



**HUNTER OIL CORP.**

**FORM 51-101F1**

***STATEMENT OF RESERVES DATA  
AND OTHER OIL AND GAS INFORMATION***

**as of December 31, 2017**

**HUNTER OIL CORP.**  
**Statement of Reserves Data and Other Oil & Gas Information**  
**as of December 31, 2017**

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**STATEMENT OF RESERVES DATA  
AND OTHER OIL AND GAS INFORMATION**

Statements in this document may contain forward-looking information. Estimates provided for 2018 and beyond are based on assumptions of future events and actual results could vary significantly from these estimates. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company as outlined below. The reader is cautioned not to place undue reliance on this forward-looking information.

**PART 1      DATE OF STATEMENT**

The reserves data set forth below has an effective date of December 31, 2017. The preparation date of the information being provided in this statement is February 15, 2018.

**PART 2      DISCLOSURE OF RESERVES DATA**

The following is a summary of the oil and natural gas reserves and net present values of future net revenue of HUNTER OIL CORP. and its subsidiaries (the “**Company**”) as evaluated by Cawley, Gillespie & Associates, Inc. (“**CG&A**”), an independent qualified reserves evaluator appointed by the Company pursuant to National Instrument 51-101 (“**NI 51-101**”). The Company has two properties with proved reserves, both of which are situated onshore in the State of New Mexico, (United States of America) and these properties were independently evaluated by CG&A as of December 31, 2017 upon which CG&A issued their report dated February 15, 2018. The CG&A report was prepared in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook.

The estimated future net revenue figures contained in the following tables do not necessarily represent the fair market value of the Company’s reserves. There is no assurance that the forecast price and cost assumptions contained in the CG&A report will be attained and variances could be material. Other assumptions relating to costs and other matters are included in the CG&A report. The recovery and reserves estimates attributed to the Company’s properties described herein are estimates only. The actual reserves attributed to the Company’s properties may be greater or less than those calculated.

Possible reserves are those additional reserves that are less likely to be recovered than probable reserves. Probable reserves are those additional reserves which analysis of geosciences and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than Possible reserves.

The Company has adopted the standard measure of 6 mcf:1 boe when converting natural gas to barrels of oil equivalent. Boe’s may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf to 1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

All dollar figures are US Dollars, unless otherwise specified. Readers should note that the totals in the following tables may not add due to rounding.

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**Table 1 - Grand Total**  
**Hunter Oil Corp.**  
**Detailed Economic Summary Report - Before Tax**  
**As of December 31, 2017**  
**Forecast Prices and Costs - US Dollars**

Effective December 31, 2017

		Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Proved Proved	Probable Additional	Proved Plus Probable	Possible Additional	Proved Plus Probable and Possible
<b>Light and Medium Oil</b> <b>Mstb</b>									
Ultimate Remaining		50	0	14,492	14,542	6,152	20,693	16,848	37,542
WI Before Royalty		50	0	14,492	14,542	6,152	20,693	16,858	37,551
WI After Royalty		39	0	11,615	11,655	4,924	16,579	13,541	30,119
Royalty Interest		0	0	0	0	0	0	0	0
Total Net		39	0	11,615	11,655	4,924	16,579	13,541	30,119
<b>Heavy Oil</b> <b>Mstb</b>									
Ultimate Remaining		0	0	0	0	0	0	0	0
WI Before Royalty		0	0	0	0	0	0	0	0
WI After Royalty		0	0	0	0	0	0	0	0
Royalty Interest		0	0	0	0	0	0	0	0
Total Net		0	0	0	0	0	0	0	0
<b>Total Oil</b> <b>Mstb</b>									
Ultimate Remaining		50	0	14,492	14,542	6,152	20,693	16,848	37,542
WI Before Royalty		50	0	14,492	14,542	6,152	20,693	16,858	37,551
WI After Royalty		39	0	11,615	11,655	4,924	16,579	13,541	30,119
Royalty Interest		0	0	0	0	0	0	0	0
Total Net		39	0	11,615	11,655	4,924	16,579	13,541	30,119
<b>Sales Gas</b> <b>MMcf</b>									
Ultimate Remaining		0	0	6,459	6,459	2,655	9,113	7,651	16,764
WI Before Royalty		0	0	6,459	6,459	2,656	9,114	7,656	16,770
WI After Royalty		0	0	5,193	5,193	2,131	7,324	6,166	13,490
Royalty Interest		0	0	0	0	0	0	0	0
Total Net		0	0	5,193	5,193	2,131	7,324	6,166	13,490
<b>NGLs</b> <b>Mstb</b>									
Ultimate Remaining		0	0	0	0	0	0	0	0
WI Before Royalty		0	0	0	0	0	0	0	0
WI After Royalty		0	0	0	0	0	0	0	0
Royalty Interest		0	0	0	0	0	0	0	0
Total Net		0	0	0	0	0	0	0	0
<b>Sulphur</b> <b>Mlt</b>									
Ultimate Remaining		0	0	0	0	0	0	0	0
WI Before Royalty		0	0	0	0	0	0	0	0
WI After Royalty		0	0	0	0	0	0	0	0
Royalty Interest		0	0	0	0	0	0	0	0
Total Net		0	0	0	0	0	0	0	0
<b>Mboe</b> <b>Mboe</b>									
Ultimate Remaining		50	0	15,569	15,618	6,594	22,212	18,123	40,336
WI Before Royalty		50	0	15,569	15,618	6,594	22,213	18,134	40,347
WI After Royalty		39	0	12,481	12,520	5,279	17,800	14,568	32,368
Royalty Interest		0	0	0	0	0	0	0	0
Total Net		39	0	12,481	12,520	5,279	17,800	14,568	32,368
<b>Net Present Values</b> <b>M\$</b>									
<i>Before Income Tax</i>									
Undiscounted		(808)	0	348,634	377,826	250,166	627,992	743,019	1,371,012
Discounted at 5%		(379)	0	284,529	284,150	195,812	479,962	577,221	1,057,184
Discounted at 10%		(149)	0	216,058	215,909	156,130	372,039	457,694	829,733
Discounted at 15%		(10)	0	165,571	165,561	126,471	292,032	369,025	661,057
Discounted at 20%		78	0	127,871	127,949	103,838	231,786	301,675	533,461

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**Item 2.1 Reserves Data (Forecast Prices and Costs)**

1. Breakdown of Reserves (Forecast Case) - The following summarizes the aggregate proved oil reserves of the Company which are located in New Mexico (United States), stated in both gross and net, using forecast prices:

<b>Summary of Oil and Gas Reserves</b>				
<b>As of December 31, 2017</b>				
<b>Forecast Prices and Costs – U.S. Dollars</b>				
<b>Reserves (United States)</b>				
	<b>Light and Medium Oil</b>		<b>Conventional Natural Gas</b>	
<b>Reserve Category</b>	<b>Gross (Mbbbl)</b>	<b>Net (Mbbbl)</b>	<b>Gross (MMcf)</b>	<b>Net (MMcf)</b>
PROVED				
Developed Producing	49.7	39.4	0	0
Proved Undeveloped	<u>14,492.1</u>	<u>11,615.4</u>	<u>6,458.7</u>	<u>5,192.9</u>
TOTAL PROVED	14,541.8	11,654.7	6,458.7	5,192.9
PROBABLE	6,151.5	4,924.2	2,654.5	2,131.1
Total Proved Plus Probable	20,693.3	16,678.9	9113.2	7324.0
POSSIBLE	16,848.2	13,540.5	7,651.2	6,166.1
Total Proved plus Probable plus Possible	37,541.5	30,219.4	16,764.3	13,490.1

Note: Totals may not add due to rounding.

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<b>Summary of Oil and Gas Reserves</b>				
<b>As of December 31, 2017</b>				
<b>Forecast Prices and Costs – U.S. Dollars</b>				
<b>Total Reserves</b>				
	<b>Light and Medium Oil</b>		<b>Conventional Natural Gas</b>	
<b>Reserve Category</b>	<b>Gross (Mbbbl)</b>	<b>Net (Mbbbl)</b>	<b>Gross (MMcf)</b>	<b>Net (MMcf)</b>
PROVED				
Developed Producing	49.7	39.4	0	0
Proved Undeveloped	<u>14,492.1</u>	<u>11,615.4</u>	<u>6,458.7</u>	<u>5,192.9</u>
TOTAL PROVED	14,541.8	11,654.7	6,458.7	5,192.9
PROBABLE	6,151.5	4,924.2	2,654.5	2,131.1
Total Proved Plus Probable	20,693.3	16,678.9	9113.2	7324.0
POSSIBLE	16,848.2	13,540.5	7,651.2	6,166.1
Total Proved plus Probable plus Possible	37,541.5	30,219.4	16,764.3	13,490.1

Note: Totals may not add due to rounding.

2. Net Present Value of Future Net Revenue (Forecast Case) – The following summarizes the future net revenue attributable to the Company’s proved reserves, estimated using forecast prices and costs before deducting future income tax expenses (“BFIT”), if any, and after deducting future income tax expenses (“AFIT”), if any. Future revenue is calculated without discount and using discounts as presented:

**Table 2.1.2 BFIT & AFIT  
HUNTER OIL CORP.  
SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE  
As of December 31, 2017  
FORECAST PRICES AND COSTS - US Dollars**

RESERVES CATEGORY	NET PRESENT VALUE OF FUTURE NET REVENUE										UNIT VALUE BEFORE INCOME TAXES DISCOU NTED AT 10%/year (\$/BOE)
	BEFORE INCOME TAXES (BFIT)					AFTER INCOME TAXES (AFIT)					
	DISCOUNTED AT (%/year)					DISCOUNTED AT (%/year)					
	(M\$) At 0%	(M\$) At 5%	(M\$) At 10%	(M\$) At 15%	(M\$) At 20%	(M\$) At 0%	(M\$) At 5%	(M\$) At 10%	(M\$) At 15%	(M\$) At 20%	
PROVED											
Developed Producing	-808.1	-378.9	-148.5	-9.9	77.8	-769.0	-359.0	-139.1	-6.1	78.6	-3.77
Undeveloped	<u>378,634.0</u>	<u>284,528.9</u>	<u>216,057.7</u>	<u>165,571.1</u>	<u>127,870.8</u>	<u>272,514.6</u>	<u>204,403.3</u>	<u>154,729.9</u>	<u>118,079.9</u>	<u>90,720.8</u>	<u>17.31</u>
<b>TOTAL PROVED</b>	<b>377,826.2</b>	<b>284,150.0</b>	<b>215,909.2</b>	<b>165,561.2</b>	<b>127,948.6</b>	<b>271,745.6</b>	<b>204,044.3</b>	<b>154,590.9</b>	<b>118,073.9</b>	<b>90,799.3</b>	<b>17.24</b>
PROBABLE	250,166.3	195,812.3	156,130.3	126,471.1	103,837.7	201,951.7	159,932.6	128,948.0	105,573.0	87,572.0	29.57
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>627,992.5</b>	<b>479,962.2</b>	<b>372,039.5</b>	<b>292,032.4</b>	<b>231,786.3</b>	<b>473,697.3</b>	<b>363,976.9</b>	<b>283,538.8</b>	<b>223,646.8</b>	<b>178,371.4</b>	<b>20.90</b>
POSSIBLE	743,019.3	577,221.5	457,693.6	369,024.6	301,674.9	602,612.8	473,438.9	379,398.7	309,000.6	255,053.0	27.62
<b>TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE</b>	<b>1,371,011.8</b>	<b>1,057,183.7</b>	<b>829,733.1</b>	<b>661,056.9</b>	<b>533,461.2</b>	<b>1,076,310.1</b>	<b>837,415.8</b>	<b>662,937.6</b>	<b>532,647.5</b>	<b>433,424.4</b>	<b>24.14</b>

Note: Totals may not add due to rounding.

3. Additional Information Concerning Undiscounted Future Net Revenue (Forecast Case) – The following summarizes by reserve category (Proved, Probable and Possible) the elements using forecast pricing and costs of the undiscounted future net revenue and the per unit value of future net revenue after income tax:

<b>Table 2.1.3.a and 2.1.3.b</b> <b>Hunter Oil Corp.</b> <b>Total Future Net Revenue</b> <b>(Undiscounted)</b> <b>As of December 31, 2017</b> <b>Forecast Prices and Costs - US Dollars</b>								
<b>Reserve Category</b>	<b>Revenue (M\$)</b>	<b>Royalties (M\$)</b>	<b>Operating Costs (M\$)</b>	<b>Development Costs (M\$)</b>	<b>Abandonment &amp; Reclamation Costs (M\$)</b>	<b>Production Taxes (M\$)</b>	<b>Ad Valorem Taxes (M\$)</b>	<b>Future Net Revenue After TOTI (M\$)</b>
Proved Developed Producing	2,359	0	1,448	-	1,433	167	118	-808
Proved Undeveloped	814,996	0	97,456	235,243	4,973	57,941	40,750	378,634
<b>Total Proved</b>	<b>817,355</b>	<b>0</b>	<b>98,904</b>	<b>235,243</b>	<b>6,406</b>	<b>58,108</b>	<b>40,868</b>	<b>377,826</b>
Probable	348,349	0	29,700	25,597	705	24,763	17,417	250,166
<b>Total Proved Plus Probable</b>	<b>1,165,704</b>	<b>0</b>	<b>128,604</b>	<b>260,880</b>	<b>7,111</b>	<b>82,871</b>	<b>58,285</b>	<b>627,992</b>
Possible	963,553	0	74,692	28,121	1,038	68,506	48,178	743,019
<b>Total Proved Plus Probable Plus Possible</b>	<b>2,129,257</b>	<b>0</b>	<b>203,296</b>	<b>288,961</b>	<b>8,149</b>	<b>151,377</b>	<b>106,463</b>	<b>1,371,011</b>

Note: Totals may not add due to rounding.



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Additional Information Concerning Discounted Future Net Revenue (Forecast Case) – The following summarizes by reserve category (Proved and Probable and Possible) the elements using forecast pricing and costs of the future net revenue discounted at 10% and the per unit value of discounted future net revenue before income tax:

<b>Table 2.3.c</b>		
<b>Hunter Oil Corp.</b>		
<b>Net Present Value of Future Net Revenue</b>		
<b>Light and Medium Crude Oil</b>		
<b>As of December 31, 2017</b>		
<b>Forecast Prices and Costs - US Dollars</b>		
	<b>M\$</b>	<b>\$/ BOE</b>
<b>Proved Developed Producing</b>	-148.5	-3.77
<b>Proved Undeveloped</b>	216,057.7	17.31
<b>Probable</b>	156,130.3	29.57
<b>Possible</b>	457,693.6	27.62

Note: Totals may not add due to rounding.

**Item 2.2      Supplementary Disclosure (Constant Prices and Costs)**

Optional –Not presented

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**Part 3            PRICING ASSUMPTIONS**

**Item 3.1            Constant Prices Used in Supplementary Disclosure**

Optional - Not Presented

**Item 3.2            Forecast Prices Used in Estimates**

The pricing assumptions utilized in estimating reserves data disclosed in Item 2.1 and throughout this report, were proved by Cawley, Gillespie & Associates, Inc., an independent qualified reserves evaluator appointed by the **Company** pursuant to **NI 51-101**. The Company's weighted average price for fiscal year 2017 was \$45.78. The forecast pricing assumptions used were based on average market forecast prices in December 2017 by Sproule Associates Limited, Ryder Scott Company, and GLJ Petroleum Consultants. The following summarizes these pricing assumptions by product:

<b>Table 3.2</b>				
<b>Hunter Oil Corp.</b>				
<b>Summary of Pricing and</b>				
<b>Inflation Rate Assumptions</b>				
<b>As of December 31, 2017</b>				
<b>Forecast Prices and Costs - US Dollars</b>				
<b>Year</b>	<b>WTI Cushing Oil Price \$US/BBL</b>	<b>Henry Hub Natural Gas Price \$US/MMBtu</b>	<b>Inflation Rate %/year</b>	<b>Exchange Rate \$US/\$Cdn</b>
2018	58.00	3.03	2.0	0.790
2019	60.17	3.17	2.0	0.790
2020	63.67	3.50	2.0	0.796
2021	67.33	3.69	2.0	0.808
2022	70.15	3.87	2.0	0.817
2023	72.98	4.03	2.0	0.826
2024	75.66	4.12	2.0	0.834
2025	78.01	4.20	2.0	0.840
Thereafter	esc 2.0%	esc 2.0%	2.0	0.840
Cap	None	None		

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**PART 4 RECONCILIATION OF CHANGES IN RESERVES**

**Item 4.1 Reserves Reconciliation**

The following three tables reconcile gross proved, probable and possible, proved plus probable and proved plus probable plus possible reserves of the Company by product between December 31, 2016 and December 31, 2017:

<b>Table 4.1 Hunter Oil Corp. Reconciliation of Company Gross Reserves Total Proved As of December 31, 2017 Forecast Prices and Costs - US Dollars</b>										
Category	Light & Medium Oil					Conventional Natural Gas				
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved plus Probable (Mbbbl)	Gross Possible (Mbbbl)	Gross Proved Plus Probable plus Possible (Mbbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved plus Probable (MMcf)	Gross Possible (MMcf)	Gross Proved Plus Probable plus Possible (MMcf)
<b>Beginning Gross Reserves, December 31, 2016</b>	<b>14,628.5</b>	<b>6,153.8</b>	<b>20,782.3</b>	<b>16,857.6</b>	<b>37,639.9</b>	<b>6,469.9</b>	<b>2655.8</b>	<b>9,125.7</b>	<b>7,655.7</b>	<b>16,781.4</b>
Acquisitions										
Drilling Extensions (infill drilling)										
Improved Recovery										
Technical Revisions										
Exploration Discoveries										
Dispositions										
Economic Factors	(52.1)	(2.3)	(54.4)	(9.4)	(63.8)	(11.2)	(1.3)	(12.5)	(4.6)	(17.1)
Production (est. Dec.)	(34.6)	0	(34.6)	0	(34.6)	0	0	0	0	0
<b>Ending Gross Reserves, December 31, 2017</b>	<b>14,541.8</b>	<b>6,151.5</b>	<b>20,693.3</b>	<b>16,848.2</b>	<b>37,541.5</b>	<b>6,458.7</b>	<b>2654.5</b>	<b>9113.2</b>	<b>7,651.2</b>	<b>16,764.3</b>

Only Light & Medium Oil and Natural Gas are sold by the Company.

Note: Totals may not add due to rounding.

**Item 4.2 Reserves Reconciliation**

Technical revisions resulted from engineering studies of San Andres formation. In similar depositional environment and lithology, vertical-well down-spacing from 40 to 20 acres resulted in an incremental 6% of OOIP recovery (fact entered into evidence in Texas Railroad Commission hearing). Horizontal drilling has shown to recover up to 15% of OOIP in tight, oil reservoirs such as the San Andres. A 6% recovery was assumed for Proved, 8% for Probable and 14% for Possible Reserves.

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**PART 5. ADDITIONAL INFORMATION RELATING TO RESERVES DATA**

**Item 5.1 Undeveloped Reserves**

The following is a summary of the proved undeveloped reserves that were first attributed in each of the three most recent financial years:

<b>Table 5.1.1 HUNTER OIL CORP. PROVED, PROBABLE AND POSSIBLE UNDEVELOPED RESERVES*</b>			
<b>Attributed in each of 3 most recent financial years As of December 31, 2017 Forecast Prices and Costs - US Dollars</b>			
<b>Category</b>	<u>Light &amp; Medium Oil</u> Gross PROVED Undeveloped  MBOE	<u>Light &amp; Medium Oil</u> Gross PROBABLE Undeveloped  MBOE	<u>Light &amp; Medium Oil</u> Gross POSSIBLE Undeveloped  MBOE
<b>Beginning Proved Undeveloped Reserves, December 31, 2014</b>	5,900	1209	0
<b>Beginning Proved Undeveloped Reserves, December 31, 2015</b>	13,998	726	0
<b>Beginning Proved Undeveloped Reserves, December 31, 2016</b>	15,596	6,596	18,134
<b>Beginning Proved Undeveloped Reserves, December 31, 2017</b>	15,568	6594	18,133

\*Expressed in barrel oil equivalent (boe)

As of December 31, 2017, the Company has reported a total of 15,568 MBOE of Proved Undeveloped reserves in the Milnesand and Chaveroo Fields, located in New Mexico (United States). The Proved Undeveloped reserves are attributable to drilling 27 infill horizontal wells in Milnesand Field between 2018 and 2023 and 64 infill horizontal wells in Chaveroo Field between 2018 and 2023. Gross reserves for the Milnesand program were estimated at 5,200 MBOE with an average of 193 MBOE per horizontal well. Gross reserves for the Chaveroo program 10,368 MBOE with an average of 162 MBOE per horizontal well.

For Chaveroo Field, Hunter has proposed a development plan of drilling 64 horizontal wells, enhancing water injection capabilities, and upgrading water-handling facilities. Drilling was scheduled to begin in 4th Qtr. of 2018, with five (5) horizontal drills coming online in 2018, eight (8) in 2019, thirteen (13) in 2020, twenty-one (21) in 2021, fifteen (15) in 2022, and two (2) in 2023. Water-handling facility upgrades were scheduled for 07/2018 as provided.

For Milnesand Field, Hunter has proposed a development plan of drilling 27 horizontal wells, enhancing water injection capabilities and upgrading water-handling facilities. Drilling was scheduled to begin in 3rd Qtr. of

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2018, with three (3) horizontal drills coming online in 2018, nine (9) in 2019, ten (10) in 2020, three (3) in 2021 and two (2) in 2023. Water-handling facility upgrades were scheduled for 07/2018 as provided.

The Company has reported Probable reserves as of December 31, 2017. These are incremental reserves to the drilling of the 91 horizontal infill wells plus an added probable 10 new drills in the Milnesand and Chaveroo Fields, located in New Mexico (United States). Gross reserves for these wells were estimated at 6,594 MBOE with an average incremental of 61 MBOE per horizontal well plus an average 108 MBOE per new-drill horizontal.

Possible reserves are reported as of December 31, 2017. The company did not report Possible reserves in each of the financial years 2014-2015. The Possible reserves of 18,133 MBOE are assigned to 101 incremental cases with an average 165 MBOE per horizontal plus an additional 11 Possible new drills with an average of 134 MBOE per horizontal in Milnesand and Chaveroo Fields located in New Mexico (United States).

**Item 5.2 Significant Factors or Uncertainties Affecting Reserves Data**

See the notes to the Company's Financial Statements and Management's Discussion and Analysis for a discussion of some of the important economic factors and significant uncertainties likely to affect the components of oil and gas information and the reserves data disclosed herein.

The process of estimating oil and gas 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 processing and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change and additional data become available, reserve estimates also change. 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, prices, economic conditions, availability of required services, weather and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science.

In addition, such components may be affected by material fluctuations in commodity prices, material changes in current taxation or royalty rates and/or state and federal regulations governing the conduct of oil and gas activities.

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**Item 5.3 Future Development Costs**

Using forecast prices and costs, discounted development costs of \$235.2 million USD (excluding abandonment costs) have been projected for the development of the proved undeveloped reserves at the Milnesand and Chaveroo field (refer to table 2.1.3). In addition to drilling and completion costs, facility upgrades for additional fluid handling are included in the development costs for both Milnesand and Chaveroo.

The total undiscounted development costs projected to occur in the next six years are set out in the following table:

<b>Table 5.3.1(b)</b>	
<b>HUNTER OIL CORP.</b>	
<b>Undiscounted Future Development Costs</b>	
<b>As of December 31, 2017</b>	
<b>US Dollars</b>	
<b>Year</b>	<b>Undiscounted Future Development Cost, M\$</b>
2018	19,990
2019	53,397
2020	60,177
2021	61,603
2022	29,918
2023	10,158
<b>Total</b>	<b>235,243</b>

In order to provide the necessary funds to develop its projects, the Company is considering all available sources of financing, including equity, bank and mezzanine debt, asset sales and joint ventures.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective nature decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimate can arise from changes in year-end oil and gas prices and reservoir performance. Such revisions can be either positive or negative. The reserve estimates of the Company's reserves provide in this Statement of Reserves Data and Other Oil & Gas Information are estimates only and there is no assurance or guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than the estimate provided herein.

**PART 6. OTHER OIL AND GAS INFORMATION**

**Item 6.1 Oil and Gas Properties and Wells**

The Company operates two oil fields that have both been attributed reserves. The two fields are located within close proximity of one another in Roosevelt and Chaves Counties, New Mexico, onshore (United States). The following summarizes wells capable of producing or capable of being used as injection wells:

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<b>Properties in New Mexico, Unites States</b>					
<b>Oil Wells Producing</b>		<b>Injector Wells</b>		<b>Oil Wells Non-Producing</b>	
Gross	Net	Gross	Net	Gross	Net
59	46	27	22	234	194

Oil wells which are non-producing do not have any reserves attributed to them. There are no changes in ownership in any of the producing or non-producing wells.

**Item 6.2 Properties with No Attributed Reserves**

The Company has interests in 1780 acres in Roosevelt and Chaves counties, New Mexico, representing approximately 1,445 acres net to the Company. A subsidiary of the Company has operating and financial assurance bonds posted in connection with inactive wells and operations on these property interests. All of these leases or separate groups of unitized leases related to properties with no attributed reserves are held by production or the payment of delay rentals.

**Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves**

There are no significant factors or uncertainties regarding abandonment, reclamation costs, development costs, or operating costs. Further, the company is not under contractual obligation to sell production at prices below those realized by area producers.

**Item 6.3 Forward Contracts**

No forward contracts in place as of December 31, 2017.

**Item 6.4 Tax Horizon**

The Company is not required to pay income taxes for its most recently completed financial year. Subject to current assumptions of production levels, operating and capital expense deductions, commodity prices and currently available operating loss carry forwards, the Company may have an income tax liability in the year 2020.

**Item 6.5 Costs Incurred**

In the year 2017, as of December 31, 2017, the Company spent \$101.2M on property acquisitions. The company did not incur any exploration costs or development costs.

**Item 6.6 Exploration and Development Activities**

In the year, 2017, the Company did not drill or complete exploratory or development wells in its New Mexico (United States) oil properties.

**Item 6.7 Production Estimates**

The gross volume of oil production estimated for the first year reflected in the estimates of gross proved reserves disclosed under Item 2.1 is 226 MBOE and for gross probable reserves 91 MBOE. All of the production estimated for the first year reflected in the estimates is attributed to the drilling of 5 horizontal infill wells in the Chaveroo Field, New Mexico and 3 horizontal infill wells in Milnesand Field, New Mexico (United States).

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**Item 6.8 Production History**

The Company's quarterly share of daily production and netback for the first two periods of 2016 are presented below:

<b>Table 6.8</b>				
<b>Hunter Oil Corp.</b>				
<b>United States</b>				
<b>Oil Production by Quarter</b>				
<b>As of December 31, 2017</b>				
<b>US Dollars</b>				
	2017			
	1st Qtr.	2nd Qtr.	3rdQtr.	4th Qtr.
Share of average gross daily production volume:	<i>bbl/day</i>			
	87	71	77	62
Average per barrel volume:	<i>\$/bbl</i>			
Price received	46.19	43.02	43.24	50.14
Royalties paid	(9.71)	(8.93)	(9.09)	(10.41)
Production costs	(30.02)	(27.60)	(26.82)	(30.88)
Workover costs	(3.44)	0	0	0
Netback	3.03	6.49	7.33	8.86

Only Light & Medium Oil were sold by the Company

The Company's share of production volumes by field for the year ended December 31, 2017 were as follows:

2017 Production	
	Mbbls
Milnesand Field	16.7
Chaveroo Field	17.9
	34.6

**PART 7 OPTIONAL DISCLOSURE OF CONTINGENT RESOURCES AND PROSPECTIVE RESOURCES DATA**

No contingent resources or prospective resource data are reported.



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**PART 8      ABBREVIATIONS AND CONVERSIONS**

In this document, the following abbreviations have the meanings set forth below.

**Crude Oil and Natural Gas Liquids**

M                      Thousand (1,000)  
bbl                     barrel  
Mbbbl or MBO      thousand barrels  
bbl/d                  barrel per day  
NGLs                  natural gas liquids

**Natural Gas**

Mcf                    thousand cubic feet  
MMcf                  million cubic feet  
Mcf/d                  thousand cubic feet per day  
MMcf/d                million cubic feet per day

**Other**

BOE                    barrel of oil equivalent on the basis of 1 BOE to 6 Mcf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead

BOE/d                barrel of oil equivalent per day  
the Company      Hunter Oil Corp.

**Conversions**

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

<b><u>To convert from</u></b>	<b><u>To</u></b>	<b><u>Multiply by</u></b>
Mcf	1,000 cubic meters of gas	0.028
1,000 cubic meters of gas	Mcf	35.493
bbl	cubic meters of oil	0.158
cubic meters of oil	bbl	6.290
feet	meters	0.305
meters	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.405
hectares	acres	2.47