

## Management

**Don Simmons**, President & CEO

**Ian Duncan**, COO

**Dorlyn Evancic**, CFO

**Ashley Ramsden-Wood**, CDO

**Andrew Arthur**, VP Exploration

www.hemisphereenergy.ca

## Commentary by Dan Steffens

**Hemisphere Energy Corporation (HME.V, HMFN)** is a Canadian junior oil & gas producer generating enough operational cash flow to pay dividends and fund its growth. Production rose 10.9% in 2024 and 5.2% in 2025 (average output was 3,645 Boepd, 99% heavy oil), despite several unplanned shut-ins. This demonstrates the stability of Hemisphere's two polymer floods in Atlee Buffalo. **The company's 2026 production guidance is now 3,900 Boepd**, primarily due to the two successful polymer floods within their Atlee Buffalo core area.

They are testing some additional zones this year, which could add production and proved reserves in 2H 2026.

Based on Hemisphere's year-end reserve report, the PV10 Net Asset Value of just the company's proved reserves was \$2.70Cdn/share based on oil prices that are much lower than we have today. *< My valuation is based on 5X annualized operating cash flow per share, which I believe is conservative for a company of this quality.*

### Another "Special Dividend" was a nice surprise:

Supported by the current strength in oil pricing and consistent 2026 first-quarter production performance of approximately 3,800 boe/d (99% heavy oil), Hemisphere's Board of Directors has approved a special dividend of \$0.03 per common share under its dividend policy. The special dividend will be paid on May 28, 2026 to shareholders of record on May 14, 2026, and is designated as an eligible dividend for Canadian income tax purposes. ***This is in addition to the Company's special dividend of \$0.03 per common share to be paid on April 28, 2026 to shareholders of record on April 15, 2026 which was previously announced on March 11, 2026.***

## Returning to Hemisphere's Shareholders: Dividends and Share Buybacks



### Quarterly Base Dividends

*Fully funded by free cash flow*

Inception: June 2022  
Price: \$0.025/share  
Yield: ~3.7%  
**Total paid: \$39.5 million**  
**\$0.375/share**

#### Last Quarterly Base Dividend

Price: \$0.025/share  
Payment date: February 26, 2026

### Normal Course Issuer Bid

*Strategic & opportunistic share buyback*

Inception: September 2019  
**Total paid: \$20.1 million**  
**# shares: 16.5 million**

#### Full Year 2025

Total paid: \$6.4 million  
# shares: 3.5 million

#### 2026 Year-to-date

Total paid: \$1.0 million  
# shares: 0.5 million

### Special Dividends

*Additional returns when markets allow*

**Total paid: \$14.7 million**  
**\$0.15/share**

#### Upcoming Special Dividends

Price: \$0.03/share  
Record date: April 15, 2026  
Payment date: April 28, 2026  
Price: \$0.03/share  
Record date: May 14, 2026  
Payment date: May 28, 2026

**2025 Shareholder Returns**



**\$21.8 million**  
**11.7% annualized yield**

**TOTAL Shareholder Returns**



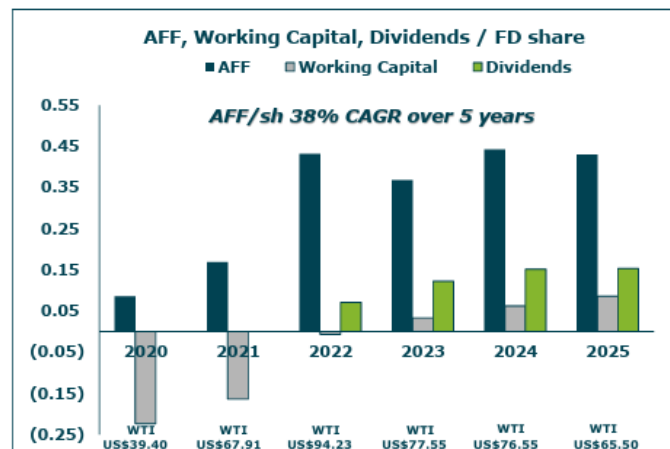
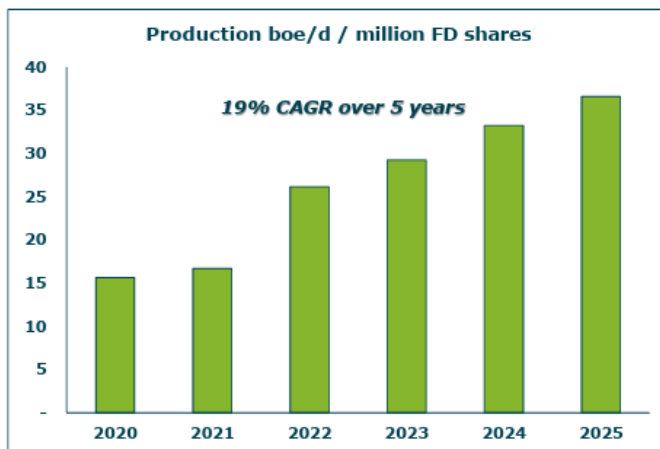
**\$77.9 million**

September 2019 – May 2026

**The balance sheet is pristine.** Shareholder returns (dividends and stock buybacks) are very generous. Based on the Company's guidance and my forecast, dividends should be at least \$0.16Cdn per share in 2026; **6.0% annual yield**.

Based on my updated forecast, Hemisphere should generate enough free cash flow from operations to pay two more "Special Dividends" of \$0.03/share in 2026. Two have already been announced. That will make 2026 total dividends \$0.22Cdn; **8.2% annual yield**. This assumes that the Company does not use the free cash flow to make an accretive acquisition.

## Hemisphere's Timeline: Track Record and Compound Annual Growth Rate



Hemisphere is a perfect fit for our High Yield Income Portfolio because of its very low production decline rate. Despite not completing any new wells within Atleee Buffalo until recently, the company's production has increased.

Throughout 2025, Hemisphere has exercised prudence in capital expenditures in response to volatility within the global economy and oil markets, resulting in the deferral of its drilling program to later in the year. In September, the Company initiated a fall drilling campaign, concluding in early November. The newly drilled wells have recently commenced production and will continue to be optimized in the coming months. *< Q1 2026 production should be 3,800 Boepd, compared to 3,354 Boepd in Q4 2025, thanks to the new wells and shut-ins being restored.*

Based on my forecast model, which is based on WTI averaging \$81US/bbl in 2026 and \$75US/bbl in 2026, Hemisphere should generate approximately **\$50Cdn million of free cash flow this year**. Increased stock buybacks will increase the stock value AND we should get two more \$0.03/share "Special Dividends" this year, in addition to the two being paid in April and May.

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## What REALLY makes Hemisphere unique? Polymer Flood = Lower Decline = More Free Cash Flow



### 'Typical' Oil & Gas Co:

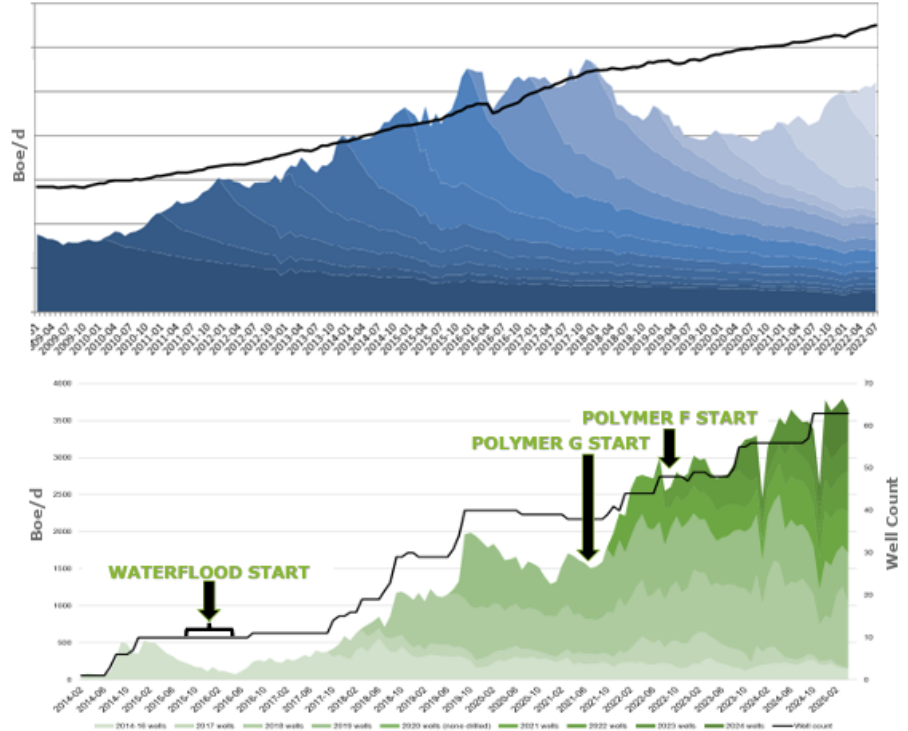
Treadmill style drilling  
with corporate production  
decline rates of 20% - 30%

Average of estimated 2024  
Canadian corporate decline rates

Junior - 30%  
Intermediate - 29%  
Large Cap - 16%

### Hemisphere Energy:

Lower production decline rate  
reduces sustaining capital and  
increases free cash flow



In October, Hemisphere successfully executed a scheduled facility turnaround and resolved unforeseen issues related to power generation and injection systems. While these temporary disruptions impacted overall fourth-quarter production, all operational systems have now been fully restored. **November production averaged approximately 3,800 boe/d (99% heavy oil, from November 1-22, 2025).**

Management did advise that fourth-quarter production would range between 3,400 and 3,500 boe/d (99% heavy oil) as a result of the power outage.

At the Marsden, Saskatchewan property, Hemisphere continues its evaluation of the polymer pilot project. **Although an enhanced oil production response has yet to be observed after nearly a year of injections**, ongoing data collection is yielding valuable insights into reservoir performance. The team intends to advance the project by assessing producer/injector well spacing, polymer type, injection water, and reservoir heterogeneity and composition. During the fall drilling program, Hemisphere attempted to test a secondary oil-bearing zone at Marsden. However, drilling challenges impeded access to the reservoir, prompting the Company to consider alternative approaches for future assessment.

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## Marsden, Saskatchewan – Polymer Flood Pilot Project

- › Sizable oil pool where no secondary or tertiary enhanced recovery methods had been applied
- › If pilot validates large scale economic development, Hemisphere has amassed a meaningful land position (~13 Sections)
- › Built an oil battery with polymer injection skid
- › Commenced polymer injection in late Q3 2024 – no oil production response to date

## Evaluating and testing new zones within existing landbase

- › Identify hydrocarbon bearing zones
- › Use modern seismic, drilling, and completion technology to test deliverability and economics

## Aggressively pursuing acquisitions as well as exploration and development ideas

- › Evaluating and mapping opportunities that are complimentary to Hemisphere’s current production base
- › Focused on oil-weighted growth assets where the Hemisphere team’s experience can be leveraged to add value

Management now anticipates 2026 actual adjusted funds flow to exceed their previous guidance estimate of \$40 million and that total capital expenditures will be approximately \$12 million. Hemisphere’s 2026 production guidance as of April 15, 2026 is now 3,900 Boepd. Using my updated oil price deck shown below, the Company’s operating cash flow should be approximately \$62Cdn million this year.

Updated	Oil & Gas Prices used in Forecast Models					Following YEAR Forecast
4/10/2026	2023 to 2025 Actuals and 2026 & 2027 Forecasts					
	Q1	Q2	Q3	Q4	YEAR	
	Actuals	Actuals	Actuals	Actuals	Actuals	
2023 WTI Oil	\$ 76.11	\$ 73.66	\$ 82.32	\$ 78.32	\$ 77.60	
2024 by Qtr	\$ 76.91	\$ 80.49	\$ 75.16	\$ 70.28	\$ 75.71	
2025 by Qtr	\$ 71.42	\$ 63.74	\$ 64.93	\$ 59.14	\$ 64.81	
2026 by Qtr	\$ 68.00	\$ 95.00	\$ 85.00	\$ 76.00	\$ 81.00	\$ 75.00
2023 HH Gas	\$ 2.72	\$ 2.32	\$ 2.66	\$ 2.88	\$ 2.65	
2024 by Qtr	\$ 2.10	\$ 1.88	\$ 2.16	\$ 2.79	\$ 2.23	
2025 by Qtr	\$ 3.65	\$ 3.43	\$ 3.07	\$ 3.55	\$ 3.43	
2026 by Qtr	\$ 4.75	\$ 2.75	\$ 3.10	\$ 4.00	\$ 3.65	\$ 4.00

**My Fair Value Estimate for HME.V is \$3.00Cdn/share**

This translates to approximately \$2.19US/share for HMENF

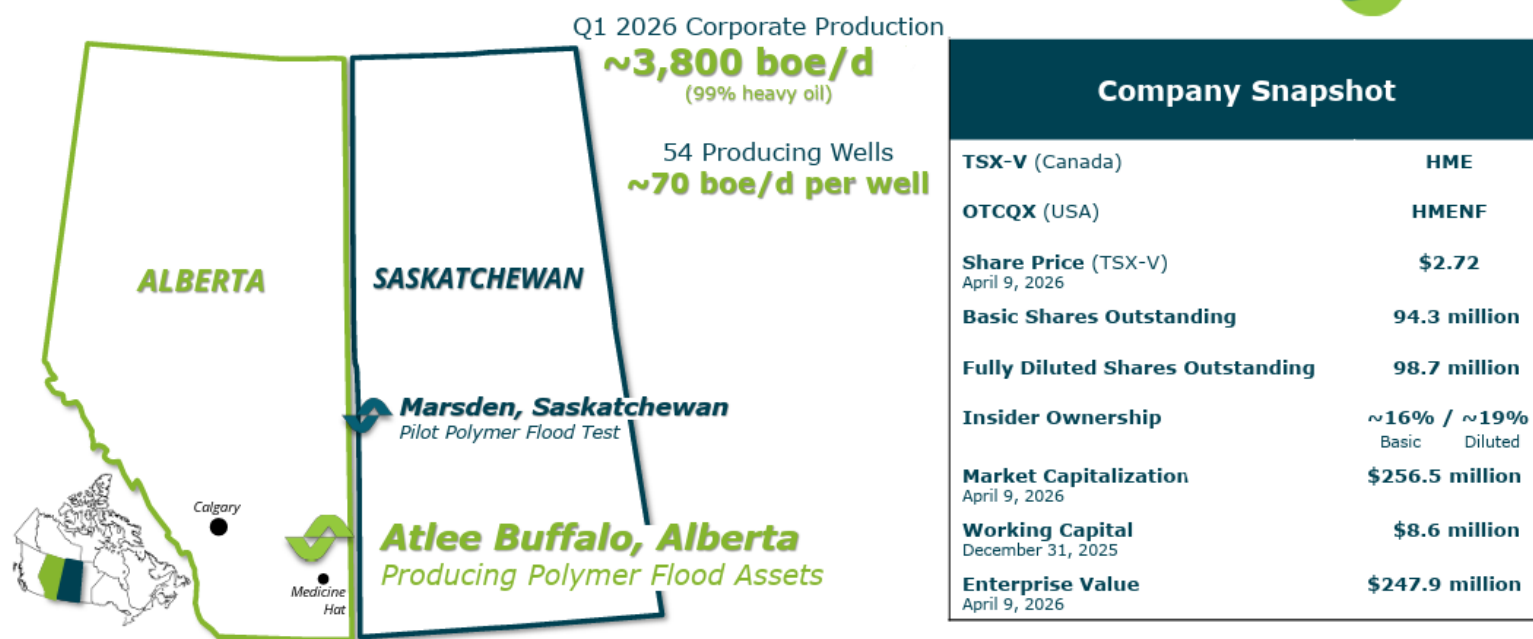
**Disclosure:** I have a long position in HMENF and I do not intend on buying or selling it in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this report.

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Hemisphere Energy Corporation is a dividend paying Canadian oil company focused on sustainable growth of its high netback, low decline conventional heavy oil assets through enhanced recovery methods. Hemisphere is dedicated to creating shareholder value by following its core principles of building a company that is Simple, Clean, Profitable, and Unique.

## Hemisphere: A Top Tier Canadian Junior

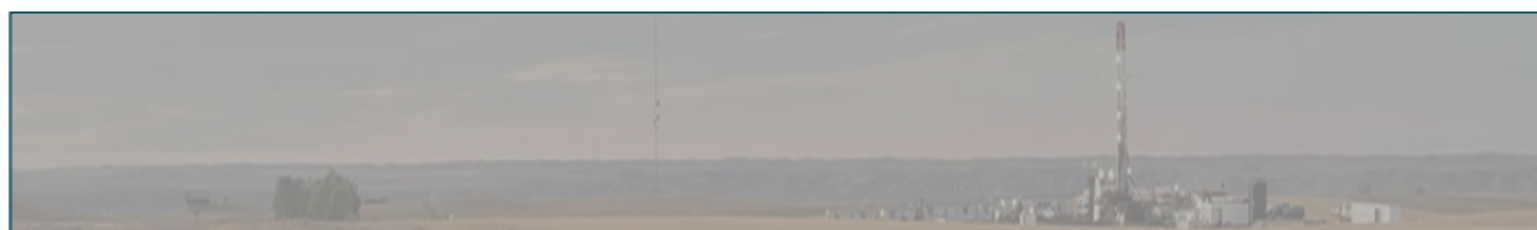


Atlee Buffalo is Hemisphere's core area, located approximately 85 kilometers north of Medicine Hat. Hemisphere made its first acquisition in the area in late 2013 and owns 15,560 gross acres (15,560 net acres). The property has two oil pools delineated by vertical wells and defined by 3D seismic, which are now successful polymer floods.

Hemisphere trades on the TSX Venture Exchange as a Tier 1 issuer under the symbol "HME" and on the OTCQX Venture Marketplace under the symbol "HMENF".

## 2025 Highlights (\$Cdn)

- Increased annual production by 6% to a record 3,645 boe/d (99% heavy oil).
- Generated annual revenue of \$93.9 million. *< My 2026 revenue forecast is now \$128.8 million.*
- Achieved \$42.9 million in annual adjusted funds flow from operations ("AFF")
- Invested \$16.3 million in capital expenditures focused on Hemisphere's long life, low decline assets. *< Below their capital expenditure budget of \$17 million.*
- Generated \$26.6 million of annual free funds flow ("FFF"), an 11% increase over annual 2024 FFF.
- Achieved total operating and transportation costs of \$15.14/boe.
- Distributed \$9.6 million in quarterly base dividends to shareholders during the year.
- Distributed \$5.8 million in special dividends to shareholders during the year.
- Returned \$6.5 million to shareholders during the year with the purchase and cancellation of 3.5 million shares under the Company's normal course issuer bid ("NCIB"), at an average price of \$1.88/share.
- Exited 2025 with a positive working capital position of \$8.6 million compared to \$6.4 million at year-end 2024.
- 93,481,702 shares outstanding at December 31, 2025. *< Revenue over \$1 per share.*



### Year Ended December 31, 2025

Average Production (99% heavy oil)	3,645 boe/d	
Revenue	\$93.9 million	\$70.56/boe
EBITDAX	\$50.1 million	\$37.70/boe
<b>Adjusted Funds Flow ("AFF")</b>	<b>\$42.9 million</b>	<b>\$32.22/boe</b>
Capital Expenditures	\$16.3 million	
<b>Free Funds Flow ("FFF")</b>	<b>\$26.6 million</b>	
Working Capital (at December 31, 2025)	\$8.6 million	

## 2025 Financial and Operating Summary

(\$000s except per unit and share amounts)	Three Months Ended December 31		Years Ended December 31	
	2025	2024	2025	2024
<b>FINANCIAL</b>				
Petroleum and natural gas revenue	\$ 18,989	\$ 23,361	\$ 93,865	\$ 99,935
Operating field netback	10,939	13,714	56,971	60,106
Operating netback	10,943	13,627	55,530	59,844
Cash provided by operating activities	4,868	12,284	48,161	46,548
Adjusted funds flow from operations ("AFF")	9,847	10,415	42,863	45,796
Per share, basic	0.10	0.11	0.45	0.47
Per share, diluted	0.10	0.10	0.44	0.46
Free funds flow	2,161	7,092	26,611	23,944
Net income	5,080	7,342	28,006	33,103
Per share, basic	0.05	0.08	0.29	0.34
Per share, diluted	0.05	0.07	0.29	0.33
Dividends	2,362	5,366	15,335	15,703
Per share, basic	0.025	0.055	0.160	0.160
NCIB share repurchases	1,093	1,375	6,544	5,539
Capital expenditures	7,686	3,323	16,252	21,852
Working capital	8,552	6,418	8,552	6,418
<b>OPERATING</b>				
<b>Average daily production</b>				
Heavy oil (bbl/d)	3,325	3,341	3,624	3,416
Natural gas (Mcf/d)	172	110	121	120
Combined (boe/d)	3,354	3,359	3,645	3,436
Oil weighting	99%	99%	99%	99%
<b>Average sales prices</b>				
Heavy oil (\$/bbl)	\$ 61.95	\$ 75.96	\$ 70.90	\$ 79.89
Natural gas (\$/Mcf)	2.38	1.42	1.79	1.39
Combined (\$/boe)	\$ 61.55	\$ 75.59	\$ 70.56	\$ 79.48
<b>Operating netback (\$/boe)</b>				
Petroleum and natural gas revenue	\$ 61.55	\$ 75.59	\$ 70.56	\$ 79.48
Royalties	(9.89)	(13.54)	(12.59)	(16.08)
Operating costs	(13.19)	(13.89)	(12.20)	(11.36)
Transportation costs	(3.00)	(3.78)	(2.94)	(4.24)
Operating field netback	35.47	44.38	42.83	47.80
Realized commodity hedging gain (loss)	0.01	(0.28)	(1.08)	(0.21)
<b>Operating netback</b>	<b>\$ 35.48</b>	<b>\$ 44.10</b>	<b>\$ 41.75</b>	<b>\$ 47.59</b>
General and administrative expense	(4.77)	(4.74)	(3.99)	(3.91)
Interest expense	(0.16)	(0.31)	(0.14)	(0.35)
Other income and foreign exchange gain (loss)	2.94	(0.10)	0.63	(0.05)
Tax expense provision	(1.58)	(5.25)	(6.03)	(6.86)
<b>Adjusted funds flow from operations (\$/boe)</b>	<b>\$ 31.91</b>	<b>\$ 33.70</b>	<b>\$ 32.22</b>	<b>\$ 36.42</b>

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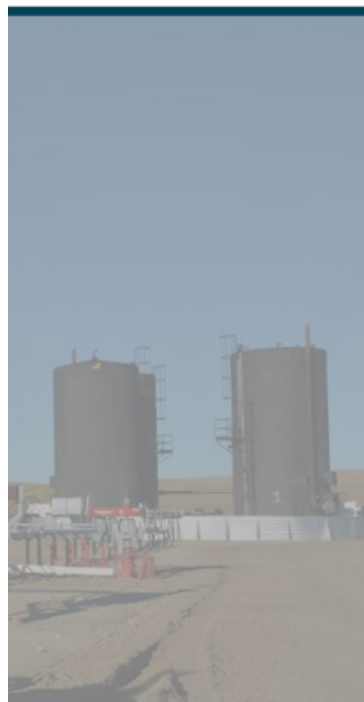
**Shareholder Return** < *Stock Buybacks will continue to increase per share value.*

COMMON SHARES	April 14, 2026	December 31, 2025	December 31, 2024
Common shares issued and outstanding	94,297,904	<b>94,481,702</b>	97,389,735
Stock options	4,420,600	<b>5,145,600</b>	6,021,600
<b>Total fully diluted shares outstanding</b>	<b>98,718,504</b>	<b>99,627,302</b>	<b>103,411,335</b>

**Updated Guidance for 2026 (Note that it is only based on \$60US/bbl WTI oil price)**

In 2025 the WTI oil price averaged \$64.81S/bbl and Hemisphere's realized heavy oil price averaged \$69.72Cdn/bbl.

## Balancing Growth with Return to Shareholders



Price Sensitivity		US\$50/bbl WTI	US\$60/bbl WTI	US\$70/bbl WTI
Average Annual Production	boe/d	3,900	<b>3,900</b>	3,900
Adjusted Funds Flow ("AFF")	\$ million	28	<b>40</b>	51
AFF per basic share	\$/share	0.30	<b>0.42</b>	0.54
Capital Expenditures & ARO	\$ million	12	<b>12</b>	12
Free Funds Flow ("FFF")	\$ million	16	<b>28</b>	39
FFF per basic share	\$/share	0.17	<b>0.29</b>	0.41
Base Dividends per basic share	\$/share	0.10	<b>0.10</b>	0.10

### 2026 Capital Expenditures - \$12 million

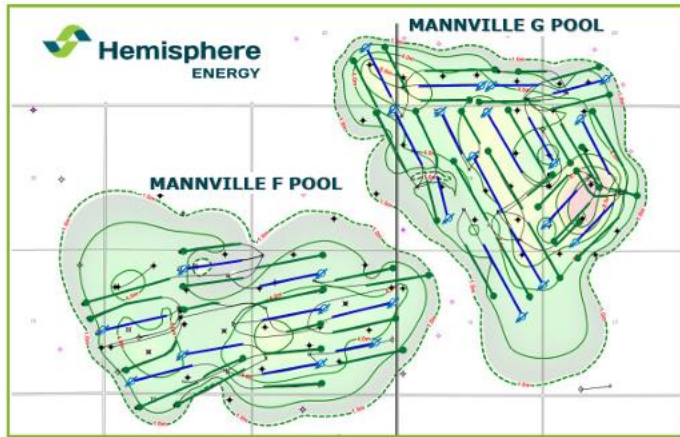
- › Development projects
- › Exploration and land acquisition
- › Flexibility to easily grow or reduce program with market conditions

### Key Assumptions

- › WCS Differential: US\$12.50/bbl
- › Cdn\$ to US\$ Exchange Rate: 0.72
- › Quality Adjustment: \$4.00/bbl
- › Opex: \$15.00/boe

## 2025 Operations Update

### Atlee Buffalo, Alberta



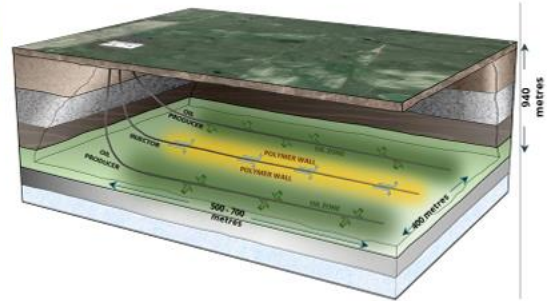
### Enhanced Oil Recovery

Oil pools being developed with a **polymer flood**

- › **Maximize** resource recovery
- › **Minimize** decline rates

### 'Cash-flow harvest' mode

- › Proved reserves in Atlee F & G pools of over **10 million barrels**



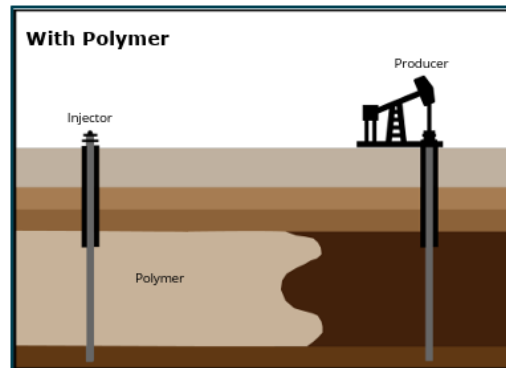
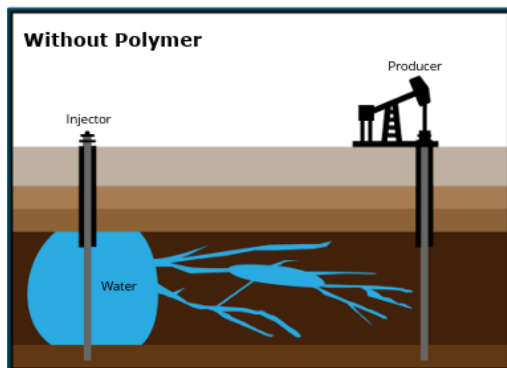
### Conventional Oil Pools

- › Over 90% of corporate production
- › 100% owned and operated
- › High-quality reservoirs (porosity and permeability)

### Polymer Flooding

*Polymer flooding has been successfully used by oil companies all around the world since the 1950's*

- › Polymer is added to injection water to **increase its viscosity** (similar to olive oil) and reduce its ability to easily 'streak' through the reservoir and break through to producers
- › Polymer-water is pumped into injector wells to **re-energize (build pressure)** the reservoir and push more oil towards producer wells



## Hedging Considerations

Hedges had no impact on 2025 realized oil price.

### Hedges as of September 30, 2025

Product	Type	Volume	Price	Index	Term
Crude oil	Put Spread	200 bbl/d	US\$50.00(put buy)/ US\$80.00(call sell)/bbl	WTI-NYMEX	Oct. 1, 2025 – Dec. 31, 2025
Crude oil	Put Spread	200 bbl/d	US\$50.00(put buy)/ US\$68.00(call sell)/bbl	WTI-NYMEX	Jan. 1, 2026 – Mar. 31, 2026

### Hedges as of December 31, 2025

Product	Type	Volume	Price	Index	Term
Crude oil	Collar	200 bbl/d	US\$50.00(put buy)/ US\$68.00(call sell)/bbl	WTI-NYMEX	Jan. 1, 2026 – Mar. 31, 2026

## Reserves Update

Oil and Gas Reserves as of December 31, 2025:

Reserves Category	Heavy Crude Oil		Conventional Natural Gas	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)
<b>Proved</b>				
Developed Producing	9,287	7,449	181	164
Developed Non-Producing	38	35	7	7
Undeveloped	2,420	2,026	23	22
<b>Total Proved</b>	<b>11,745</b>	<b>9,510</b>	<b>211</b>	<b>192</b>
Total Probable	3,390	2,730	86	78
<b>Total Proved Plus Probable</b>	<b>15,135</b>	<b>12,240</b>	<b>297</b>	<b>270</b>

**Net Present Values of Future Net Revenue  
After Income Taxes Discounted at (%/year)**

	0%	5%	10%	15%	20%
	M\$	M\$	M\$	M\$	M\$
<b>Proved</b>					
Developed Producing	246,473	200,779	168,396	145,126	127,842
Developed Non-Producing	551	401	298	226	175
Undeveloped	50,883	38,338	29,246	22,541	17,513
<b>Total Proved</b>	<b>297,907</b>	<b>239,518</b>	<b>197,940</b>	<b>167,893</b>	<b>145,530</b>
Probable	102,396	68,284	48,746	36,524	28,358
<b>Total Proved Plus Probable</b>	<b>400,303</b>	<b>307,802</b>	<b>246,686</b>	<b>204,417</b>	<b>173,889</b>

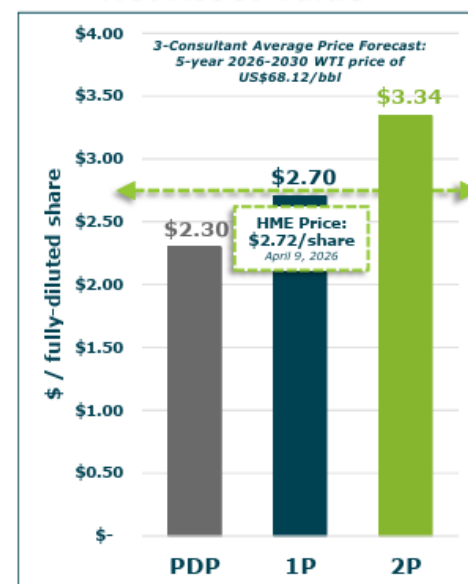
## Significance of Reserve Reports

- Best way to compare a company's assets and future cash flows with its peers
- Includes future development capital, operating & transportation costs, royalties, existing and future decommissioning liabilities

2025 Year-End Reserves	Reserves	NPV10 Before Tax
Proved Developed Producing (PDP)	9.3 MMboe	\$212 million
Proved (1P)	11.8 MMboe	\$252 million
Proved + Probable (2P)	15.2 MMboe	\$316 million

	Reserve Life Index	Future Development Costs
Proved (1P)	8.9 years	\$32 million
Proved + Probable (2P)	11.4 years	\$43 million

## Net Asset Value



Canadian Dollars														
Hemisphere Energy (HME.V and HMENF)														
Net Income and Cash Flow 2023 - 2027 (last updated 4/20/2026)														
	Actual 2023	Actual 2024	Actual Qtr1 2025	Actual Qtr2 2025	Actual Qtr3 2025	Actual Qtr4 2025	Actual Year 2025	Forecast Qtr1 2026	Forecast Qtr2 2026	Forecast Qtr3 2026	Forecast Qtr4 2026	Forecast Year 2026	Forecast Year 2027	
<b>REVENUES:</b>														
Oil and natural gas revenues	\$84,472,000	\$99,935,000	\$27,339,000	\$24,395,000	\$23,142,000	\$18,989,000	\$93,865,000	\$25,047,909	\$38,109,257	\$34,629,682	\$30,986,829	\$128,773,678	\$123,201,875	
Less: Royalties	(16,770,000)	(20,225,000)	(5,045,000)	(4,564,000)	(4,089,000)	(3,052,000)	(16,750,000)	(4,258,145)	(6,478,574)	(5,887,046)	(5,267,761)	(21,891,525)	(20,944,319)	
<b>Total Revenues</b>	<b>67,702,000</b>	<b>79,710,000</b>	<b>22,294,000</b>	<b>19,831,000</b>	<b>19,053,000</b>	<b>15,937,000</b>	<b>77,115,000</b>	<b>20,789,765</b>	<b>31,630,684</b>	<b>28,742,636</b>	<b>25,719,068</b>	<b>106,882,152</b>	<b>102,257,556</b>	
<b>EXPENSES:</b>														
Operating expenses + Transportation	15,858,000	19,603,000	5,115,000	4,940,000	5,092,000	4,997,000	20,144,000	5,130,000	5,221,125	5,451,000	5,554,500	21,356,625	22,447,500	
Exploration and evaluation	124,000	165,000	36,000	36,000	49,000	27,000	148,000	40,000	40,000	40,000	40,000	160,000	180,000	
DD&A	9,017,000	10,246,000	2,888,000	2,972,000	2,863,000	2,865,000	11,588,000	3,180,600	3,237,098	3,379,620	3,443,790	13,241,108	13,917,450	
Impairment of property & equipment	4,815,000	0	0	0	0	0	0	0	0	0	0	0	0	
General and Adm	4,624,000	4,918,000	1,289,000	1,305,000	1,246,000	1,471,000	5,311,000	1,400,000	1,400,000	1,400,000	1,600,000	5,800,000	6,500,000	
Stock based compensation	846,000	25,000	8,000	550,000	439,000	240,000	1,237,000	50,000	350,000	250,000	250,000	900,000	1,000,000	
<b>TOTAL EXPENSES</b>	<b>35,284,000</b>	<b>34,957,000</b>	<b>9,336,000</b>	<b>9,803,000</b>	<b>9,689,000</b>	<b>9,600,000</b>	<b>38,428,000</b>	<b>9,800,600</b>	<b>10,248,223</b>	<b>10,520,620</b>	<b>10,888,290</b>	<b>41,457,733</b>	<b>44,044,950</b>	
<b>OPERATING EARNING</b>	<b>32,418,000</b>	<b>44,753,000</b>	<b>12,958,000</b>	<b>10,028,000</b>	<b>9,364,000</b>	<b>6,337,000</b>	<b>38,687,000</b>	<b>10,989,165</b>	<b>21,382,461</b>	<b>18,222,016</b>	<b>14,830,778</b>	<b>65,424,420</b>	<b>58,212,606</b>	
<b>OTHER INCOME (EXPENSES)</b>														
Finance expense (Loan and lease interest)	(611,000)	(440,000)	(66,000)	(50,000)	(29,000)	(47,000)	(192,000)	(45,000)	(45,000)	(45,000)	(45,000)	(180,000)	(120,000)	
Accretion & Amortization (non-cash expenses)	(196,000)	(198,000)	(49,000)	(50,000)	(49,000)	(40,000)	(188,000)	(40,000)	(40,000)	(40,000)	(40,000)	(160,000)	(200,000)	
Other finance income (expense)	0	0	0	0	0	925,000	925,000	0	0	0	0	0	0	
Change in fair value of warrant liability	0	0	0	0	0	0	0	0	0	0	0	0	0	
Foreign exchange gain (loss) - cash	(44,000)	(62,000)	(29,000)	(15,000)	(10,000)	(17,000)	(71,000)	0	0	0	0	0	0	
Foreign exchange gain (loss) - unrealized	0	0	41,000	2,000	9,000	(4,000)	48,000	0	0	0	0	0	0	
Realized gains (loss) on financial instruments	274,000	(262,000)	(185,000)	(900,000)	(360,000)	4,000	(1,441,000)	0	0	0	0	0	0	
Unrealized gain (loss) on financial instruments	625,000	(340,000)	(813,000)	515,000	406,000	20,000	128,000	0	0	0	0	0	0	
Gain on disposition	0	75,000	0	0	0	0	0	0	0	0	0	0	0	
<b>INCOME BEFORE INCOME TAXES</b>	<b>32,466,000</b>	<b>43,526,000</b>	<b>11,857,000</b>	<b>9,530,000</b>	<b>9,331,000</b>	<b>7,178,000</b>	<b>37,896,000</b>	<b>10,904,165</b>	<b>21,297,461</b>	<b>18,137,016</b>	<b>14,745,778</b>	<b>65,084,420</b>	<b>57,892,606</b>	
<b>INCOME TAXES</b>														
Current	7,429,000	27,000	2,907,000	2,360,000	2,265,000	9,089,000	16,621,000	2,507,958	4,898,416	4,171,514	3,391,529	14,969,417	13,315,299	
Deferred	842,000	10,396,000	8,000	117,000	135,000	(7,001,000)	(6,741,000)	218,083	425,949	362,740	294,916	1,301,688	1,157,852	
<b>NET INCOME</b>	<b>\$24,195,000</b>	<b>\$33,103,000</b>	<b>\$8,942,000</b>	<b>\$7,053,000</b>	<b>\$6,931,000</b>	<b>\$5,090,000</b>	<b>\$28,016,000</b>	<b>\$8,178,124</b>	<b>\$15,973,096</b>	<b>\$13,602,762</b>	<b>\$11,059,333</b>	<b>\$48,813,315</b>	<b>\$43,419,455</b>	
<b>Common Stock</b>	<b>99,340,339</b>	<b>97,389,735</b>	<b>96,983,982</b>	<b>95,897,878</b>	<b>94,930,602</b>	<b>94,481,702</b>	<b>95,573,541</b>	<b>94,000,000</b>	<b>93,000,000</b>	<b>92,000,000</b>	<b>91,000,000</b>	<b>92,500,000</b>	<b>89,000,000</b>	
<b>Earnings per share</b>	<b>\$0.24</b>	<b>\$0.34</b>	<b>\$0.09</b>	<b>\$0.07</b>	<b>\$0.07</b>	<b>\$0.05</b>	<b>\$0.29</b>	<b>\$0.09</b>	<b>\$0.17</b>	<b>\$0.15</b>	<b>\$0.12</b>	<b>\$0.53</b>	<b>\$0.49</b>	
<b>Cashflow per share (before CapEx)</b>	<b>\$0.392</b>	<b>\$0.556</b>	<b>\$0.131</b>	<b>\$0.107</b>	<b>\$0.103</b>	<b>\$0.012</b>	<b>\$0.353</b>	<b>\$0.124</b>	<b>\$0.215</b>	<b>\$0.190</b>	<b>\$0.164</b>	<b>\$0.693</b>	<b>\$0.664</b>	
<b>PRODUCTION</b>														
Natural Gas (mcf/d)	147	119	111	101	101	172	121	150	150	150	150	150	150	
Oil (bbls/d)	3,099	3,443	3,814	3,809	3,554	3,325	3,624	3,800	3,800	3,900	4,000	3,875	4,075	
NGLs (bbls/d)	0	0	0	0	0	0	0	0	0	0	0	0	0	
boepd	3,124	3,463	3,833	3,826	3,571	3,354	3,645	3,800	3,825	3,950	4,025	3,900	4,100	
<b>PRODUCT PRICES in \$Cdn</b>	<b>10.5%</b>	<b>10.9%</b>	<b>Canadian Dollars</b>					<b>5.2%</b>	<b>Canadian Dollars</b>					
Natural Gas (\$/mcf)	2.53	1.37	\$ 2.05	\$ 1.66	\$ 0.64	\$ 2.38	\$ 1.88	\$ 2.25	\$ 1.75	\$ 2.00	\$ 2.50	\$ 2.13	\$ 2.50	
Oil (\$/bbl)	74.80	79.05	\$ 79.50	\$ 67.74	\$ 69.66	\$ 61.96	69.72	\$ 73.15	\$ 110.14	\$ 96.44	\$ 84.11	90.96	\$ 82.74	
NGLs (\$/bbl)	40.00	40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	40.00	\$ 45.00	
<b>Gross Revenue check (prod * ave price)</b>	<b>84,746</b>	<b>99,673</b>	<b>27,310</b>	<b>23,495</b>	<b>22,782</b>	<b>18,993</b>	<b>92,579</b>	<b>25,048</b>	<b>38,109</b>	<b>34,630</b>	<b>30,987</b>	<b>128,774</b>	<b>123,202</b>	
			<b>Revenues are net of cash settlements on hedges &gt;&gt;&gt;</b>						<b>20,000</b>	<b>21,000</b>	<b>N/A</b>	<b>N/A</b>	<b>84,200</b>	<b>85,200</b>

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