange rates or interest rates.

Capital management

The capital structure of the Company as at March 31, 2017 consists of equity attributable to common shareholders comprised of common shares, equity reserves, deficit, convertible debentures and loans payable.

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of oil and gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological and economic potential and if it has adequate financial resources to do so.

ADVANTAGEWON OIL CORPORATION

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16. Risk Management (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no significant changes in the Company's approach to capital management during the period ended March 31, 2017. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

17. Segmented Reporting

The Company currently has one operating segment, being the acquisition, exploration, development and operation of oil and gas properties in the United States.

18. Subsequent Event

Subsequent to March 31, 2017, the Company received \$2,802,250 for shares to be issued.

Appendix “F”

**ADVANTAGEWON OIL CORP. MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ADVANTAGEWON OIL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2016

General

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Advantagewon Oil Corp. ("AOC" or the "Company") is as of April 19, 2017, and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2016 and 2015. The audited consolidated financial statements for the years ended December 31, 2016 and 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A, including any information as to the future financial or operating performance of AOC, constitute "forward-looking statements" within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities Act (Ontario) and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements include, without limitation, statements with respect to future commodity prices, the estimation of mineral reserves and resources if any, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words, "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by AOC as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors can cause actual results to differ materially from those projected in the forward-looking statements. Such factors include but are not limited to: fluctuations in currency markets; fluctuation in the spot and forward price of commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which we do or may carry on business in the future; business opportunities that be presented to, or pursued by us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licences and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect AOC's actual results and could cause actual results to differ materially from those expected or implied in any forward-looking statements made by, or on behalf of, AOC. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements, those in the "Risk and Uncertainties" section hereof. These factors are not intended to represent a complete list of the factors that could affect AOC. Forward-looking statements in this MD&A are made as of April 19, 2017 and AOC disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material differences between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

BOE Presentation

The term “barrels of oil equivalent” (boe) may be misleading, particularly if used in isolation. A boe conversion of six thousand cubic feet of natural gas to one barrel of oil (6:1) is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers should be aware that historical results are not necessarily indicative of future performance.

History

The Company was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company is engaged in the acquisition, exploration, development and production of oil and gas reserves in North America with a particular focus on onshore development in Texas, United States of America. The Company is pursuing a public listing of its shares.

Overview

The Company acquired its first property in 2013 when it acquired leases on approximately 400 acres in Hardin County Texas in an area known as Saratoga (the “Saratoga Property” or “Saratoga”). This area sits on top of a Salt Dome. Salt Domes are unique geological features in which a vent of salt has pushed up to form a dome shaped structure where surrounding formations were pushed up with the dome to form additional structures. All these formations have the potential to trap significant oil and gas production. We believe that the reservoir pressure has rebuilt over the last 40 to 50 years and that significant production can be found in this area.

In 2014 the Company expanded by acquiring leases on approximately 1,200 acres in Guadalupe County Texas in an area known as LaVernia (the LaVernia Property” of “LaVernia”). The LaVernia field consists of over 10,000 acres. The field was discovered in 1939 and has produced over 7 million boe. We believe that there are many infill drilling opportunities that exist in this field.

Both of these fields represent low cost drilling opportunities. AOC is focused on inexpensive drilling opportunities that can still provide economic wells to the Company in the current low oil price environment in which the Company operates.

The Company is assessing other acquisition opportunities both inside and outside of Texas. We believe as a public company with the ability to use stock for acquisitions we can continue to grow our land position of low cost economical drilling opportunities.

Oil and Gas Property Interest Overview

Saratoga Property

AOC has over 400 acres in Hardin County Texas, in an area known as Saratoga. The Company has two producing wells, Caswell #1, and Marlatt #1. In addition the Company has a salt water disposal well, and a development well called Caswell #12. The Company commissioned an independent 51-101 report prepared by MKM Engineering dated July 1, 2015. This report indicates a NPV discounted at 10% of proven and probable reserves of \$26,568,000.

We believe that the Saratoga property provides sufficient cash flow at this point in time given the price of oil and risk of drilling additional wells. While we may drill another well in the longer term we have no plans at this time to add wells.

LaVernia Property

AOC has over 1,200 acres in Guadalupe County Texas, in an area known as LaVernia. The Company did drill its first well in 2015 in this field. That well called Weisman 30 came in at over 24 boepd and has estimated reserves of 13,600 boe. The Company commissioned an independent 51-101 report prepared by MKM Engineering dated July 1, 2015. This report indicates a NPV discounted at 10% of proven and probable reserves of \$34,419,000.

The main focus for the Company in the short to medium term is the LaVernia property. Drill opportunities are less expensive due to the shall nature of the wells and we believe carry less risk than Saratoga. We hope to drill an additional two wells by June 2017 to hold leases that would then otherwise expire. If successful it is anticipated that these wells could take the Company to a break even point.

Developments during 2016

The Company continued to work on its go public strategy during the year.

The Company also entered into various agreements with debt holders to help strengthen the Company's financial position in the face of low oil prices.

The Company acquired the following additional properties.

Rogers Property

In 2016, the Company acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Company will also issue between 266,000 and 487,000 common shares of the Company with the quantity being dependent on the amount of production from the wells and the costs incurred. During 2016, US\$90,300 (\$119,684) was paid to the vendors pursuant to the agreement. A 5% overriding royalty interest will be paid to the vendors after the Company recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Mills Property

In November 2016, the Company acquired a 100% working interest and a 75% net revenue interest in the Mills Lease located in Texas for 516,891 common shares at a deemed price of \$0.15 each. Subsequent to the year-end, the vendors also received US\$2,400 plus a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Opal and Lerma Property

In November 2016, the Company acquired a 23.6% working interest in the Opal and Lerma Lease located in Texas for US\$10,000 cash consideration, 20,000 common shares, and a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well payable to the vendor.

Selected Annual Information

Key Financial Data and Comparative Figures			
	Audited	Audited	Audited
	31-Dec-2016	31-Dec-2015	31-Dec-2014
Revenue	360,604	336,537	850,019
Net Loss (000's)	(1,209,257)	(2,469,845)	(1,886,952)
Loss per share – basic and diluted	(0.01)	(0.04)	(0.06)
Total assets	8,237,881	7,527,203	5,700,688
Total liabilities	3,616,619	3,472,954	2,179,962
Total shareholders' equity	4,620,963	4,054,249	3,520,726
Total long-term liabilities	1,491,962	685,021	410,183
Cash dividends declared	Nil	Nil	282,316

Results of Operations for the year ended December 31, 2016

The net loss for the year ended December 31, 2016 was \$1,209,257 or \$0.01 per share compared to \$2,469,845 or \$0.04 in the previous year.

There were some significant non cash costs in both periods, including \$122,517 (2015 - \$142,477) in oil well depletion and accretion expenses, and in 2015 \$1,060,114 of share based payments that were issued in connection with a debt financing.

The Company sold 9,353.62 boe at an average net price of \$49.75 per barrel, netting \$360,604 after royalties. The Company had lower than normal sales in the third quarter as the result of inclement weather in Texas as well as during the first quarter of fiscal 2016 as a result of switching sales to a new refinery. During 2015 the Company sold 7,287.33 boe at a net average price of \$59.60 per barrel netting \$336,537 after royalties.

The Company incurred \$279,163 of production expenses (2015 - \$387,873). Production expenses decreased despite the increase in wells and production primarily as a result of a \$91,000 decrease in treatment expenses. The Marlatt well encountered significant foaming and sand issues in 2015. As a result the Company spent a significant amount of money on chemicals to treat the oil as well as screens and other items to deal with the sand. These costs did not occur in 2016 as the issues seemed to correct themselves. The also spent \$12,000 less on production supervision as we moved more operational duties to our pumpers at a lower cost. Offsetting these savings, the Company did incur \$21,000 more in pumping costs as the result of adding additional wells and increasing the duties of our pumpers as well as \$7,000 in higher utility costs as a result of adding additional wells.

General and administrative expenses were \$768,325 (2015 - \$1,773,395) and at the start of the year reflected a lower level of activity as a result of the decline in the price of oil. Activity picked up significantly in the second half of the year as a result of increased professional fees in support of our go public initiative as well as increased sales and marketing activities.

Results of Operations Fourth Quarter Fiscal 2016

The net loss for the quarter ended December 31, 2016 was \$342,053 or \$0.00 per share compared to \$545,705 or \$0.01 per share in the same period last year.

The Company sold 2,321.62 boe at an average net price of \$47.99 per barrel, netting \$86,803 after royalties. This compares to an average price net of \$51.34 in the prior year period when the Company sold 880.24 boe, netting \$34,949.

The Company incurred \$112,877 of production expenses (2015 - \$142,488,).

General and administrative expenses were \$345,233 compared to \$1,279,770 in the same period last year. During the current quarter the Company incurred \$104,330 of professional fees relating to our go public transaction and \$169,283 of advertising and marketing connected with investor relations and outreach work in advance of our go public transaction. In the prior period the Company incurred \$66,596 of professional fees and \$9,268 of advertising and marketing costs.

Historical Quarterly Results

As a private company, AOC did not prepare quarterly financial statements. The Company will prepare these on a go forward basis as required for financial reporting purposes.

Liquidity and Capital Resources

A summary of the Company's cash position and changes in cash is provided below:

	For The Periods Ended December 31,		
	2016	2015	2014
Cash used in operating activities	\$ (1,067,311)	\$ (518,725)	\$ (453,841)
Cash provided by (used) investing activities	(511,342)	(562,381)	(2,470,754)
Cash provided by financing activities	2,071,808	1,190,442	2,804,738
Effect of exchange rate on cash	(6,830)	(27,447)	(4,895)
Cash increase (decrease) during the period	486,325	81,889	(124,752)
Cash and cash equivalents, beginning of period	120,368	38,479	163,231
Cash and cash equivalents, end of period	\$ 606,693	\$ 120,368	\$ 38,479

As at December 31, 2016, the Company had cash and accounts receivable of \$648,409 (2015 – \$554,487).

Subsequent to the year end the Company completed financings generating gross proceeds of \$1,740,209. Please see subsequent events for more information.

The Company does generate revenue from several producing wells, however, to continue to grow and expand and service its debt, it will have to rely upon the sale of equity securities, including private placements, exercise of warrants, and exercise of options to provide funding for acquisition, exploration and development of its oil and gas or mineral interests, and for administrative expenses.

The Company does generate sufficient cash flow from operations to maintain current production, however to achieve breakeven, the Company needs additional production. The Company believes that the recent lease acquisitions will allow us to achieve breakeven, however the Company plans to drill two additional wells in the LaVernia field to continue to increase production. The Company believes it has sufficient resources to carry out this program.

Off-Balance Sheet Arrangements

None

Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any corporations owned or controlled by them.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the periods presented were as follows:

	For the years ended December 31,	
	2016	2015
Short-term benefits	\$ 250,521	\$ 670,517
Share-based payments	16,784	18,214
Total Remuneration	\$ 267,305	\$ 688,731

As at December 31, 2016, there was \$461,829 (December 31, 2015 - \$570,779) in accounts payable and accrued liabilities owing to corporations controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment. The amounts outstanding at December 31, 2016 are owed to the following corporations/individuals:

- M&A Capital - \$54,630 (corporation controlled by Paul Van Benthem, former director)
- Blackbirch Capital - \$272,726 (corporation controlled by Paul Haber)
- SFO Capital - \$96,885 (corporation controlled by Paul Van Benthem, former director)
- Graham C. Warren, CFO - \$6,215
- John Thibeaux, former VP Operations - \$31,373

As at December 31, 2016, there was \$4,256 (December 31, 2015 - \$44,157) in accounts receivable from a corporation controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment. The amount outstanding at December 31, 2016 is owing from Paul Van Benthem, former director, and it relates to funds owing pursuant to a share subscription which was received by the Company.

During the year ended December 31, 2016, the corporations controlled by officers and directors of the Company were paid \$64,304 (2015 - \$99,181) relating to costs that were capitalized to the Company's exploration and evaluation and oil and gas properties. The amounts were paid or accrued to the following corporations:

- M&A Capital - \$10,193 (corporation controlled by Paul Van Benthem, former director)
- John Thibeaux, former VP Operations - \$54,111

During 2016, the Company issued 880,121 shares to related parties as partial payments for amounts owing for services rendered. The value of the shares was estimated at \$79,210 based on the value of shares issued in the most recently completed private placement. The shares were paid to the following corporations:

- John Thibeaux, former VP Operations - 622,969 shares at the value of \$56,067
- Copeland Resources Inc. - 257,152 shares at the value of \$23,143 (corporation controlled by David Copeland, director)

Contingencies

- a) In 2016, the Company entered into an occupancy lease agreement. Under the terms of the occupancy lease agreement expiring January 31, 2022. The Company is required to make minimum monthly payments of \$1,881 for office space and \$2,472 for utilities and realty taxes.
- b) The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- c) The Company is party to certain management contracts. These contracts require that an additional payment of up to \$442,000 be made upon the occurrence of certain events such as termination or change of control. As a triggering event has not taken place, the contingent payment has not been reflected in these consolidated financial statements. Furthermore, certain contracts are contingent on oil production and could pay up to USD\$25,000 per month on top of a drilling bonus of USD\$5,000 for each well drilled that produces on average 10 barrels per day for the first 30 days.
- d) In July 2016, the Company agreed to a payment plan with a vendor to provide monthly installments of \$8,000 towards the amount owing of approximately \$156,000 until the amount is repaid. Should the Company raise additional equity financing prior to the payment in full of the outstanding amount, it is agreed that the parties will revisit this payment plan.
- e) In 2016, the Company acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Company also will issue between 266,000 and 487,000 shares of the Company with the quantity being dependent on the amount of production from the wells and the costs incurred.

A 5% overriding royalty interest will be paid to the vendors after the Company recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

- f) In October 2016, the Company engaged Gunpowder to assist the Company with a going public transaction. Pursuant to the agreement, Gunpowder subscribed for 1,666,667 common shares of the Company by issuing the Company 2,500,000 shares of Gunpowder. Gunpowder issued 2,500,000 shares to the Company in October 2016.

The Company paid Gunpowder a cash fee of \$30,000 and will issue to Gunpowder \$250,000 of common shares of the Company upon the successful completion of a going public transaction. If the Company chooses not to complete a going public transaction, the 2,500,000 Gunpowder shares will be returned to Gunpowder. A director of the Company is an officer of Gunpowder and another director of the Company is an officer and director of Gunpowder.

Forward Looking Information (additional disclosure)

The following information provides further clarification with respect to the Company's forward looking information.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to produce economic quantities of Boepd	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of oil and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Oil price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2017</p> <p>The Company expects to incur further losses in the development of its business</p> <p>Should the Company not raise sufficient capital, it may cease to be a reporting issuer</p>	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration on its property interests	The exploration/acquisition activities of the Company for the twelve-month period ending December 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation;

	equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of oil will be favourable to the Company; no title disputes exist with respect to the Company's properties	Oil price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of oil will be favourable to the Company	Oil price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Prices and price volatility for oil	The price of oil will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of oil will be favourable	Changes in debt and equity markets and the price of oil; interest rate and exchange rate fluctuations; changes in economic and political conditions

Additional Disclosures

Critical accounting estimates

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers (“IFRS 15”) proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 7 – Statement of Cash Flows (“IAS 7”) was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration (“IFRIC 22”) was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Other MD&A Requirements

Financial instruments

The Company’s financial instruments consist of cash, accounts receivable, short term investment, accounts payable and accrued liabilities, convertible debentures and loans payable.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are no longer recognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are no longer recognized when the related obligation specified in the contract is discharged, cancelled or expired.

Classification of financial instruments in the Company’s consolidated financial statements depends on the purpose for which the financial instruments were acquired or incurred. Management determines the classification of financial instruments at initial recognition.

A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives, if any, are also included in the category, unless they are designated as hedges. Transaction costs related to these financial instruments are expensed in the consolidated statement of operations.

Financial assets and financial liabilities at fair value through profit or loss. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives, if any, are also included in the category, unless they are designated as hedges. Transaction costs related to these financial instruments are expensed in the consolidated statement of operations. The Company’s short term investment is classified in this category.

Loans and receivables and other financial liabilities are non-derivative financial assets and financial liabilities with fixed or determinable payments that are not quoted in an active market. All of the Company’s financial instruments are classified as loans and receivables or other financial liabilities. They are considered current due to

their short-term nature. Loans and receivables and other financial liabilities are initially recognized at the amount expected to be received less, when material, a discount to reduce the amounts to fair value. Transaction costs related to these financial instruments are also included in the carrying value. Subsequently, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method.

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

At December 31, 2015, the Company had no financial instruments to be classified in the fair value hierarchy. At December 31, 2016 the Company had a short term investment carried at fair value which was classified as Level 1 in the fair value hierarchy.

Risk Management

Financial risks factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance. There have been no significant changes in the risks, objectives, policies and procedures from the previous period.

Foreign exchange risk

Foreign exchange risk arises when assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company does not hedge foreign currency exposures. All of the operating assets are located in United States and the majority of liabilities that are related to the properties are also in the United States. Therefore this limits any significant foreign currency risk as the local currency to pay these liabilities is dominated in USD.

Credit risk

Credit risk arises from deposits with banks, as well as credit exposures to customers, including outstanding receivables. At December 31, 2016, all of the Company's trade receivables of approximately \$37,500 are due from two customers and the Company sells all of its oil to two customers. All oil sales occur in the United States. The Company monitors the credit risk of its customers on a regular basis. Management believes the risk of loss associated with these assets is remote.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are generally due within 30 days and are subject to normal trade terms. The Company's loan payable matures in 2017. The Company's convertible debentures mature in 2017 however most will automatically convert to common shares on our go public.

The Company's approach to managing liquidity risk is to try to ensure that it will have sufficient liquidity to meet

liabilities when due. As at December 31, 2016 the Company had cash of \$606,693 to settle current liabilities of \$2,124,956. Approximately \$1,085,000 will be settled through the issuance of common shares upon completion of the going public transaction.

Subsequent to the year end the Company raised \$1,740,209 via the issuance of common shares.

Interest rate risk

The Company has cash balances and fixed interest rate bearing debt. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company does not have an exposure to a change in interest rates as all debts are at fixed rates.

Sensitivity analysis

The Company does not believe it has a significant sensitivity to fluctuations in currency exchange rates or interest rates.

Proposed Transactions

In October 2016, the Company engaged Gunpowder to assist the Company with a going public transaction. Pursuant to the agreement, Gunpowder subscribed for 1,666,667 common shares of the Company by issuing the Company 2,500,000 shares of Gunpowder. Gunpowder issued 2,500,000 shares to the Company in October 2016.

The Company paid Gunpowder a cash fee of \$30,000 and will issue to Gunpowder \$250,000 of common shares of the Company upon the successful completion of a going public transaction. If the Company chooses not to complete a going public transaction, the 2,500,000 Gunpowder shares will be returned to Gunpowder. A director of the Company is an officer of Gunpowder and another director of the Company is an officer and director of Gunpowder.

Outstanding Share Data

As at the date of this report the Company had the following issued and outstanding securities:

- 157,062,525 common shares
- 35,988,062 common share purchase warrants at an average exercise price of \$0.25
- 7,875,000 common share purchase options at an average exercise price of \$0.18.

Risks and Uncertainties

The operations of AOC are high-risk due to the nature of oil and gas exploration and development. The risk factors facing AOC that should be considered, among others, are outlined in our Prospectus Statement.

Subsequent Events

- a) On January 23, 2017, the Company entered in agreement with G6 Enterprises Corporation incorporated in the State of Texas and owner of a 100% working interest (75% Net Revenue Interest) in the Black and Morris Leases to purchase the Lease Interests with the payment of US\$20,000 in cash and the issuance of 40,000 common shares of the Company. The purchase also includes all equipment on the property and any oil available for sale in the tanks and related to the Black and Morris Leases.

- b) On January 19, 2017, the Company entered into a consulting agreement with 3 Stones Exploration Inc. to assist the Company in managing its operations in Texas. The consultant will earn between US\$3,000 and US\$8,000 per month dependent on production and sales volumes. The consultant will also be granted 100,000 stock options exercisable at \$0.15 per share for 5 years.
- c) On January 23, 2017, the Company purchased the Junsen Transue Lease (100% working interest and a 75% net revenue interest) from Own The Well Inc. for US\$18,000 cash consideration.
- d) On January 10, 2017, the Company completed the purchase of the Mills Lease for US\$2,400 in cash consideration and issuance 516,891 of common shares of the Company. On February 1, 2017, a one and a half percent (1.5%) overriding royalty interest in the Lease was transferred to the Company.
- e) On February 16, 2017, the Company settled a claim against the Company by a former employee of the Company. Under the terms of the settlement the Company paid US\$39,000 to the employee and allowed him to retain 1,250,000 stock options previously granted.
- f) On February 27, 2017, the Company purchased various leases from LT Oil, LLC for US\$150,000 of cash consideration and issuance 300,000 common shares of the Company. Of the cash portion of the purchase price paid, US\$100,000 has been paid and the remainder is payable after 60 calendar days from the closing date. In addition, the Company purchased an additional lease for US\$18,000 in cash.
- g) During 2017, the Company entered into a purchase agreement to acquire 100% of the issued and outstanding shares of Albaro Oil Corp. which holds a 56.25% working interest in the Opal and Lerma Lease for consideration of the issuance of 20,300,000 common shares and 14,550,000 common share purchase warrants. Subsequent to December 31, 2016, the Company issued a total of 20,300,000 common shares and 14,550,000 warrants to the shareholders of Albaro Oil Corp. pursuant to agreement with the Company.
- h) During 2017, the Company raised \$1,740,209 via the issuance of units for cash consideration. The Company issued 11,601,394 units at a price of \$0.15 each. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant allows the holder to purchase one common share of the Company at \$0.25 for 36 months.
- i) On January 24, 2017, the Company and the Board of Directors ("BOD") resolved to grant 1,900,000 incentive stock options to certain key employees, consultants, and directors under the Corporation's Stock Option Plan. The options have a 5 year term, vest immediately and are exercisable at \$0.15 per share.

Appendix “G”

**ADVANTAGEWON OIL CORP. INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2017**

ADVANTAGEWON OIL CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2017

General

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Advantagewon Oil Corporation ("AOC" or the "Company") is as of May 24, 2017, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017 and the audited consolidated financial statements for the year ended December 31, 2016 and the related MD&A. The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2017 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. All amounts are expressed in Canadian dollars unless otherwise indicated.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A, including any information as to the future financial or operating performance of AOC, constitute "forward-looking statements" within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities Act (Ontario) and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements include, without limitation, statements with respect to future commodity prices, the estimation of oil & gas reserves and resources if any, the realization of oil & gas reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of oil & gas operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words, "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by AOC as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors can cause actual results to differ materially from those projected in the forward-looking statements. Such factors include but are not limited to: fluctuations in currency markets; fluctuation in the spot and forward price of commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which we do or may carry on business in the future; business opportunities that be presented to, or pursued by us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of oil & gas exploration and development, including the risks of obtaining necessary licences and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of oil & gas exploration and development, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect AOC's actual results and could cause actual results to differ materially from those expected or implied in any forward-looking statements made by, or on behalf of, AOC. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements, those in the "Risk and Uncertainties" section hereof. These factors are not intended to represent a complete list of the factors that could affect AOC. Forward-looking statements in this MD&A are made as of May 24, 2017 and AOC disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material differences between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

BOE Presentation

The term “barrels of oil equivalent” (boe) may be misleading, particularly if used in isolation. A boe conversion of six thousand cubic feet of natural gas to one barrel of oil (6:1) is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers should be aware that historical results are not necessarily indicative of future performance.

History

The Company was incorporated under the laws of the Province of Ontario on July 10, 2013. The Company is engaged in the acquisition, exploration, development and production of oil and gas reserves in North America with a particular focus on onshore development in Texas, United States of America. The Company is pursuing a public listing of its shares.

Overview

The Company acquired its first property in 2013 when it acquired leases on approximately 400 acres in Hardin County Texas in an area known as Saratoga (the “Saratoga Property” or “Saratoga”). This area sits on top of a Salt Dome. Salt Domes are unique geological features in which a vent of salt has pushed up to form a dome shaped structure where surrounding formations were pushed up with the dome to form additional structures. All these formations have the potential to trap significant oil and gas production. We believe that the reservoir pressure has rebuilt over the last 40 to 50 years and that significant production can be found in this area.

In 2014 the Company expanded by acquiring leases on approximately 1,200 acres in Guadalupe County Texas in an area known as LaVernia (the LaVernia Property” of “LaVernia”). The LaVernia field consists of over 10,000 acres. The field was discovered in 1939 and has produced over 7 million boe. We believe that there are many infill drilling opportunities that exist in this field.

Both of these fields represent low cost drilling opportunities. AOC is focused on inexpensive drilling opportunities that can still provide economic wells to the Company in the current low oil price environment in which the Company operates.

The Company is assessing other acquisition opportunities both inside and outside of Texas. We believe as a public company with the ability to use stock for acquisitions we can continue to grow our land position of low cost economical drilling opportunities.

Oil and Gas Property Interest Overview

Saratoga Property

AOC has over 400 acres in Hardin County Texas, in an area known as Saratoga. The Company has two producing wells, Caswell #1, and Marlatt #1. In addition the Company has a salt water disposal well, and a development well called Caswell #12. The Company commissioned an independent 51-101 report prepared by MKM Engineering dated July 1, 2015. This report indicates a NPV discounted at 10% of proven and probable reserves of \$26,568,000.

We believe that the Saratoga property provides sufficient cash flow at this point in time given the price of oil and risk of drilling additional wells. While we may drill another well in the longer term we have no plans at this time to add wells.

LaVernia Property

AOC has over 1,200 acres in Guadalupe County Texas, in an area known as LaVernia. The Company did drill its first well in 2015 in this field. That well called Weisman 30 came in at over 24 boepd and has estimated reserves of 13,600 boe. The Company commissioned an independent 51-101 report prepared by MKM Engineering dated July 1, 2015. This report indicates a NPV discounted at 10% of proven and probable reserves of \$34,419,000.

The main focus for the Company in the short to medium term is the LaVernia property. Drill opportunities are less expensive due to the shall nature of the wells and we believe carry less risk than Saratoga. We hope to drill an additional two wells by June 2017 to hold leases that would then otherwise expire. If successful it is anticipated that these wells could take the Company to a break even point.

Rogers Property

In 2016, the Company acquired a 100% working interest and an 87% net revenue interest in the Rogers Lease in Texas for cash consideration of \$125,000. Cash payments are due upon the completion of certain milestones and the total amount includes a \$35,000 investment in the project. The Company will also issue between 266,000 and 487,000 common shares of the Company with the quantity being dependent on the amount of production from the wells and the costs incurred. During 2016, US\$90,300 (\$119,684) was paid to the vendors pursuant to the agreement. A 5% overriding royalty interest will be paid to the vendors after the Company recovers 125% of its investment. The vendors will also receive \$10,000 plus a 5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Mills Property

In November 2016, the Company acquired a 100% working interest and a 75% net revenue interest in the Mills Lease located in Texas for 516,891 common shares at a deemed price of \$0.15 each. Subsequent to the year-end, the vendors also received US\$2,400 plus a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well.

Opal and Lerma Property

In November 2016, the Company acquired a 23.6% working interest in the Opal and Lerma Lease located in Texas for US\$10,000 cash consideration, 20,000 common shares, and a 1.5% overriding royalty interest on any future drilling on the lease resulting in a producing well payable to the vendor. In 2017, the Company entered into a purchase agreement to acquire 100% of the issued and outstanding shares of Albaro Oil Corp., which holds a 56.25% working interest in the Opal and Lerma Lease, for consideration of the issuance of 20,300,000 common shares and 14,550,000 common share purchase warrants. Each warrant is exercisable into one common share at \$0.25 for 24 months.

Developments during the first three months of 2017

The Company continued to work on its go public strategy during the period.

The Company raised \$1,391,610 through various private placements to strengthen the Company's financial

The Company acquired the following additional properties.

Black and Morris Leases

On January 23, 2017, the Company entered in agreement with G6 Enterprises Corporation incorporated in the State

of Texas and owner of a 100% working interest (75% Net Revenue Interest) in the Black and Morris Leases to purchase the Lease Interests with the payment of US\$20,000 in cash and the issuance of 40,000 common shares of the Company. The purchase also includes all equipment on the property and any oil for available for sale in the tanks related to the Black and Morris Lease.

JunsenTransue Lease

On January 23, 2017, the Company purchased the Junsen Transue Lease (100% working interest and a 75% net revenue interest) from Own The Well Inc. for US\$18,000 cash consideration.

LT Oil Property

On February 27, 2017, the Company purchased various leases from LT Oil, LLC for US\$150,000 of cash consideration and the issuance 300,000 common shares of the Company. Of the cash portion of the purchase price paid, US\$100,000 has been paid and the remainder is payable after 60 calendar days from the closing date. In addition, the Company purchased an additional lease for US\$18,000 in cash.

R.J. Huebinger Lease

On February 27, 2017, the Company purchased a 100% working interest and a 80% net revenue interest in the R.J. Huebinger Lease for US\$18,000 of cash consideration.

Selected Quarterly Information

Key Financial Data and Comparative Figures		
	Unaudited	Audited
	31-Mar-2017	31-Dec-2016
Revenue	103,654	360,604
Net Loss (000's)	(673,941)	(1,209,257)
Loss per share – basic and diluted	(0.00)	(0.01)
Total assets	11,808,017	8,237,881
Total liabilities	3,383,973	3,616,619
Total shareholders' equity	8,424,044	4,620,963
Total long-term liabilities	2,130,380	1,491,962
Cash dividends declared	Nil	Nil

Results of Operations First Quarter Fiscal 2017

The net loss for the quarter ended March 31, 2017 was \$673,941 or \$0.00 per share compared to \$676,920 or \$0.00 per share in the same period last year.

The Company sold 2,259.52 boe at an average net price of \$49.02 USD per barrel, netting \$103,654 after royalties. This compares to an average price net of \$28.61 USD per barrel in the prior year period when the Company sold 2,419.57 boe, netting \$73,331 after royalties.

The Company incurred \$114,031 of production expenses in Q1 2017 (Q1 -2016 - \$59,233). Adjusting for changes in the exchange rate, the increase is only approximately \$50,000 of which \$21,000 relates to higher pumper costs and \$20,000 relates to higher treatment costs. Pumper costs have increased as a result of the increased number of

wells as well as increased pumper work related to the treatment expenses. As a result of various issues, foaming, cold weather effects on oil and others we incurred more treatment costs to bring our crude to market.

General and administrative expenses were \$435,846 compared to \$90,446 in the same period last year. During the current quarter the Company incurred \$37,427 of professional fees relating to our go public transaction and \$134,671 of advertising and marketing connected with investor relations and outreach work in advance of our go public transaction. In the prior period the Company incurred \$53,108 of professional fees and \$5,650 of advertising and marketing costs. Share based compensation was \$201,512 for the quarter versus \$4,196 for the same quarter last year.

Historical Quarterly Results

As a private company, AOC did not prepare quarterly financial statements. The Company will prepare these on a go forward basis as required for financial reporting purposes.

Liquidity and Capital Resources

A summary of the Company's cash position and changes in cash is provided below:

Periods ending March 31	2017	2016
Cash used in operating activities	\$ (547,800)	\$ (49,461)
Cash (used in) investing activities	(479,778)	(253,603)
Cash provided by financing activities	1,145,910	354,937
Effect of exchange rate on cash	4,433	12,121
Cash increase during the period	122,765	63,994
Cash and cash equivalents, beginning of period	606,693	120,368
Cash and cash equivalents, end of period	\$ 729,458	\$ 184,362

As at March 31, 2017, the Company had cash and accounts receivable of \$776,914 (2016 – \$648,409).

Subsequent to the quarter end the Company received cash for shares to be issued generating gross proceeds of \$2,808,250.

The Company does generate revenue from several producing wells, however, to continue to grow and expand and service its debt, it will have to rely upon the sale of equity securities, including private placements, exercise of warrants, and exercise of options to provide funding for acquisition, exploration and development of its oil and gas or mineral interests, and for administrative expenses.

The Company does generate sufficient cash flow from operations to maintain current production, however to achieve breakeven, the Company needs additional production. The Company believes that the recent lease acquisitions will allow us to achieve breakeven, however the Company plans to drill two additional wells in the LaVernia field to continue to increase production. The Company believes it has sufficient resources to carry out this program.

Off-Balance Sheet Arrangements

None

Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any corporations owned or controlled by them.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the periods presented were as follows:

	For the periods ended March 31,	
	2017	2016
Short-term benefits	\$ 35,022	\$ 250,521
Share-based payments	201,512	16,784
Total Remuneration	\$ 236,534	\$ 267,305

As at March 31, 2017, there was \$381,523 (December 31, 2016 - \$461,829) in accounts payable and accrued liabilities owing to corporations controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

- M&A Capital - \$53,862 (corporation controlled by Paul Van Benthem, former director)
- Blackbirch Capital - \$232,726 (corporation controlled by Paul Haber)
- SFO Capital - \$60,485 (corporation controlled by Paul Van Benthem, former director)
- Graham C. Warren, CFO - \$219
- Nick Uhlig, Director of Field Operations - \$29,581
- 3 Stones Exploration - \$4,650 (corporation controlled by Derek Stonehouse, Operations manager)

As at March 31, 2017, there was \$1,257 (December 31, 2016 - \$4,256) in accounts receivable from a corporation controlled by officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment. The amount outstanding at March 31, 2017 is owing from Paul Van Benthem, former director, and it relates to funds owing pursuant to a share subscription which was received by the Company.

During the period ended March 31, 2017, the remuneration of the corporations controlled by officers and directors of the Company were \$21,500 (December 31, 2016 - \$64,304) and \$22,475 relating to costs that were capitalized to the Company's exploration and evaluation and oil and gas properties.

- Blackbirch Capital - \$5,000 (corporation controlled by Paul Haber)
- Graham C. Warren, CFO - \$16,500

During the period ended March 31, 2017, the Company issued 1,850,000 common share purchase options to related parties.

Forward Looking Information (additional disclosure)

The following information provides further clarification with respect to the Company's forward looking information.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to produce economic quantities of Boepd	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of oil and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Oil price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
<p>The Company's ability to meet its working capital needs at the current level for the twelve-month period ending December 31, 2017</p> <p>The Company expects to incur further losses in the development of its business</p> <p>Should the Company not raise sufficient capital, it may cease to be a reporting issuer</p>	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration on its property interests	The exploration/acquisition activities of the Company for the twelve-month period ending December 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Plans, costs, timing and capital for future exploration and development of the Company's property interests,	Financing will be available for the Company's exploration and development activities and the	Oil price volatility, changes in debt and equity markets; timing and availability of external financing on

including the costs and potential impact of complying with existing and proposed laws and regulations	results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of oil will be favourable to the Company; no title disputes exist with respect to the Company's properties	acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of oil will be favourable to the Company	Oil price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Prices and price volatility for oil	The price of oil will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of oil will be favourable	Changes in debt and equity markets and the price of oil; interest rate and exchange rate fluctuations; changes in economic and political conditions

Additional Disclosures

Critical accounting estimates

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

Changes in accounting policies

During the period ended March 31, 2017, the Company adopted the amendments to IAS 7 – Statement of Cash Flows and IAS 12 – Income Taxes which are effective for annual periods beginning on or after January 1, 2017. The adoption of these amendments did not have any material impact on the Company's condensed interim consolidated financial statements.

Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after April 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers (“IFRS 15”) proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration (“IFRIC 22”) was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Other MD&A Requirements

Financial instruments

The Company's financial instruments consist of cash, accounts receivable, short term investment, accounts payable and accrued liabilities, convertible debentures and loans payable.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are no longer recognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are no longer recognized when the related obligation specified in the contract is discharged, cancelled or expired.

Classification of financial instruments in the Company's consolidated financial statements depends on the purpose for which the financial instruments were acquired or incurred. Management determines the classification of financial instruments at initial recognition.

A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives, if any, are also included in the category, unless they are designated as hedges. Transaction costs related to these financial instruments are expensed in the consolidated statement of operations.

Financial assets and financial liabilities at fair value through profit or loss. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives, if any, are also included in the category, unless they are designated as hedges. Transaction costs related to these financial instruments are expensed in the consolidated statement of operations. The Company's short term investment is classified in this category.

Loans and receivables and other financial liabilities are non-derivative financial assets and financial liabilities with fixed or determinable payments that are not quoted in an active market. All of the Company's financial instruments are classified as loans and receivables or other financial liabilities. They are considered current due to their short-term nature. Loans and receivables and other financial liabilities are initially recognized at the amount expected to be received less, when material, a discount to reduce the amounts to fair value. Transaction costs related to these financial instruments are also included in the carrying value. Subsequently, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method.

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

At March 31, 2017 the Company had a short term investment carried at fair value which was classified as Level 1 in the fair value hierarchy.

Risk Management

Financial risks factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and interest rate risk. Risk management is carried out by management under policies approved by the Board of Directors. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance. There have been no significant changes in the risks, objectives, policies and procedures from the previous period.

Foreign exchange risk

Foreign exchange risk arises when assets or liabilities are denominated in a currency that is not the entity's functional currency. The Company does not hedge foreign currency exposures. All of the operating assets are located in United States and the majority of liabilities that are related to the properties are also in the United States. Therefore this limits any significant foreign currency risk as the local currency to pay these liabilities is dominated in USD.

Credit risk

Credit risk arises from deposits with banks, as well as credit exposures to customers, including outstanding receivables. At March 31, 2017, all of the Company's trade receivables of approximately \$24,180 are due from one customer to which the Company sells its oil. All oil sales occur in the United States. The Company monitors the credit risk of its customers on a regular basis. Management believes the risk of loss associated with these assets is remote.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are generally due within 30 days and are subject to normal trade terms. The Company's loan payable matures in 2017. The Company's convertible debentures mature in 2017 however most will automatically convert to common shares on our go public.

The Company's approach to managing liquidity risk is to try to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017 the Company had cash of \$729,458 to settle current liabilities of \$1,253,593. Approximately \$900,000 will be settled through the issuance of common shares upon completion of the going public transaction.

Subsequent to March 31, 2017, the Company raised \$2,808,250 for shares to be issued.

Interest rate risk

The Company has cash balances and fixed interest rate bearing debt. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company does not have an exposure to a change in interest rates as all debts are at fixed rates.

Sensitivity analysis

The Company does not believe it has a significant sensitivity to fluctuations in currency exchange rates or interest rates.

Proposed Transactions

In October 2016, the Company engaged Gunpowder to assist the Company with a going public transaction. Pursuant to the agreement, Gunpowder subscribed for 1,666,667 common shares of the Company by issuing the Company 2,500,000 shares of Gunpowder. Gunpowder issued 2,500,000 shares to the Company in October 2016.

The Company paid Gunpowder a cash fee of \$30,000 and will issue to Gunpowder \$250,000 of common shares of the Company upon the successful completion of a going public transaction. If the Company chooses not to complete a going public transaction, the 2,500,000 Gunpowder shares will be returned to Gunpowder. A director of the Company is an officer of Gunpowder and another director of the Company is an officer and director of Gunpowder.

Outstanding Share Data

As at the date of this report the Company had the following issued and outstanding securities:

- 157,062,526 common shares
- 35,988,063 common share purchase warrants at an average exercise price of \$0.25
- 7,875,000 common share purchase options at an average exercise price of \$0.18.

Risks and Uncertainties

The operations of AOC are high-risk due to the nature of oil and gas exploration and development. The risk factors facing AOC that should be considered, among others, are outlined in our Prospectus Statement.

Subsequent Events

Subsequent to March 31, 2017, the Company raised \$2,808,250 for shares to be issued

Appendix “H”

ADVANTAGEWON OIL CORP.

STOCK OPTION PLAN

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

For the purposes of this Plan, the following terms have the following meanings:

- 1.1.1 **“Applicable Laws”** means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations and orders of any Governmental Authorities having authority over that Person, property, transaction or event.
- 1.1.2 **“Blackout Period”** means the period during which designated Persons cannot trade Shares pursuant to the Corporation’s policy, if any, respecting restrictions on trading which is in effect at that time.
- 1.1.3 **“Board”** means the board of directors of the Corporation.
- 1.1.4 **“Business Day”** means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.
- 1.1.5 **“Change of Control Transaction”** means:
- 1.1.5.1 the acquisition of a sufficient number of voting securities in the capital of the Corporation so that the acquiror, together with Persons acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation);
 - 1.1.5.2 the completion of a consolidation, merger, arrangement or amalgamation of the Corporation with or into any other entity whereby the voting securityholders of the Corporation immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity; or
 - 1.1.5.3 the completion of a sale whereby all or substantially all of the Corporation’s undertakings and assets become the property of any other entity and the voting securityholders of the Corporation immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale.
- 1.1.6 **“Consultant”** means a Person, other than an Employee or a Director, that:
- 1.1.6.1 is engaged to provide consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a distribution of securities;
 - 1.1.6.2 provides the services under a written contract with the Corporation or a Subsidiary; and
 - 1.1.6.3 in the reasonable opinion of the Board, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary.

- 1.1.7 “**Corporation**” means Advantagewon Oil Corp., a corporation incorporated under the *Business Corporations Act* (Ontario), and its successors and assigns.
- 1.1.8 “**Director**” means a director of the Corporation or any Subsidiary.
- 1.1.9 “**Disability**” means a physical or mental incapacity or disability that prevents the Eligible Person from performing the essential duties of the Eligible Person’s employment or service with the Corporation or any Subsidiary, and which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Corporation or the Subsidiary employing or engaging the Eligible Person, as determined by the Board for the purposes of this Plan.
- 1.1.10 “**Early Expiry Date**” is defined in Section 4.10.1.2.
- 1.1.11 “**Eligible Person**” means any Employee, Director or Consultant.
- 1.1.12 “**Employee**” means:
- 1.1.12.1 an individual who is considered an employee of the Corporation or any Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
 - 1.1.12.2 an individual who works full-time for the Corporation or any Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the relevant Subsidiary over the details and methods of work as an employee of the Corporation or the relevant Subsidiary, but for whom income tax deductions are not made at source; or
 - 1.1.12.3 an individual who works for the Corporation or any Subsidiary on a continuing and regular basis for at least 20 hours per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the relevant Subsidiary over the details and methods of work as an employee of the Corporation or the relevant Subsidiary, but for whom income tax deductions are not made at source.
- 1.1.13 “**Exchange**” means the TSX Venture Exchange.
- 1.1.14 “**Governmental Authority**” means:
- 1.1.14.1 any federal, provincial, state, local, municipal, regional, territorial, aboriginal or other government, any governmental or public department, branch or ministry, or any court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and
 - 1.1.14.2 any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- 1.1.15 “**Grant Date**” means, for any Option, the date on which that Option is granted.
- 1.1.16 “**Insider**” means “Insider” as defined in the TSX Venture Exchange Corporate Finance Manual (as amended at any time).
- 1.1.17 “**Investor Relations Activities**” means “Investor Relations Activities” as defined in the TSX Venture Exchange Corporate Finance Manual (as amended at any time).
- 1.1.18 “**Investor Relations Participant**” means a Consultant that performs Investor Relations Activities or an Employee or Director whose roles and duties primarily consist of Investor Relations Activities.

- 1.1.19 “**Option**” means an option to purchase Shares granted to an Eligible Person under the terms of this Plan.
- 1.1.20 “**Option Agreement**” means an option agreement substantially in the form attached as Exhibit “A” to this Plan.
- 1.1.21 “**Option Exercise Price**” is defined in Section 4.3.
- 1.1.22 “**Option Expiry Date**” is defined in Section 4.4.
- 1.1.23 “**Participant**” means an Eligible Person to whom an Option has been granted.
- 1.1.24 “**Person**” will be broadly interpreted and includes:
- 1.1.24.1 a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person;
 - 1.1.24.2 a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and
 - 1.1.24.3 a Governmental Authority.
- 1.1.25 “**Plan**” means this stock option plan of the Corporation.
- 1.1.26 “**Remittance Amount**” is defined in Section 4.9.1.1.
- 1.1.27 “**Restricted Person**” is defined in Section 2.3.6.2.
- 1.1.28 “**Retirement**” means retirement from active employment or service with the Corporation or a Subsidiary:
- 1.1.28.1 at or after age 65; or
 - 1.1.28.2 with the consent of any officer of the Corporation as may be designated for the purposes of this Plan by the Board, at or after any earlier age and on the completion of any number of years of service as the Board may specify.
- 1.1.29 “**Share Compensation Arrangement**” means any stock option plan of the Corporation (other than this Plan) and any stock option granted by the Corporation outside of this Plan.
- 1.1.30 “**Shares**” means common shares in the capital of the Corporation.
- 1.1.31 “**Subsidiary**” means a body corporate that is controlled by the Corporation and, for the purposes of this definition, a body corporate will be deemed to be controlled by the Corporation if the Corporation, directly or indirectly, has the power to direct the management and policies of the body corporate by virtue of ownership of, or direction over, voting securities in the body corporate.
- 1.1.32 “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person and, in the case of an Employee, means the date on which the Employee ceases to actively perform services for the Corporation or any Subsidiary (excluding any notice period which may extend beyond the date on which active services cease).

1.2 Certain Rules of Interpretation

- 1.2.1 In this Plan, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “**including**” or “**includes**” in this Plan is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
- 1.2.2 The division of this Plan into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan.
- 1.2.3 References in this Plan to an Article, Section or Exhibit are to be construed as references to an Article, Section or Exhibit of or to this Plan unless otherwise specified.
- 1.2.4 Unless otherwise specified in this Plan, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day. Unless otherwise determined by the Board, if an Option would, under the terms of this Plan or the Option Agreement, otherwise expire or terminate on a day which is not a Business Day, the Option will expire or terminate on the next Business Day.
- 1.2.5 Unless otherwise specified, any reference in this Plan to any statute, rule or policy includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute, rule or policy as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

1.3 Governing Law

This Plan and each Option Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 Purpose

- 2.1.1 The Corporation establishes this Plan to govern the grant, administration and exercise of Options which may be granted to Eligible Persons.
- 2.1.2 The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in equity ownership on the part of Eligible Persons who are responsible for the continued success of the Corporation; to create in those Eligible Persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage Eligible Persons to remain with the Corporation and any Subsidiaries; and to attract new Employees, Directors and Consultants.
- 2.1.3 This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of the highest calibre by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

2.2 Shares Reserved and Plan Limits

- 2.2.1 The number of Shares that may be reserved for issuance under this Plan and under any other Share Compensation Arrangement will not exceed, in the aggregate, 10% of the outstanding Shares (on a non-diluted basis) on each Grant Date.
- 2.2.2 The Corporation will at all times during the term of this Plan reserve and keep available the number of Shares necessary to satisfy the requirements of this Plan.

2.3 Limits on Certain Grants

- 2.3.1 An Option may only be granted to a Consultant under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Consultants, does not exceed, in aggregate, 2% of the outstanding Shares on the Grant Date.
- 2.3.2 An Option may only be granted to an Investor Relations Participant under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Investor Relations Participants, does not exceed, in aggregate, 2% of the outstanding Shares on the Grant Date.
- 2.3.3 An Option may only be granted to a Person under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to that Person, does not exceed, in aggregate, 5% of the outstanding Shares on the Grant Date.
- 2.3.4 The number of Shares that may be reserved for issuance to Insiders under this Plan and under any other Share Compensation Arrangement will not exceed, in the aggregate, 10% of the outstanding Shares (on a non-diluted basis) at any point in time.
- 2.3.5 An Option may only be granted to an Insider under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Insiders, does not exceed, in aggregate, 10% of the outstanding Shares on the Grant Date.
- 2.3.6 For the purposes of calculating the limits in this Section 2.3:
- 2.3.6.1 the number of Shares reserved for issuance under an option means the number of Shares which were originally reserved for issuance upon the date of grant of the option (except for the purposes of calculating the limit in Section 2.3.4, in which case the number of Shares reserved for issuance means the number of Shares reserved for issuance at the time of the calculation); and
- 2.3.6.2 any options granted within the relevant time but prior to the grantee becoming a Consultant, Investor Relations Participant or Insider, as applicable (a “**Restricted Person**”), and any Shares reserved or issued under those grants, will be included in the number of options granted to those Restricted Persons, in the number of Shares reserved for issuance to those Restricted Persons, and in the number of Shares issued to those Restricted Persons, if the grantee becomes a Restricted Person on or before the date the calculation is made.

2.4 Exercised Options

Any number of Shares which have been issued on the exercise of an Option will again be available for grants under this Plan, and will be considered to be part of the pool of Shares available for Options under this Plan.

2.5 Expired or Terminated Options

If and to the extent any Option granted under this Plan expires or is terminated without having been exercised in whole or in part, the number of Shares then subject to that Option will be considered to be part of the pool of Shares available for Options under this Plan.

2.6 Non-Exclusivity

Nothing contained in this Plan will prevent the Board from adopting other or additional incentive compensation arrangements, whether Share Compensation Arrangements or otherwise.

2.7 Effective Date

This Plan will be effective as of May 1, 2014.

**ARTICLE 3
ADMINISTRATION OF PLAN**

3.1 Administration of the Plan

3.1.1 Subject to the provisions of this Plan, Applicable Laws, and the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed), the Board will have full power and authority to:

- 3.1.1.1 administer this Plan in accordance with its express terms;
- 3.1.1.2 determine all questions arising in connection with the administration, interpretation, and application of this Plan;
- 3.1.1.3 prescribe, amend, and rescind rules and regulations relating to the administration of this Plan; and
- 3.1.1.4 make all other determinations necessary or advisable for the administration of this Plan.

All determinations made in good faith on the matters referred to in this Section 3.1.1 will be final, conclusive, and binding on the Corporation and the relevant Participant.

3.1.2 Subject to Applicable Laws, and the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed), the Board may, by resolution, at any time:

- 3.1.2.1 delegate any of its powers, rights and obligations under Section 3.1.1 to any committee of the Board; and
- 3.1.2.2 amend or rescind the delegation of any of its rights, powers and obligations effected under Section 3.1.2.1.

3.2 Record Keeping

The Corporation will maintain a register in which will be recorded:

3.2.1 with respect to each Option granted to a Participant:

- 3.2.1.1 the name and address of the Participant;
- 3.2.1.2 the Grant Date;
- 3.2.1.3 the number of Shares issuable under the Option as of the Grant Date;
- 3.2.1.4 the Option Exercise Price;
- 3.2.1.5 any vesting conditions;
- 3.2.1.6 the number of Shares issued under the Option (and the dates of issuance); and
- 3.2.1.7 the Option Expiry Date; and

3.2.2 the aggregate number of Shares subject to Options.

3.3 Adjustments to Options

- 3.3.1 If any material change in the outstanding Shares occurs by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, the Board may make any proportionate adjustments to this Plan and any outstanding Options that the Board deems equitable and appropriate to reflect that change. Any adjustment under this Section 3.3.1 will be made in the sole discretion of the Board, and will be conclusive and binding for all purposes of this Plan.
- 3.3.2 No fractional Shares will be issued on the exercise of an Option. If, as a result of any adjustment as provided in this Section 3.3, a Participant would be entitled to a fractional Share, the Participant will have the right to purchase only the number of full Shares that is calculated under that adjustment, and no payment or other adjustment will be made with respect to that fractional Share.

3.4 Termination of the Plan

The Board may terminate this Plan at any time in its absolute discretion (without shareholder approval). If this Plan is terminated, no further Options will be granted but the Options then outstanding will continue in full force and effect in accordance with the provisions of this Plan, until the time they are exercised or terminated or expire under the terms of this Plan and the applicable Option Agreements.

3.5 General

The existence of any Option will not affect, in any way, the right or power of the Corporation to:

- 3.5.1 make or authorize any recapitalization, reorganization or other change in the Corporation's capital structure or business;
- 3.5.2 participate in any amalgamation, combination, merger or consolidation;
- 3.5.3 create or issue any securities or change the rights and conditions attaching to any of its securities;
- 3.5.4 effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business; or
- 3.5.5 effect any other corporate act or proceeding, whether of similar character or otherwise.

3.6 Compliance with Applicable Laws

- 3.6.1 This Plan, the grant and exercise of Options, the Corporation's obligation to issue Shares on the exercise of Options, and all other actions taken under this Plan will be subject to Applicable Laws, to the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed) and to any approvals by any Governmental Authority which, in the opinion of counsel to the Corporation, are necessary or advisable.
- 3.6.2 No Option will be granted and no Shares issued under this Plan if that grant or issue would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction. Any purported grant of any Option or issue of Shares under this Plan in violation of this Section 3.6.2 will be void.
- 3.6.3 Shares issued to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under Applicable Laws.

**ARTICLE 4
TERMS OF OPTIONS**

4.1 Grants

4.1.1 Subject to the provisions of this Plan, the Board will have the authority to grant Options to Eligible Persons, and to determine the terms and conditions applicable to the exercise of those Options, including, for each Option:

- 4.1.1.1 the number of Shares issuable under the Option;
- 4.1.1.2 the Option Exercise Price;
- 4.1.1.3 the Option Expiry Date;
- 4.1.1.4 the vesting conditions, if any;
- 4.1.1.5 the nature and duration of the restrictions, if any, to be imposed on the sale or other disposition of Shares acquired on the exercise of the Option; and
- 4.1.1.6 the events, if any, that could give rise to a termination of the Participant's rights under the Option, and the period in which such a termination can occur.

4.1.2 Each Option must be confirmed by an Option Agreement executed by the Corporation and by the Participant to whom that Option is granted. Subject to specific variations approved by the Board in respect of any Option, those variations not to be inconsistent with the provisions of this Plan, all terms and conditions set out in this Plan will be incorporated by reference into and form part of each Option Agreement.

4.1.3 If an Option is to be granted to an Employee or a Consultant, the Corporation and the Person to whom that Option is proposed to be granted are responsible for ensuring and confirming that the Person is a bona fide Employee or Consultant.

4.2 Multiple Grants

An Eligible Person may be granted Options on more than one occasion under this Plan and be granted separate Options on any one occasion.

4.3 Option Exercise Price

The Board will set the option exercise price (the "**Option Exercise Price**") in respect of each Share issuable under an Option granted to a Participant. The Option Exercise Price will not be less than the fair market value of a Share on the Grant Date and, if the Shares are listed on the Exchange, will be subject to the minimum Option Exercise Price permitted by the Exchange. For the purposes of this Section 4.3, "**fair market value**" means:

- 4.3.1 if the Shares are listed on the Exchange, the last closing price of the Shares on the Exchange before the grant of the Option;
- 4.3.2 if the Shares are not then listed on the Exchange, but are listed on another stock exchange or market, the last closing price of the Shares on the stock exchange or market before the grant of the Option; or
- 4.3.3 if Sections 4.3.1 and 4.3.2 do not apply, the value of a Share determined by the Board, taking into account any considerations which it determines to be appropriate at the relevant time.

4.4 Option Expiry Date

The Board will, on the Grant Date, set the option expiry date (the “**Option Expiry Date**”) of each Option granted to a Participant. The Option Expiry Date set under this Section 4.4 will be no later than ten years after the Grant Date, and will be subject to earlier expiry in accordance with Section 4.10, and later expiry in accordance with Section 4.7.

4.5 Vesting of Options

4.5.1 Subject to Section 4.5.2, the Board may, at any time, accelerate the date on which any Option will vest and become exercisable.

4.5.2 An Option granted to an Investor Relations Participant will vest over a period of not less than 12 months from the Grant Date, and as to no more than 1/4 of the Shares issuable under the Option in any three-month period.

4.6 Exercise of Options

4.6.1 An Option will be exercisable until 5:00 p.m. (Toronto time) on the Option Expiry Date, but only to the extent that it has vested and has not expired or been terminated.

4.6.2 Subject to the provisions of this Plan and the related Option Agreement, an Option may be exercised, in whole or in part, at any time by delivery to the Corporation of a written notice of exercise, substantially in the form of Schedule “A” to Exhibit “A” to this Plan, specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Exercise Price of the Shares to be purchased. Payment of the Option Exercise Price must be made by cash, bank draft or certified cheque or wire transfer of immediately available funds.

4.7 Blackout Periods

No Option may be exercised during a Blackout Period, if the Participant is then restricted from trading in Shares pursuant to any policy of the Corporation or Applicable Laws. If an Option Expiry Date set under Section 4.4 falls on a date within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, the expiry date for that Option will be automatically extended, without any further act or formality, to that date which is the tenth Business Day after the end of the Blackout Period. This Section 4.7 will not extend any termination or expiry date determined under Section 4.10.

4.8 Amendments to Plan or Options

The Board may amend this Plan or any Option at any time, subject to the requirements of the Exchange (or any other stock exchange or market on which the Shares are listed), including any shareholder approval requirements, provided that any reduction in the Option Exercise Price for an Option held by an Insider is subject to the receipt of disinterested shareholder approval as required by the Exchange.

4.9 Withholding of Tax

4.9.1 The Corporation and any Subsidiary may take reasonable steps for the withholding of any taxes or other source deductions that it is required by Applicable Laws or the requirements of any Governmental Authority to remit in connection with this Plan, any Option or any issuance of Shares upon the exercise of an Option, including:

4.9.1.1 deducting and withholding the amount required to be remitted (the “**Remittance Amount**”) from any cash remuneration or any other amount payable to a Participant, whether or not related to the Plan, the exercise of any Options or the issue of any Shares;

4.9.1.2 permitting the Participant to make a cash payment to the Corporation equal to the Remittance Amount; or

4.9.1.3 selling, or causing a broker engaged by the Corporation to sell, on behalf of any Participant, that number of Shares issued to the Participant pursuant to an exercise of Options, such that the amount received by the Corporation or Subsidiary from the proceeds of the sale will be sufficient to satisfy the obligation to remit the Remittance Amount (and to fund any commissions payable to the broker and other costs and expenses of the transaction).

4.9.2 Any Shares of a Participant that are sold by the Corporation, or by a broker engaged by the Corporation, to fund a Remittance Amount will be sold as soon as practicable, and, if applicable, in transactions effected on the exchange on which the Shares are then listed for trading. In effecting the sale of any Shares, the Corporation or the broker will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Corporation nor the broker will be liable for any loss arising out of any sale of Shares, including any loss relating to the manner or timing of any sale, the prices at which the Shares are sold, or otherwise. In addition, neither the Corporation nor the broker will be liable for any loss arising from a delay in transferring any Shares to a Participant. The sale price of Shares sold on behalf of Participants will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

4.10 Termination of Employment or Service

4.10.1 Unless otherwise specified in the relevant Option Agreement, if a Participant ceases to be an Eligible Person:

4.10.1.1 any unvested portion of any Option held by that Participant will immediately expire as of the Termination Date; and

4.10.1.2 any vested portion of any Option held by that Participant will expire on the earlier of the Option Expiry Date set by the Board under Section 4.4 (without including any extended expiry terms determined under Section 4.7) and:

4.10.1.2.1 in the case of termination of employment by the Corporation or a Subsidiary without cause, or the failure of a Director standing for election to be re-elected, or the failure by the Corporation or a Subsidiary to renew a contract for services at the end of its term, the date which is 90 days after the Termination Date;

4.10.1.2.2 in the case of the death of the Participant, the date which is one year after the death;

4.10.1.2.3 in the case of the Disability or Retirement of the Participant, the date which is 180 days after the Termination Date; and

4.10.1.2.4 in all other cases, the Termination Date,

(the date determined under Sections 4.10.1.2.1 to 4.10.1.2.4, the “**Early Expiry Date**”).

4.10.2 Unless otherwise determined by the Board, Options will not be affected by any change of employment or provision of services within or among the Corporation or any Subsidiaries, so long as the Participant continues to be an Eligible Person.

4.10.3 The Early Expiry Date will be determined based on the first of the events described in Sections 4.10.1.2.1 to 4.10.1.2.4 to occur.

4.10.4 Options granted under this Plan are not part of a Participant’s regular employment or consulting compensation, and no value will be attributed to any Options as part of calculating any Participant’s damages for wrongful dismissal, or any amount due to a Participant with respect to reasonable notice, notice of termination, severance or termination pay, or compensation in lieu of notice.

4.11 Change of Control

- 4.11.1 Despite any other provision of this Plan or any Option Agreement, in the event of an actual or potential Change of Control Transaction, all unvested Options will automatically, without any action or consent required on the part of the Board or any Participant, become vested and the holder thereof shall be entitled to exercise such Options immediately prior to such Change of Control.
- 4.11.2 The Corporation will use its best efforts to give the affected Participants written notice of any potential Change of Control Transaction under Section 4.11.1 at least 14 days before the effective date of the Change of Control Transaction.

4.12 Transferability

- 4.12.1 Subject to Section 4.12.2, the Options and all benefits and rights accruing to a Participant in accordance with the terms and conditions of this Plan are not directly or indirectly transferable and cannot be assigned, charged, pledged or hypothecated, or otherwise alienated, by a Participant, whether voluntarily, involuntarily, by operation of law or otherwise.
- 4.12.2 On a Participant's death, vested Options, benefits and rights may pass by the Participant's will or the laws of descent and distribution to the legal representative of the Participant's estate or any other Person who acquires the Participant's vested Options by bequest or inheritance. No transfer of a vested Option by will or by the laws of descent and distribution will be effective to bind the Corporation until the Corporation has been furnished with any evidence that the Corporation may deem necessary to establish the validity of the transfer and the acceptance by the transferee of the terms and conditions of this Plan and the relevant Option Agreement.

**ARTICLE 5
MISCELLANEOUS PROVISIONS**

5.1 No Rights as Shareholder

The holder of an Option will not have any rights as a shareholder of the Corporation with respect to any of the Shares issuable on exercise of that Option until that holder has exercised that Option in accordance with the terms of this Plan and has been issued the Shares.

5.2 No Employment Rights

Nothing in this Plan or any Option will confer on a Participant any right to continue in the employment or service of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate the Participant's employment or service at any time; nor will anything in this Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment or service of any Participant beyond the date on which the Participant's relationship with the Corporation or any Subsidiary would otherwise be terminated due to Retirement or pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any Subsidiary.

5.3 No Undertaking or Representation

The Participants, by participating in this Plan, will be deemed to have accepted all risks associated with acquiring Shares pursuant to this Plan. Each Participant acknowledges that the Shares are subject to, and may be required to be held indefinitely under, applicable securities laws. The Corporation and the Subsidiaries make no undertaking, representation, warranty or guarantee as to the future value or price, or as to the listing on any stock exchange or other market, of any Shares issued under this Plan, and will not be liable to any Participant for any loss resulting from that Participant's participation in this Plan or as a result of the amendment, suspension or termination of this Plan or any Option in accordance with its terms.

5.4 Notices

All written notices to be given by a Participant to the Corporation will be delivered personally or by registered mail, postage prepaid, addressed as follows:

Advantagewon Oil Corp.
47 Colborne Street, Suite 307
Toronto ON M5E 1P8
Attention: Chief Financial Officer

Any notice given by a Participant pursuant to the terms of an Option will not be effective until actually received by the Corporation at the above address.

5.5 Further Assurances

Each Participant will, when requested to do so by the Corporation, sign and deliver all documents relating to the granting or exercise of Options deemed necessary or desirable by the Corporation. Each Participant will provide the Corporation with all information (including personal information) which is necessary for the administration of this Plan, and each Participant consents to the collection, use and disclosure of information by the Corporation necessary for the administration of this Plan.

5.6 Submission to Jurisdiction

Without prejudice to the ability of the Corporation or any Participant to enforce this Plan or any Option Agreement in any other proper jurisdiction, the Corporation and each Participant irrevocably and unconditionally submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity, arising from this Plan and each Option Agreement. To the extent permitted by Applicable Laws, the Corporation and each Participant:

- 5.6.1 irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Plan or any Option Agreement in the courts of that Province, or that the subject matter of this Plan or any Option Agreement may not be enforced in those courts;
- 5.6.2 irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called on to enforce the judgment of the courts referred to in this Section 5.6, of the substantive merits of any suit, action or proceeding; and
- 5.6.3 to the extent the Corporation or any Participant has or may acquire any immunity from the jurisdiction of any court or from any legal process, whether through service or notice, attachment before judgment, attachment in aid of execution, execution or otherwise, with respect to itself or its property, that Person irrevocably waives that immunity in respect of its obligations under this Plan and any Option Agreement.

EXHIBIT "A"
TO STOCK OPTION PLAN

ADVANTAGEWON OIL CORP.
OPTION AGREEMENT

THIS AGREEMENT is dated as of ● (Insert the Grant Date.) between Advantagewon Oil Corp. (the "**Corporation**") and ● (Insert the name of the Participant.) (the "**Participant**").

CONTEXT:

- A.** The Corporation has a stock option plan with an effective date of ●, 2014 (as it may be amended at any time in accordance with its terms, the "**Plan**"). A copy of the Plan in effect on the date of this agreement has been (or is concurrently being) provided to the Participant.
- B.** The board of directors of the Corporation has authorized the granting to the Participant of an option under the Plan, having the terms set out in this agreement (the "**Option**").

THEREFORE, the parties agree as follows:

- 1. **The Plan.** The Participant agrees to be bound by the terms of the Plan (which may be amended). The terms and conditions of the Plan are deemed to be incorporated into and to form a part of this agreement. In the event of any inconsistency between the terms of the Plan and the terms of this agreement, the terms of the Plan will prevail.
- 2. **Grant of Option.** The Corporation grants, and the Participant accepts, the Option to purchase ● common shares in the capital of the Corporation (the "**Shares**").
- 3. **Exercise Price.** The exercise price under the Option is \$ ● per Share.
- 4. **Vesting.** The Option will vest and become exercisable as follows:

Number of Shares	Vesting Date
●	●
●	●
- 5. **Exercise of Vested Option.** The Option may be exercised, in whole or in part, at any time up to and including 5:00 p.m. (Toronto time) on ●, but only to the extent that it has vested and has not expired or been terminated. To exercise the Option, in whole or in part, all conditions for exercise under the Plan must have been met, and the Participant must deliver to the Corporation a written notice of exercise, substantially in the form of Schedule "A" to this agreement, accompanied by payment in full of the exercise price of the Shares to be purchased. Payment of the exercise price must be made by cash, bank draft or certified cheque.
- 6. **Effect of Termination.** ● (If the default early expiry provisions of section 4.10 of the Plan are to apply, without amendment, then insert the following: "The expiry of the Option will be accelerated if the Participant ceases to be an Eligible Person (as defined in the Plan), as set out in further detail in section 4.10 of the Plan." If the Option is to have early expiry provisions other than those set out in section 4.10 of the Plan, then insert a description of the early expiry provisions of the Option.)
- 7. **Withholding Taxes.** The Corporation may take reasonable steps for the withholding of any taxes or other source deductions that it is required to remit in connection with the Option or any issuance of Shares upon the exercise of the Option, as described in more detail in the Plan.
- 8. **Transferability.** The Participant will not, directly or indirectly, transfer or assign the Option, except as expressly permitted in the Plan.

9. **Rights of Participant.** The Participant will not have any rights as a shareholder of the Corporation with respect to any of the Shares issuable on exercise of the Option until the Participant has exercised the Option in accordance with the terms of the Plan and has been issued the Shares. Nothing in the Plan or this agreement will confer on the Participant any right to continue in the employment or service of the Corporation or any Subsidiary (as defined in the Plan) or affect in any way the right of the Corporation or any Subsidiary to terminate the Participant's employment or service at any time.
10. **Independent Legal Advice.** The Participant acknowledges that it has had the opportunity to receive independent legal advice from its own counsel with respect to the terms of this agreement, and understands the risks associated with acquiring Shares pursuant to the Plan.
11. **Enurement.** This agreement enures to the benefit of and is binding upon the parties and their respective heirs, successors, assigns and representatives.
12. **Governing Law.** This agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.
13. **Time of Essence.** Time is of the essence in all respects of this agreement.
14. **Counterparts.** This agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and those counterparts will together constitute one and the same instrument.
15. **Electronic Signatures.** Delivery of this agreement by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

Each of the parties has executed and delivered this agreement as of the date noted at the beginning of this agreement.

ADVANTAGEWON OIL CORP.

by: _____

Name:

Title:

_____ ● *(Insert name of the Participant.)*

SCHEDULE "A"
TO OPTION AGREEMENT

ADVANTAGEWON OIL CORP.
STOCK OPTION PLAN
NOTICE OF EXERCISE

TO: **Advantagewon Oil Corp.** (the "Corporation")

DATE: _____

RE: **Stock Option Plan** (the "Plan")

I refer to the option (the "**Option**") granted to me under the Plan and evidenced by an option agreement dated _____, 20____, under which I was granted, subject to the terms of that option agreement, an option to subscribe for common shares in the capital of the Corporation (the "**Shares**").

I subscribe for _____ Shares under the Option at \$_____ per Share, payment for which in the aggregate amount of \$_____ accompanies this subscription.

Will you please cause those Shares to be registered as follows:

(Insert full name and address of purchaser including postal code.)

and forward the relevant certificate to the registered holder at the address shown above.

Signed,

(Signature)

(Name)

Appendix "I"

Audit Committee Charter



ADVANTAGEWON OIL CORP.

1. Role of the Committee

The board of directors of Advantagewon Oil Corp. (the "**Corporation**") shall appoint an Audit Committee (the "**Committee**").

The role of the Committee shall be to assist the board to promote and improve the credibility and objectivity of financial reports.

The Committee shall oversee the accounting and financial reporting processes of the Corporation and review and recommend for approval by the board the financial statements, MD&A and earnings news releases.

The Committee will manage the relationship between the Corporation and the external auditors by overseeing the work of the external auditors and by making recommendations to the board on the engagement, remuneration and termination of the external auditors based on its evaluation of performance.

The Committee shall pre-approve all non-audit services the external auditors propose to provide to the Corporation. The Committee shall facilitate and maintain open communications among management, the external auditors, and the board.

The Committee shall be responsible for the discharge of such other duties as may be prescribed by regulatory authorities or delegated by the board.

2. Membership

The Committee shall be comprised of at least three members, whenever possible, the majority of whom shall be independent as determined by the board in conformity with the laws, regulations and listing requirements to which the Corporation is subject. An independent Committee member is one who has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, as determined by the board, reasonably interfere with the exercise of a member's independent judgement.

The Chair of the Committee shall be appointed by the board of directors. A quorum shall consist of two directors. All members of the Committee shall in the judgment of the board of directors be "financially literate" and if possible, at least one member shall qualify as a "financial expert". "Financially literate" shall mean the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. A "financial expert" shall mean a person who has: (a) an understanding of financial statements and the accounting principles used by the Corporation to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the

breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit Committee functions. The designation of a person as a financial expert will not impose any duties, obligations or liabilities greater than those arising by virtue of this person's position as a member of the audit Committee or board of directors.

3. Meetings

The Committee shall meet at least four times per year and at such other times as any member of the Committee deems necessary to fulfill its responsibilities. The Corporation's external auditors will normally not be required to attend meetings of the Committee except for the meeting at which the audited annual financial statements are considered. At each meeting, the Committee shall meet separately with management and with the external auditors, if they are present, to discuss any matters the Committee or any of these parties believe should be discussed privately.

4. Reporting to the Board

Minutes of all meetings of the Committee are to be sent to all board members. All supporting schedules and data received and reviewed by the Committee are to be available for examination by any director upon request to the Chairman of the Committee.

5. Authority

The Committee shall have direct access to all books, records, facilities and personnel of the Corporation including to the external auditor as it determines this to be advisable. All employees are to cooperate as requested by Committee members.

The Committee shall have the authority to retain persons having special expertise in legal, accounting or other matters as it determines to be necessary to assist it in discharging its responsibilities. The Committee shall have the authority to set and pay the compensation of any advisors it engages.

The board of directors may authorize the Committee to investigate any activity of the Corporation.

6. Responsibilities

In the discharge of its role, the Committee will have the responsibility to:

- (a) recommend to the board the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation and the compensation of the external auditors;
- (b) confirm the external auditors are participants in good standing with the Canadian Public Accountability Board;
- (c) review the external auditor engagement letter and confirm the direct reporting and accountability of the auditors to the audit Committee and through the Committee to the board of directors as representatives of the shareholders;
- (d) pre-approve any non-audit services to be provided by the external auditors and generally assess the independence of the external auditors having reference to the Independence Standards of the CICA; the pre-approval requirement may be satisfied if (a) the aggregate amount of all the non- audit services that were not pre-approved constitutes no more that 5% of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the services were provided; (b) the services were not recognized by the Corporation at the time of the engagement to be non-audit services; and (c) the services were promptly brought to the attention of the Committee and approved, prior to the

completion of the audit, by the audit Committee or by one or more members of the Committee to whom the Committee may delegate authority to grant such approvals;

- (e) ensure the rotation of the lead audit partner and/or the audit partner responsible for reviewing the audit as required by law
- (f) review and approve the Corporation's hiring policies regarding employees or persons previously employed by the present or former external auditors;
- (g) review the scope of the external auditors' audit plan and the procedures to be utilized with the external auditors and with management.
- (h) review with management and with the external auditors all major accounting policies and practices adopted, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
- (i) question management regarding significant variances between comparative reporting periods;
- (j) review (i) the audited annual financial statements with management and the external auditors and (ii) the quarterly financial statements with management, and recommend the same to the board;
- (k) question management and the external auditors regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (l) review any restrictions imposed by management in performing the external audit or significant accounting issues on which there was a disagreement with management;
- (m) review the post-audit or management letter, containing the recommendations of the external auditors, and management's response and subsequent follow up to any identified weakness;
- (n) review and recommend for the approval by the board the Management's Discussion & Analysis reports, news releases and any earnings guidance and all public disclosure documents containing audited or unaudited financial information before release;
- (o) review the quarterly reports issued by management and subsequent follow up to any identified weakness;
- (p) review with management significant financial risk exposures, the steps taken to monitor and control such exposures and approve any related policies;
- (q) review the appointments of any key financial executives involved in the financial reporting process;
- (r) review with management the status of any material pending or threatened litigation;
- (s) review the adequacy and quality of any insurance coverage maintained by the Corporation;
- (t) inquire of the CEO as to the Corporation's disclosure controls and procedures and as to the existence of any significant deficiencies in the design or operation of internal controls and any fraud that involves employees who have a significant role in the Corporation's internal controls; and
- (u) review the status of compliance with laws and regulations and the scope and status of systems designed to ensure compliance therewith and receive reports from management, legal counsel and other third

parties as determined by the Committee on such matters, as well as major legislative and regulatory developments which could impact the Corporation's contingent liabilities and risks.

7. Business Conduct Policies

The Committee will review and reassess annually the adequacy of the Corporation's Code of Ethical Conduct and Business Practices and its policies and procedures with respect to Corporate Disclosure, Confidentiality and Restricted Trading Policies.

8. Allocation of Responsibilities

Management is responsible for operating the business of the Corporation and for its internal controls and the financial reporting process. The external auditors are responsible for performing an independent audit of the Corporation's consolidated financial statements in accordance with generally accepted auditing standards and for issuing a report thereon. The external auditors shall report and be accountable to the Committee and through the Committee to the board of directors as representatives of shareholders. The Committee's responsibility is to monitor and oversee these processes on behalf of the board. The Committee is not charged with the duty to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and in accordance with generally accepted accounting principles.

The existence of the Committee and the delegation to it of certain powers and duties by the board of directors does not relieve individual members of the board of directors from the responsibility of satisfying themselves that the affairs of the Corporation are being properly conducted.

9. Complaints

Concerns or complaints submitted to management pursuant to procedures set forth in the Code of Ethical Conduct and Business Practices or otherwise received by an employee of the Corporation, including but not restricted to concerns and complaints which relate to accounting, internal accounting controls or audit matters, shall be referred to the Chair of the Committee. The Committee shall deal with all such internal complaints relating to such matters.

No reprisal, retaliation or disciplinary action shall be taken against employees for reporting, in good faith, such concerns. The Chair of the Committee shall, if requested by the complainant, keep the identity of the complainant in confidence to the extent appropriate or permitted by law.

10. Annual Review

The Committee shall review the adequacy of this Charter on an annual basis and recommend any changes to the board.

CERTIFICATE OF ADVANTAGEWON OIL CORP.

Dated: May 26, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Advantagewon Oil Corp. as required by the securities legislation of Ontario, British Columbia and Alberta.

"Paul Haber"

Paul Haber
Chief Executive Officer

"Graham Warren"

Graham Warren
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS
OF ADVANTAGEWON OIL CORP.**

"Stan Dimakos"

Stan Dimakos, Director

"Jason Ewart"

Jason Ewart, Director

"Frank Kordy"

Frank Kordy, Director

CERTIFICATE OF PROMOTER

Dated: May 26, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Advantagewon Oil Corp. as required by the securities legislation of Ontario, British Columbia and Alberta.

"Paul Haber"

Paul Haber
Promoter

GUNPOWDER CAPITAL CORPORATION

"Frank Kordy"

Frank Kordy
Promoter