

MIE Holdings Corporation

Investment in

Long Run Exploration Ltd.



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Transaction Overview

- Maple Marathon Investments Limited, an indirect wholly-owned subsidiary of MIE Holdings Corporation (“MIEH”), and Long Run Exploration Limited (“Long Run”) entered into the Investment Agreement on August 2, 2015
- Pursuant to the agreement, Maple Marathon will purchase 155 million Units issued by Long Run for total cash consideration of C\$201.5mm (~US\$154mm)
- Each unit consists of (i) one Long Run common share (C\$1.30/share), (ii) one-fifth of an 18 Month Warrant (C\$1.40/share) and (iii) one-fifth of a 24 Month Warrant (C\$1.80/share)
- Post transaction shareholding: 43.9%⁽¹⁾
- Post warrant exercise shareholding: 52.2%⁽¹⁾

Company Overview

- Intermediate oil and natural gas company headquartered in Calgary, Alberta with a focus on development, exploration and production in the Western Canadian Sedimentary Basin
- Listed on the Toronto Stock Exchange under the ticker “LRE”
- Specifically focused on the Peace River (Montney), Deep Basin (Cardium) and Edmonton (Redwater Viking) regions
- 2Q2015 Production: 34,457boe/day (41% liquids)
- 2P Reserves: 170MMboe (40% liquids)⁽²⁾
- 2P Reserve Life Index: 14.4 years

Transaction Multiples⁽³⁾

- EV / 2P: C\$6.80/boe
- EV / Production: C\$33,672/BOED (2Q2015)
- EV / LTM EBITDA: 4.4x

⁽¹⁾ Assumes issuance of 4.8mm shares under Long Run's incentive plans

⁽²⁾ Long Run's gross reserve volumes is defined as its working interest reserve volumes prior to deduction of royalties

⁽³⁾ EV= C\$258mm (current diluted equity value) + C\$201.5mm (new equity value) + C\$626mm (syndicated loan) + C\$75mm (convertible bonds); 2H2014 + 1H2015 EBITDA = C\$267mm

Investment Thesis

Access Canada's vast oil and gas natural resources and established energy sector

**Significant acreage (~40% undeveloped) and reserves
→ enormous upside potential**

Attractive transaction multiples, controlling stake and asset scarcity



Prolific producing oil and gas resources

Established and proven management team

Positive EBITDA and Netback even under current challenging commodity price environment



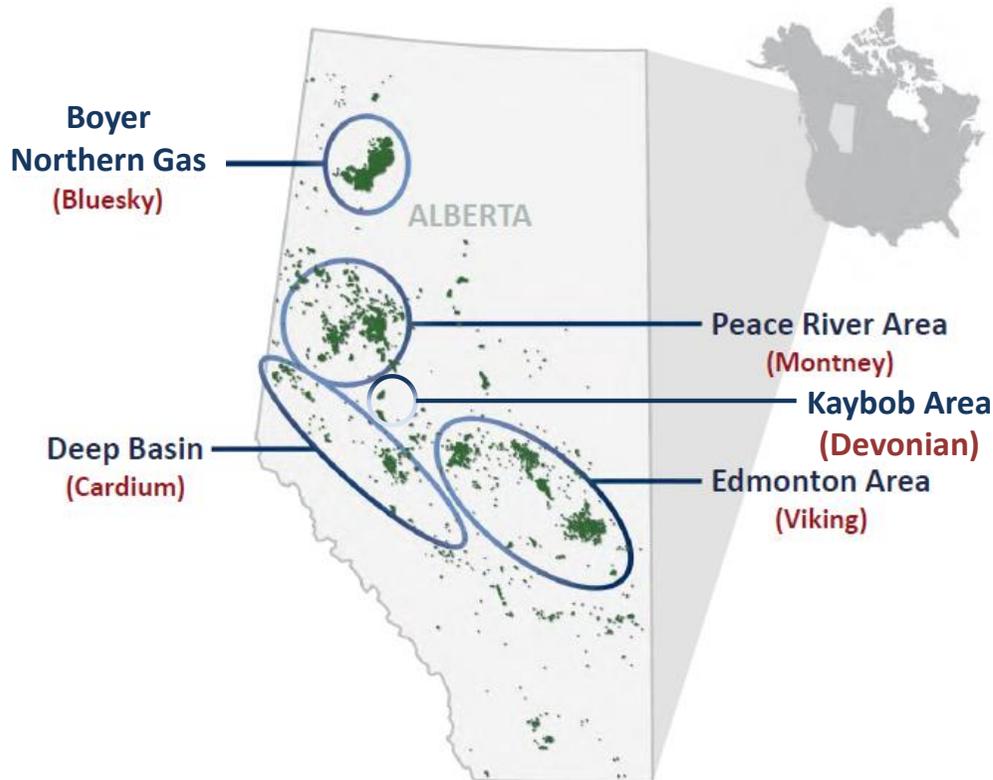
Long Run Company Overview

 *MIE Holdings Corporation*



Company Profile

- Long Run is a Calgary-based intermediate oil and natural gas company focused on light oil development and exploration in western Canada. It has total acreage of more than 2,200,000 acres (8,903km²), with ~40% of lands undeveloped
- As of 31 December 2014, it has Proved reserves of ~103.5mboe (42% liquids) and Proved plus Probable reserves (2P) of ~170.6mboe (40% liquids)



Peace River Area (Montney tight oil)

- Production: 10,937 boe/d (~51% liquids)
- 2P Reserves: 40,522 Mboe
- Land: 566,904 acres (60% undeveloped)

Edmonton Area (Basal Viking tight oil)

- Production: 6,419 boe/d (~56% liquids)
- 2P Reserves: 27,166 Mboe
- Land: 789,675 acres (45% undeveloped)

Deep Basin (Cardium liquids-rich natural gas & tight oil)

- Production: 13,072 boe/d (~31% liquids)
- 2P Reserves: 76,670 Mboe
- Land: 225,929 acres (58% undeveloped)

Boyer Northern Gas (Shallow decline gas)

- Production: 2,659 boe/d (100% gas)
- 2P Reserves: 20,250Mboe
- Land: 666,896 acres (13% undeveloped)

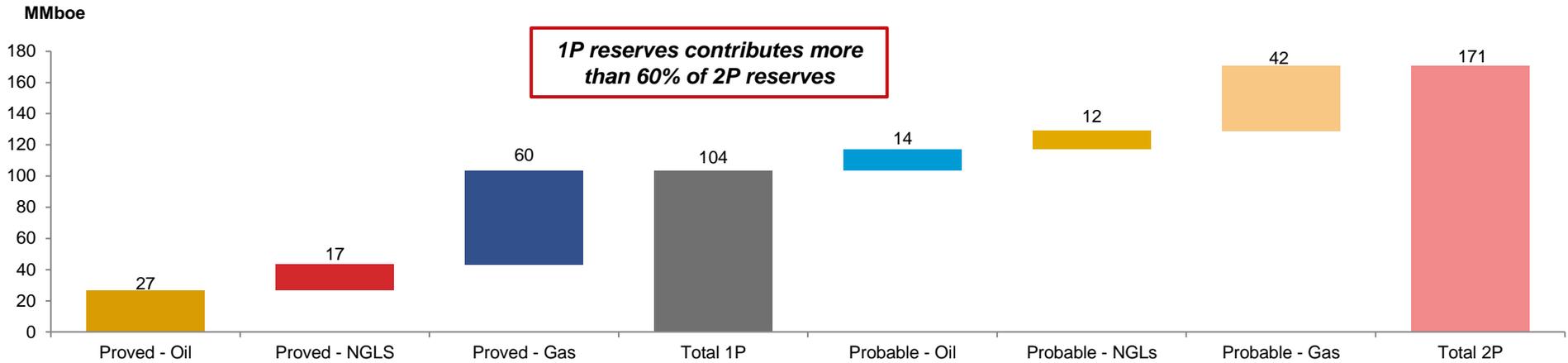
Kaybob Area (Devonian)

- Production: 1,370 boe/d (~56% liquids)
- 2P Reserves: 6,017Mboe
- Land: 39,728 acres (14% undeveloped)

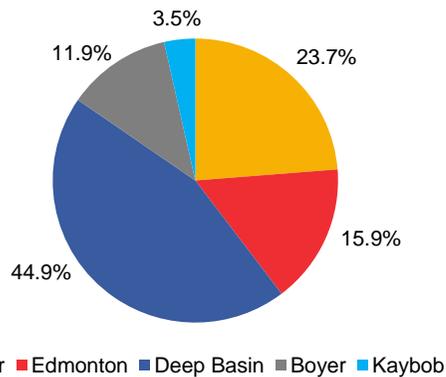
Note: Long Run's gross reserve volumes is defined as its working interest reserve volumes prior to deduction of royalties

Significant Reserve Base⁽¹⁾

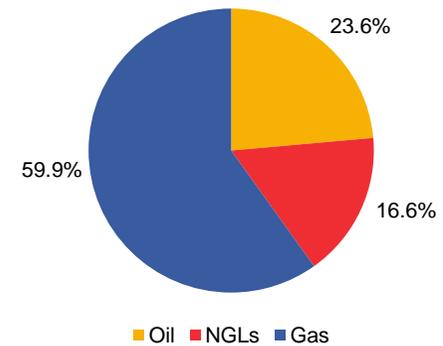
Total Reserves Breakdown (as of Dec 2014)⁽¹⁾



2P Reserves by Region⁽¹⁾



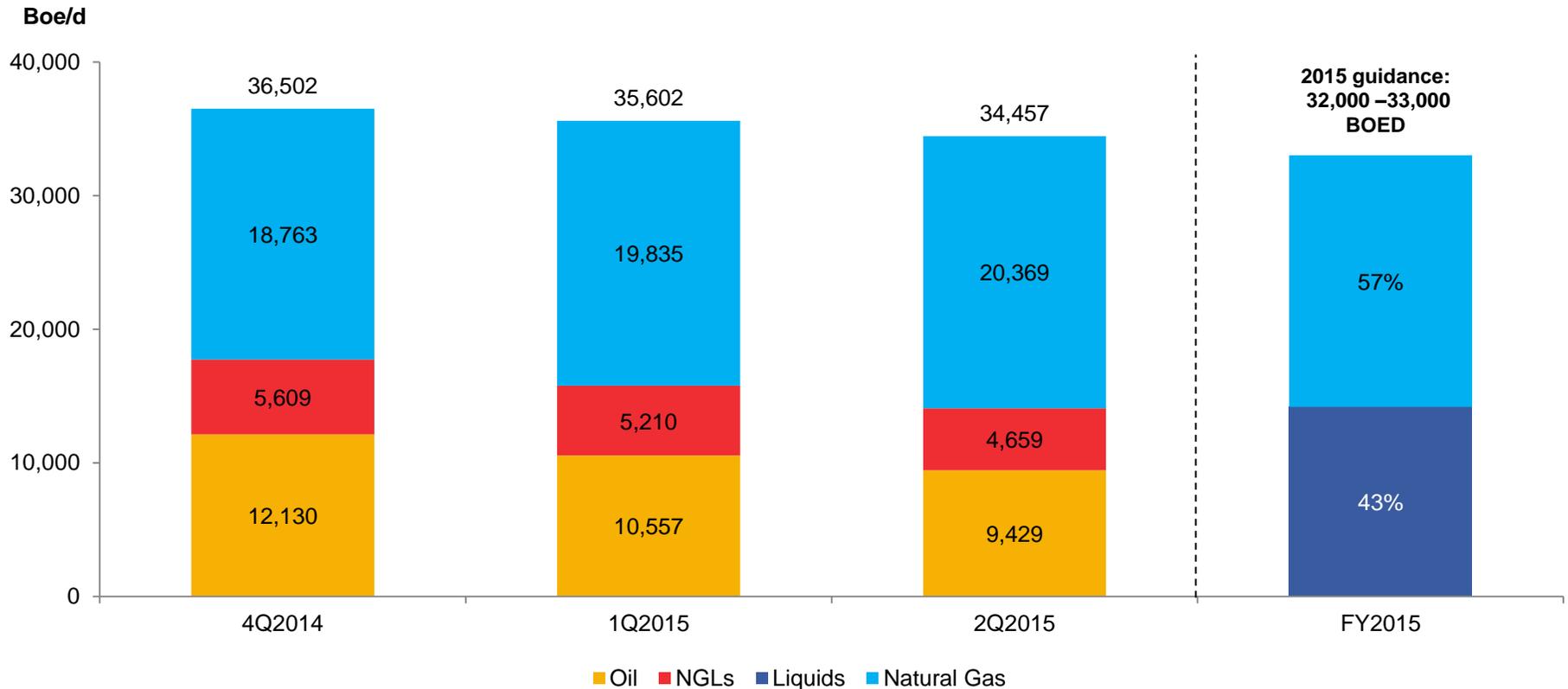
2P Reserves by Type⁽¹⁾



Based on the yearend 2014 reserves estimates reviewed by the independent consultants, NPV10 of the Group's Net 2P Oil & Gas reserves is approximately C\$1.6 billion

⁽¹⁾ Source: Reserves are from the independent report dated March 4, 2015 prepared by Sproule Associates Limited effective as of December 31, 2014
 Note: Long Run's gross reserve volumes is defined as its working interest reserve volumes prior to deduction of royalties

2015 Production Forecast



- 2015 production guidance of 32,000 – 33,000 boe/d
- 2H2015 drilling program focused on Viking light oil and Cardium liquids rich natural gas drilling

Reserves (Sproule)

2P Reserves

	Oil (MBbl)	NGLs (MBbl)	Gas (MMcf)	Total (Mboe)
Proved				
Proved producing	15,164	7,799	194,693	55,412
Proved non-producing	304	818	19,975	4,451
Proved undeveloped	11,171	7,899	147,669	43,681
Total Proved	26,639	16,516	362,336	103,544
Probable	13,598	11,731	250,508	67,081
Total Proved and Probable	40,237	28,247	612,844	170,625

	Oil (MBbl)	NGLs (MBbl)	Gas (MMcf)	Sulphur (Mlt.)
Peace River	20,041	1,310	115,024	-
Edmonton	17,802	522	53,051	-
Deep Basin	2,298	23,465	305,442	-
Boyer	-	-	121,502	-
Kaybob	96	2,950	17,827	127
Total	40,237	28,247	612,844	127

Before Tax Net Present Value

	Before Tax Net Present Value (C\$ mm)				
	0%	5%	10%	15%	20%
Discount Rate					
Proved producing	1,121	906	768	671	598
Proved non-producing	77	58	46	38	33
Proved undeveloped	562	328	191	106	51
Total Proved	1,760	1,292	1,005	815	682
Probable	1,518	939	637	458	344
Total Proved and Probable	3,277	2,231	1,642	1,273	1,025

Commodity Price Forecast

	WTI Oil (US\$/bbl)	Edmonton Oil (C\$/bbl)	AECO Gas (C\$/Mcf)
2014	-	-	-
2015	64.17	67.89	3.38
2016	76.67	83.52	3.83
2017	83.33	90.96	4.06
2018 – 2021	87.08 – 96.59	95.26 – 106.16	4.41 – 5.18
2022 – 2025	98.36 – 103.88	108.10 – 114.17	5.36 – 5.80
Thereafter	+1.8% / year	+1.8% / year	+1.8% / year

Corporate Milestone

2011	2012	2013	2014
<ul style="list-style-type: none"> ✓ Galleon Energy Inc. was recapitalized by current management of Long Run and name was changed to Guide Exploration (“Guide”) 	<ul style="list-style-type: none"> ✓ Purchase of Boyer natural gas property ✓ Guide was acquired by Westfire Energy Inc in a reverse takeover and Companies were amalgamated under Guide’s management team. Name was changed to Long Run Exploration Ltd ✓ Disposed of 1,900 boe/d in Plato area for C\$176mm 	<ul style="list-style-type: none"> ✓ Announced transition to a dividend plus moderate growth model; first dividend paid in February 2014 ✓ Acquisition of 1,800 boe/d of production in Peace River and Redwater for C\$95mm 	<ul style="list-style-type: none"> ✓ Initial Alberta Deep Basin asset acquisition for \$229mm, adding a new core area and additional inventory ✓ Further consolidation in Alberta Deep Basin through the corporate acquisition of Crocotta Energy Inc for C\$346mm, provided additional facility capacity, production and inventory



Long Run Financial Update

 *MIE Holdings Corporation*



Financial Performance Summary

<i>(In C\$ million)</i>	FY2013	FY2014	% change	1H2014	1H2015	% change
Revenue	475.6	610.9	28.5%	310.6	174.8	(43.7)%
Operating netback	270.6	356.9	31.9%	172.2	116.7	(32.3)%
<i>Margin</i>	56.9%	58.4%	+1.5ppts	55.5%	66.8%	+11.3ppts
Net profit for the year	24.3	(190.4) ⁽¹⁾	n.a.	27.6	(73.0)	n.a.
<i>Margin</i>	5.1%	n.a.	n.a.	8.9%	n.a.	n.a.
EBITDA	245.2	318.7	30.0%	154.4	102.4	(33.7)%
<i>Margin</i>	51.6%	52.2%	+0.6ppts	49.7%	58.6%	8.9ppts
Fund Flows From Operation	230.1	291.9	26.8%	143.5	85.9	(40.1)%
<i>Margin</i>	48.4%	47.8%	-0.6ppts	46.2%	49.1%	2.9ppts

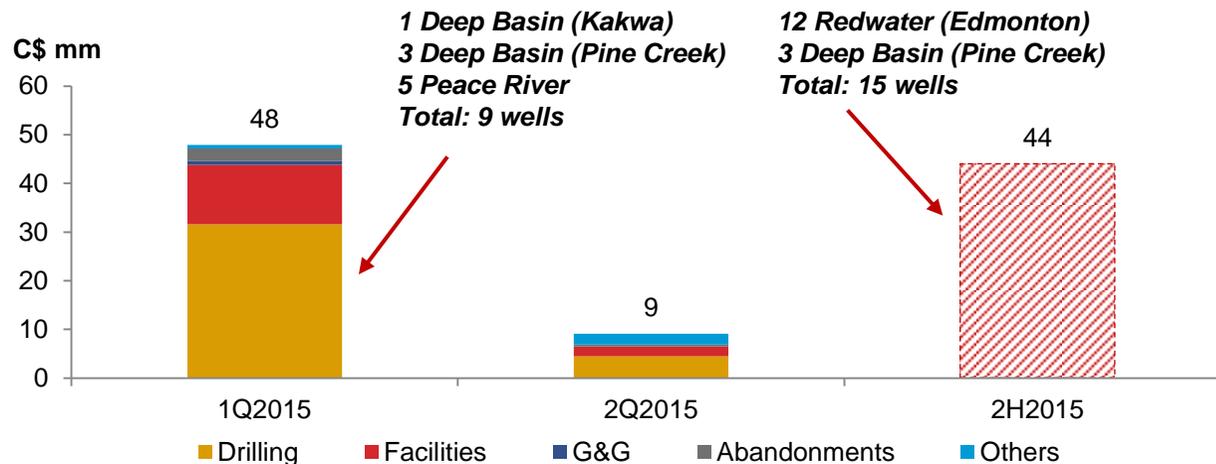
(1) Includes C\$400mm of impairment loss

2015 Key Initiatives

Efficient Allocation of Resources

- 2015 drilling is focused on Deep Basin, Peace River and Edmonton wells which have the best economics in a lower pricing environment
- Operating Cash Cost per boe

	1H2015
Peace River	C\$17.16/boe
Deep Basin	C\$9.38/boe
Edmonton	C\$23.22/boe



Targeted Cost Savings

1 Capital savings: C\$5mm (5%)

- ✓ Drilling Services
- ✓ Completion Services
- ✓ Facility/Pipelining
- ✓ Well Maintenance
- ✓ Abandonment/Suspensions

2 Operating savings: C\$10mm (6%)

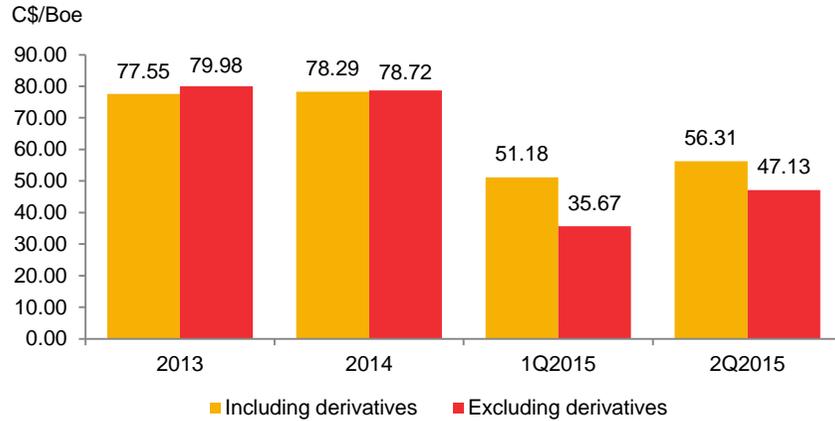
- ✓ Chemicals
- ✓ Propane
- ✓ Trucking
- ✓ Repairs and Maintenance
- ✓ Workovers
- ✓ Road and Lease

3 Gross G&A savings: C\$7mm (13%)

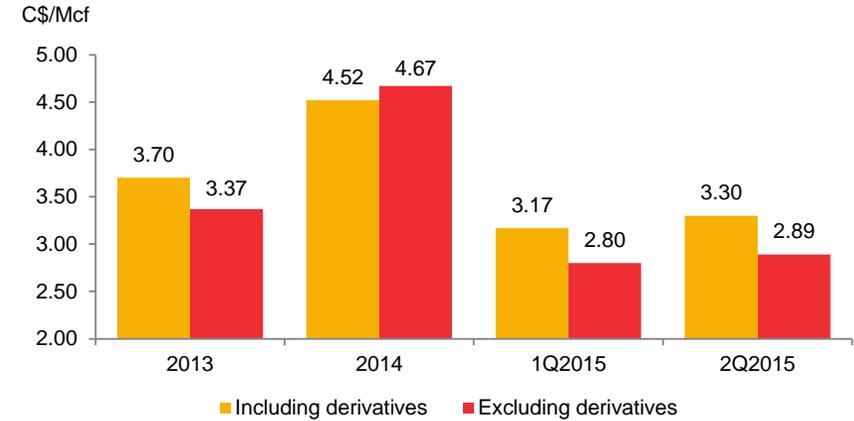
- ✓ Salary reduction (attrition, salary and reduced work week)
- ✓ Cap 2015 bonus pool
- ✓ Reduced 2014 bonus
- ✓ Reduced field bonus
- ✓ Elimination of supplementary retention program

Key Sales Related Statistics

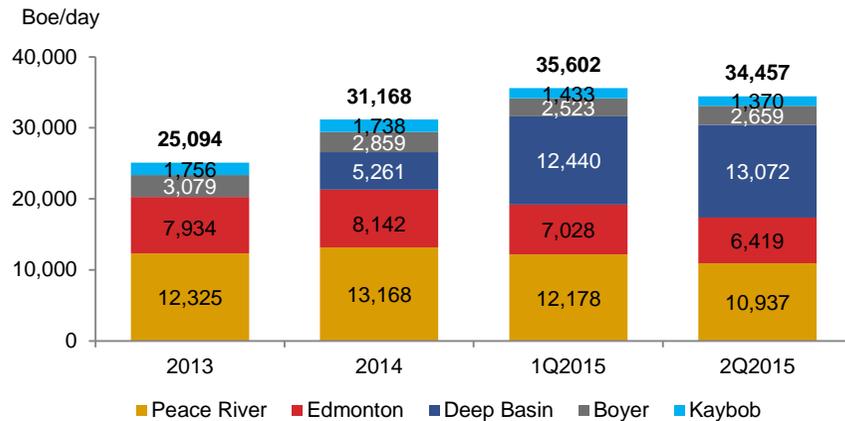
Average Realized Liquids Price



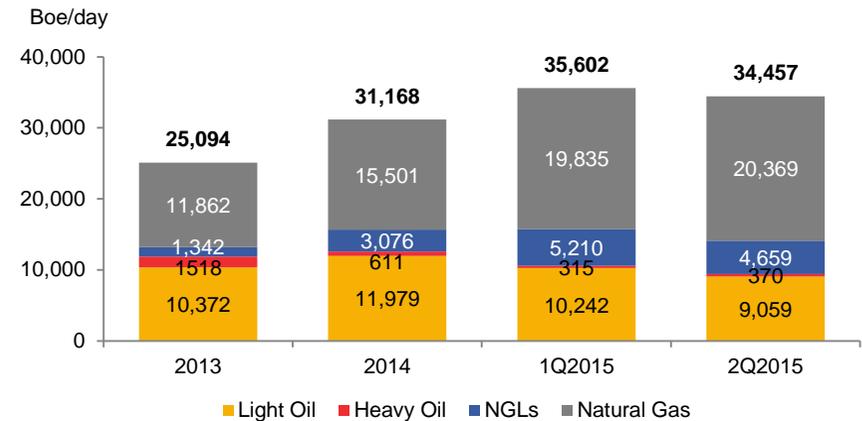
Average Realized Gas Price



Average Daily Production Breakdown by Region

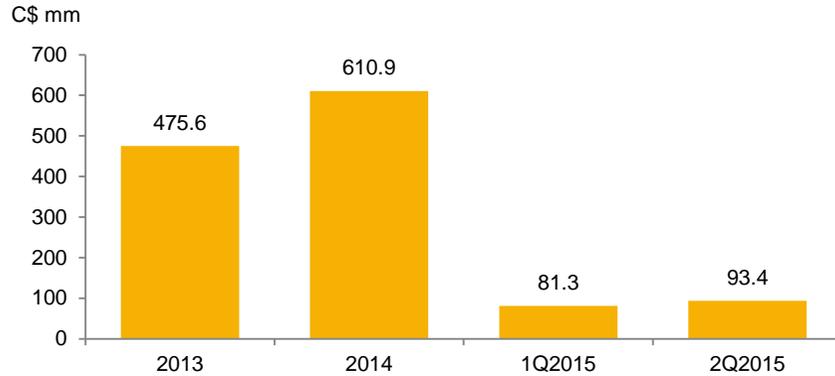


Average Daily Production Breakdown by Product

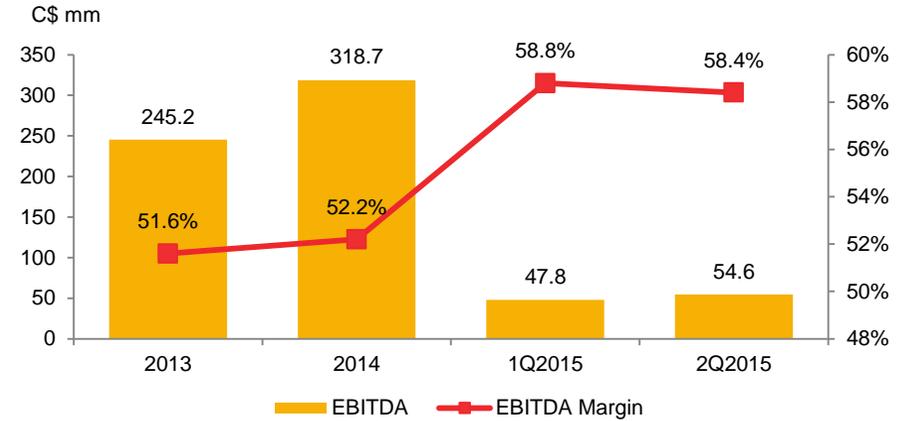


Key Financial Statistics

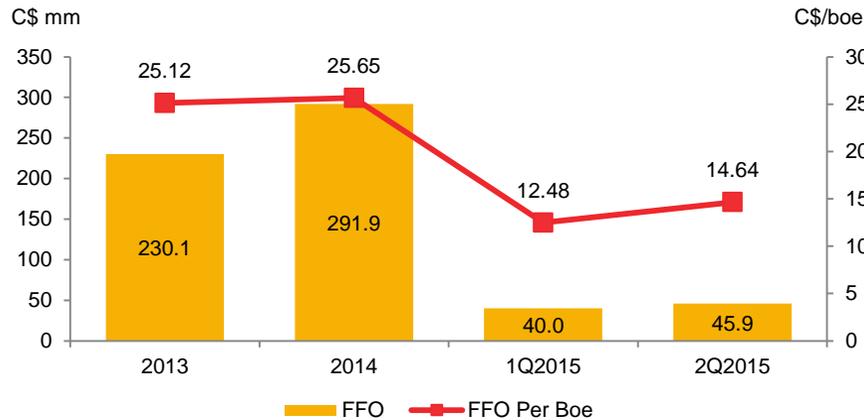
Revenue



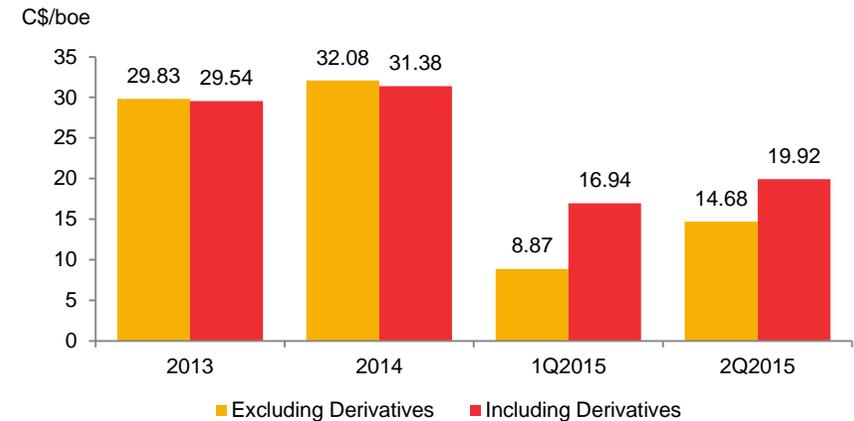
EBITDA



Funds Flow from Operations

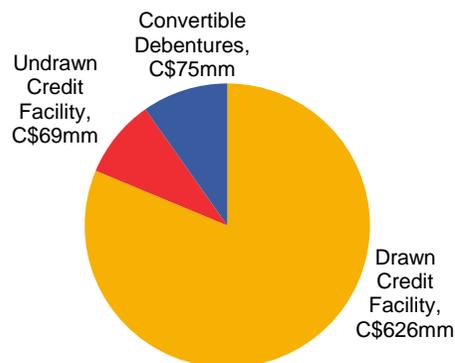


Netback



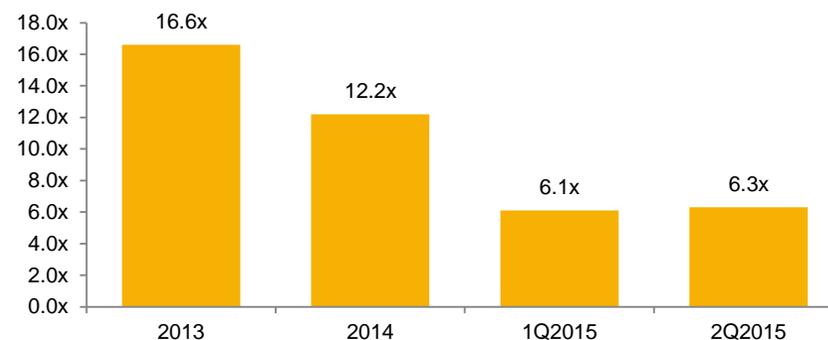
Key Credit Statistics

Capital Structure

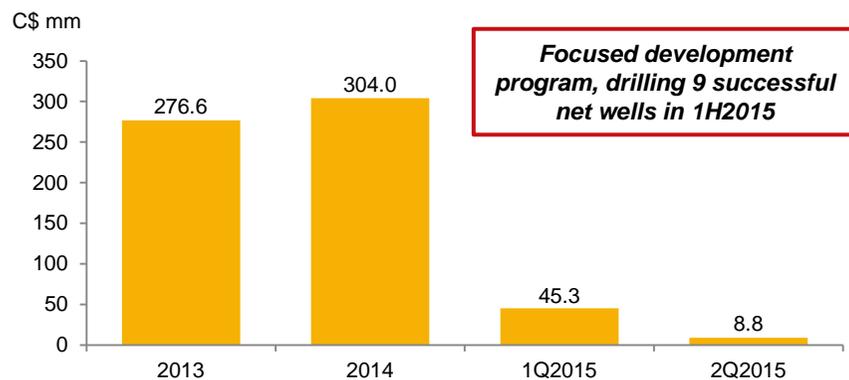


- C\$695mm Credit Facilities**
 - C\$410mm revolving syndicated facility
 - C\$245mm non-revolving syndicated facility
 - C\$40mm operating facility
- C\$75mm Convertible debentures**
 - Matures January 2019
 - 6.4% interest rate
 - C\$7.40 conversion price

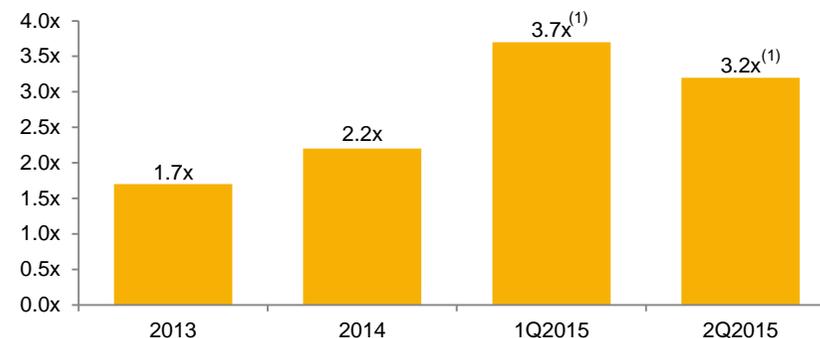
EBITDA / Interest Expense



Capital Expenditure



Total Debt/ EBITDA



(1) EBITDA based on annualized EBITDA

Financial Overview

Balance Sheet

(C\$ 000s)	2Q2015	FY2014
Accounts Receivables	47,818	65,135
Deposits and prepaid expenses	19,437	14,423
FV of financial derivatives	29,583	65,438
Current Assets	96,838	144,996
Exploration and evaluation assets	1,519	5,635
Property & Equipment	1,555,022	1,627,050
Deferred income tax	168,790	162,025
FV of financial derivatives	848	-
Total Assets	1,823,017	1,939,706
AP and accrued liabilities	75,558	132,439
Bank Loan ⁽¹⁾	245,000	100,000
FV of financial derivatives	336	336
Current Liabilities	320,894	232,775
Bank loan ⁽¹⁾	380,943	511,717
Convertible debentures ⁽²⁾	68,846	68,145
Decommissioning liabilities	410,267	411,209
FV of financial derivatives	140	85
Total Liabilities	1,181,090	1,223,931
Share Capital	1,006,799	1,006,799
Equity component of convertible debentures	3,483	3,483
Contributed surplus	28,652	26,160
Retain earnings (deficit)	(397,007)	(320,677)
Shareholders' equity	641,927	715,775

Profit and Loss

(C\$ 000s)	2Q2015	1Q2015	FY2014	FY2013
Income	93,436	81,324	610,896	475,562
Royalties	(6,400)	(6,321)	(70,276)	(55,133)
	87,036	75,003	540,620	420,429
Financial derivatives	(11,155)	18,370	75,575	(14,424)
	75,881	93,373	616,195	406,005
Total Expenses ⁽³⁾	(126,017)	(122,956)	(867,790)	(370,567)
Earnings before tax	(50,136)	(29,583)	(251,595)	35,438
EBITDA	54,554	47,837	318,741	245,234
Income tax (recovery)	-	(6,765)	(61,200)	11,173
Net earnings (loss)	(50,136)	(22,818)	(190,395)	24,265

Cash Flow

(C\$ 000s)	2Q2015	1Q2015	FY2014	FY2013
Net Income (Loss)	(50,136)	(22,818)	(190,395)	24,265
Operating Activities	37,585	48,832	285,933	234,256
Capital Expenditure	(8,770)	(45,315)	(304,031)	(276,571)
Acquisitions	(552)	(595)	(246,042)	(125,967)
Dispositions	10,082	1,987	45,949	17,205
Change in non-cash WC	(35,886)	(8,736)	21,380	(15,268)
Investing Activities	(35,126)	(52,659)	(482,744)	(400,601)
Financing Activities	(2,459)	3,827	196,811	162,542

(1) C\$695mm Credit Facilities (C\$266mm drawn) comprising C\$410mm revolving syndicated facility, C\$245mm non-revolving syndicated facility and C\$40mm operating facility

(2) Convertible debentures have a principal of C\$75mm, tenor of 5 years, annual interest rate of 6.4% and conversion price of C\$7.40 per share

(3) FY2014 expenses include impairment charges of C\$400mm

Hedging Policy

- Policy allows for hedging up to 75% of forecast production for 2015 – 2016 and 50% for 2017
- Oil hedges in place:
 - 60% for 2H2015
 - 40% with an average floor price of WTI US\$95.00/Bbl
 - 20% with an average floor price of C\$74.50/Bbl
 - 10% for 2016
 - Average WTI price of C\$77.53/Bbl
- Natural gas hedges in place:
 - 70% for 2H2015
 - Average floor price of C\$3.30/GJ
 - 45% for 2016
 - Average AECO price of C\$3.01/GJ

Crude Oil	Volume	Pricing
<i>Costless Collars</i>		
Jan 1, 2015 – Dec 31, 2015	2,500 bbl/d	WTI US\$95.00 – 97.50/bbl
<i>Fixed Price Swap</i>		
Jul 1, 2015 – Dec 31, 2015	1,500bbl/d	WTI C\$74.50/bbl
Jan 1, 2016 – Dec 31, 2016	500bbl/d	WTI C\$77.55/bbl
Jan 1, 2016 – Dec 31, 2016	500bbl/d	WTI C\$77.50/bbl
<i>Calls</i>		
Jan 1, 2015 – Dec 31, 2015	500bbl/d	WTI US\$85.00/bbl
Natural Gas		
<i>Costless Collars</i>		
Jan 1, 2015 – Dec 31, 2015	20,000GJ/d	C\$3.50 – 4.00/GJ
Jan 1, 2015 – Dec 31, 2015	11,000GJ/d	C\$3.50 – 4.35/GJ
Jan 1, 2015 – Dec 31, 2015	5,000GJ/d	C\$4.00 – 4.51/GJ
Jan 1, 2015 – Dec 31, 2015	5,000GJ/d	C\$4.00 – 4.50/GJ
<i>Fixed Price Swap</i>		
Mar 1, 2015 – Dec 31, 2015	5,000GJ/d	C\$2.72/GJ
Mar 1, 2015 – Dec 31, 2015	10,000GJ/d	C\$2.80/GJ
Apr 1, 2015 – Dec 31, 2015	10,000GJ/d	C\$2.80/GJ
Jan 1, 2016 – Dec 31, 2016	10,000GJ/d	C\$3.05/GJ
Jan 1, 2016 – Dec 31, 2016	30,000GJ/d	C\$3.00/GJ
Electricity		
<i>Fixed Price Swap</i>		
Jan 1, 2015 – Dec 31, 2016	3.0 MW/h	C\$49.50MW/h

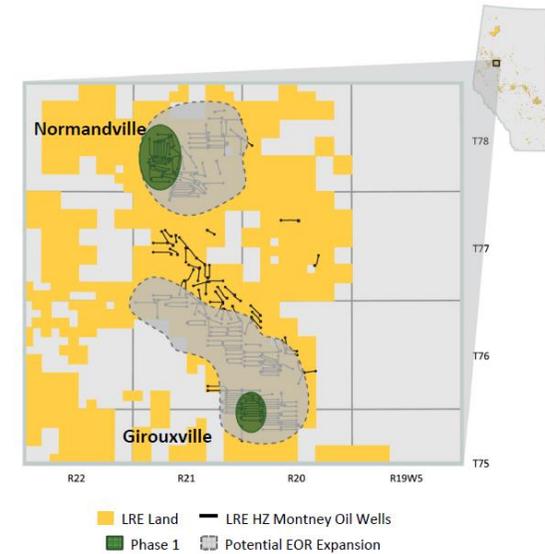
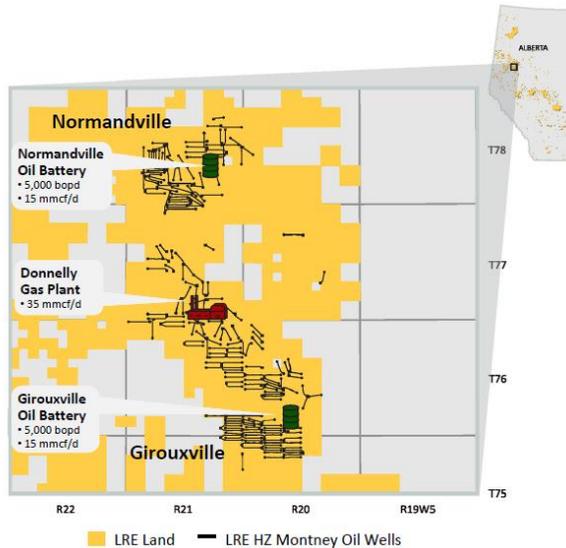


Long Run Operational Update

 *MIE Holdings Corporation*



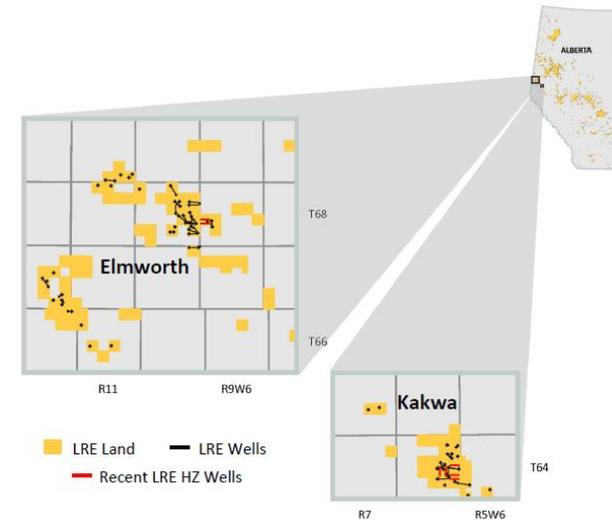
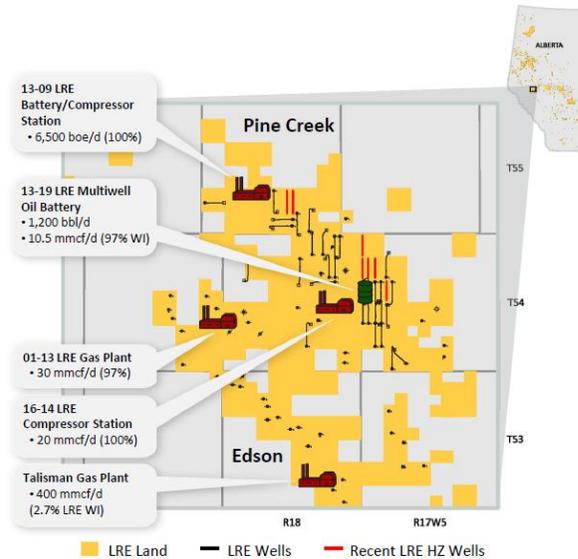
Peace River Montney – Normandville / Girouxville



- Current production of 8,800 Boe/d (~55% oil and NGLs)
- Montney oil horizontal multi-frac play
 - 950m vertical depth
- Medium gravity oil (28° API)
- Significant owned and operated infrastructure in place
- Enhanced oil recovery commenced
- 5 Montney horizontal wells were drilled in the first quarter of 2015

- Good waterflood candidate for oil displacement and pressure maintenance:
 - Large oil in place reservoir
 - Good rock permeability of 5 - 15 md
- EOR project at Normandville currently encompasses five sections
 - Includes 16 horizontal producers, eight horizontal injection wells and one vertical injection well
- EOR project at Girouxville currently covers 1.5 sections
 - Includes six horizontal producers and four horizontal injection wells
- Potential to improve recovery by an additional 5 - 15% depending on waterflood pattern/success

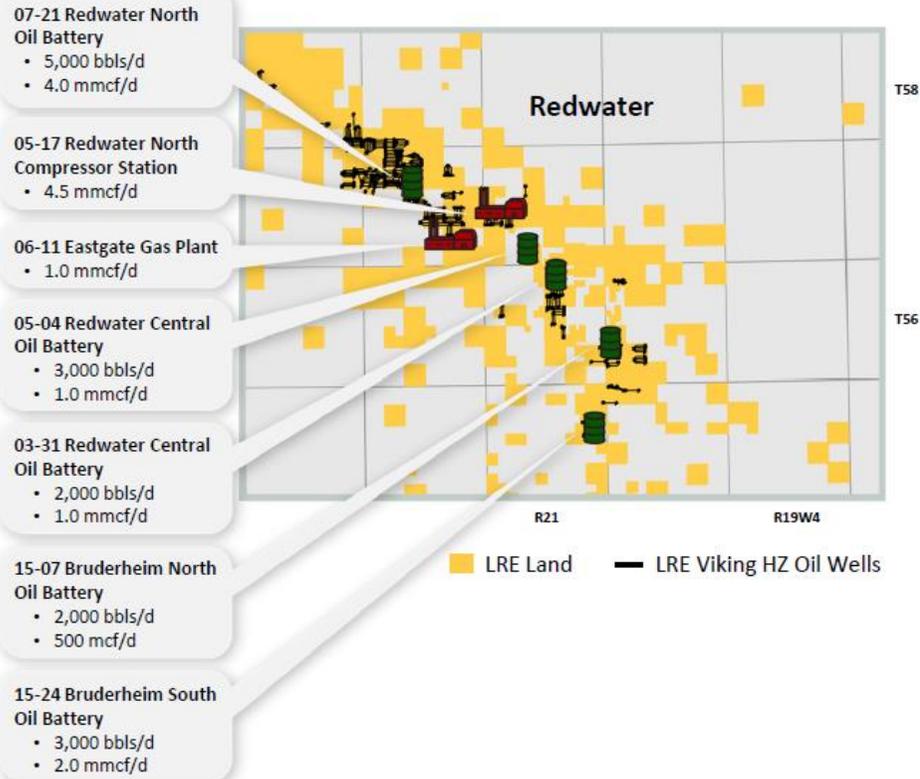
Deep Basin – Edson / Kakwa / Elmworth



- Current production of 7,400 Boe/d (~45% oil and NGLs)
- Cardium horizontal light oil development
 - 1,800m – 1,900m vertical depth
- Bluesky horizontal liquids-rich natural gas development
 - 2,400m vertical depth
- High-quality liquids-rich natural gas and light oil production (42° API)
- Significant owned and operated infrastructure in place
- 3 horizontal Cardium liquids-rich natural gas wells were drilled in the first quarter of 2015

- Current production 5,700 Boe/d (~20% oil and NGLs)
- Cardium horizontal liquids-rich natural gas
 - 1,000m – 1,600m vertical depth
- NGL content (40-50 Bbl/Mmcf)
- Third party gas plant at Kakwa is now operating relieving third-party restrictions in the area
 - LRE has 20 MMcf/d firm capacity in the plant
- 1 horizontal Cardium liquids-rich natural gas well was drilled at Kakwa in the first quarter of 2015

Redwater Viking



- Current production ~3,300 Boe/d (~85% oil and NGLs)
- Viking horizontal oil development
 - 700m vertical depth
- Light oil (38° API)
- Key infrastructure in place
- Enhanced oil recovery commenced
 - EOR project in the south part of the trend began in December 2014
 - Covers 0.625 sections
 - Includes 2 horizontal injection wells, 6 horizontal producer wells and 6 vertical producer wells

Historical Production & Netback

Production

	2Q2015	1Q2015	4Q2014	3Q2014	2Q2014
Light Oil (Bbl/d)	9,059	10,242	11,895	12,708	11,808
Heavy Oil(Bbl/d)	370	315	235	363	668
NGLs (Bbl/d)	4,659	5,210	5,609	3,031	2,038
Total Liquids (Bbl/d)	14,088	15,767	17,739	16,102	14,514
Natural Gas (Mcf/d)	122,214	119,007	112,576	112,161	78,524
Total (Boe/d)	34,457	35,602	36,502	34,795	27,602

(Boe/d)	2Q2015	1Q2015	4Q2014	3Q2014	2Q2014
Peace River	10,937	12,178	13,311	13,972	12,500
Edmonton	6,419	7,028	7,693	8,318	8,375
Deep Basin	13,072	12,440	11,244	7,861	1,771
Boyer	2,659	2,523	2,727	2,929	3,046
Kaybob	1,370	1,433	1,527	1,715	1,910
Total	34,457	35,602	36,502	34,795	27,602

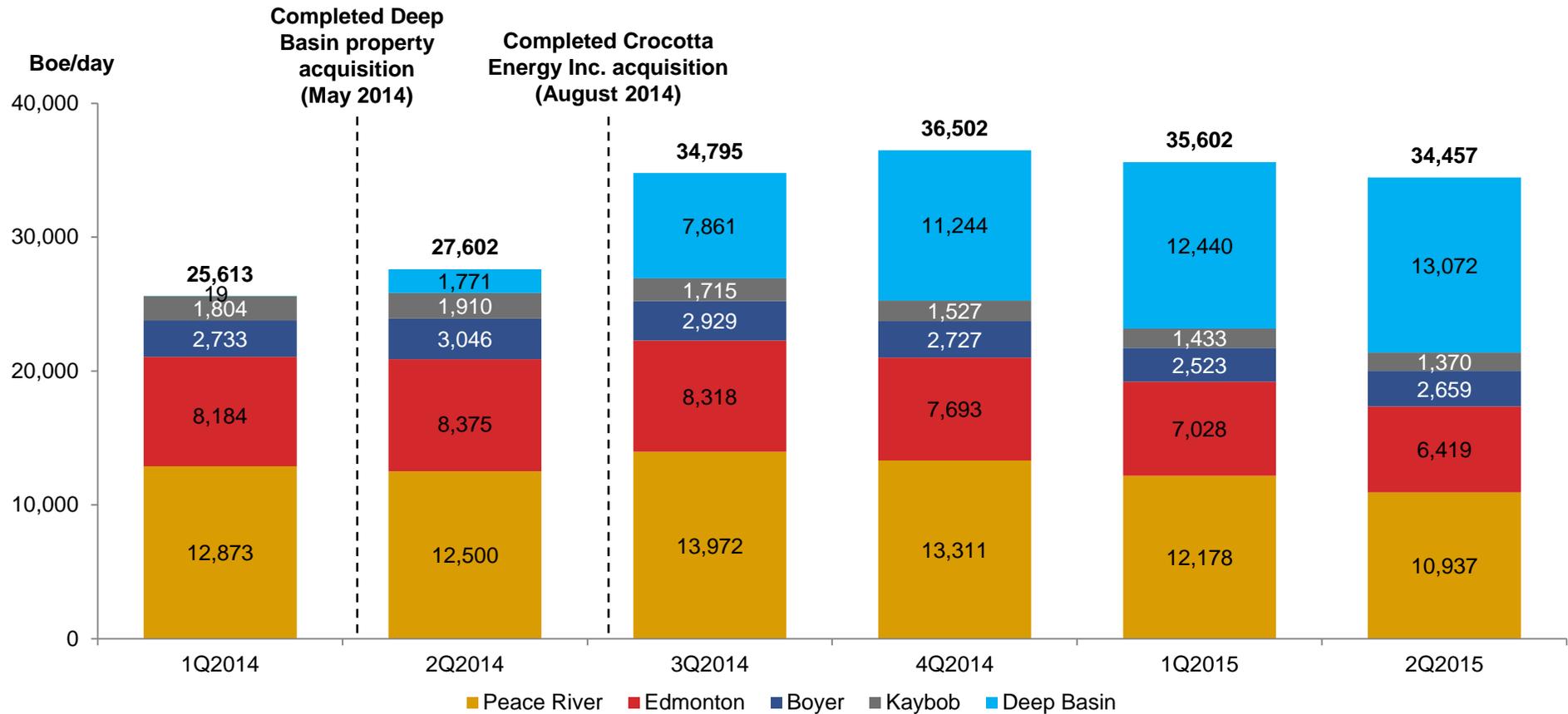
Prices

(Excluding derivatives)	2Q2015	1Q2015	4Q2014	3Q2014	2Q2014
Light Oil	58.53	42.32	66.73	88.08	97.50
Heavy Oil	53.33	37.36	60.71	81.47	81.79
NGLs	24.48	22.50	30.02	57.98	72.76
Total Liquids (\$/Bbl)	47.13	35.67	55.04	82.26	93.30
Natural Gas (\$/Mcf)	2.89	2.80	4.13	4.29	4.89
Total (\$/Boe)	29.80	25.38	39.71	52.16	63.17
(Including derivatives)					
Oil (\$/Bbl)	72.03	65.34	79.35	84.66	89.59
NGLs (\$/Bbl)	24.48	22.50	30.02	57.98	72.76
Total Liquids (\$/Bbl)	56.31	51.18	63.75	79.64	87.23
Natural Gas (\$/Mcf)	3.30	3.17	4.15	4.23	4.61
Total (\$/Boe)	35.04	33.45	43.92	50.75	59.13

Netback

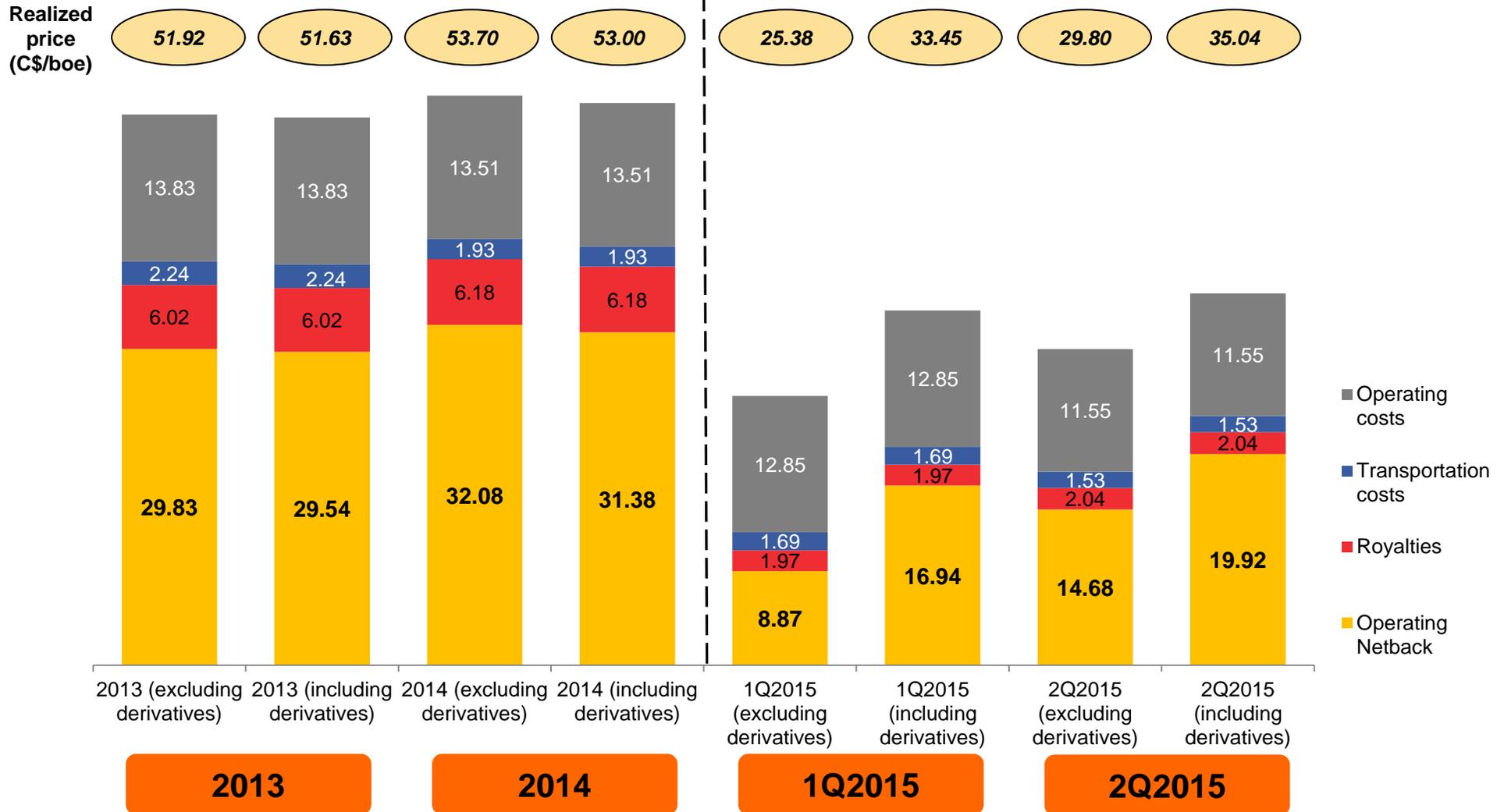
(C\$/Boe)	2Q2015	1Q2015	4Q2014	3Q2014	2Q2014
Revenues	29.80	25.38	39.71	52.16	63.17
Royalties	(2.04)	(1.97)	(4.42)	(6.05)	(7.01)
Realized gain (loss) on derivatives	5.24	8.07	4.21	(1.42)	(4.04)
Transportation costs	(1.53)	(1.69)	(1.75)	(1.65)	(2.10)
Operating costs	(11.55)	(12.85)	(12.71)	(11.63)	(14.98)
Operating Netback	19.92	16.94	25.04	31.41	35.04
G&A	(2.53)	(2.00)	(2.32)	(3.92)	(3.64)
Interest	(2.75)	(2.46)	(2.39)	(2.36)	(2.19)
Corporate Netback	14.64	12.48	20.33	25.13	29.21

Production Profile



- Established new Deep Basin Cardium core area in 2014 through the Deep Basin property acquisition in May and Crocotta Energy Inc. acquisition in August 2014

Operating Netback Analysis

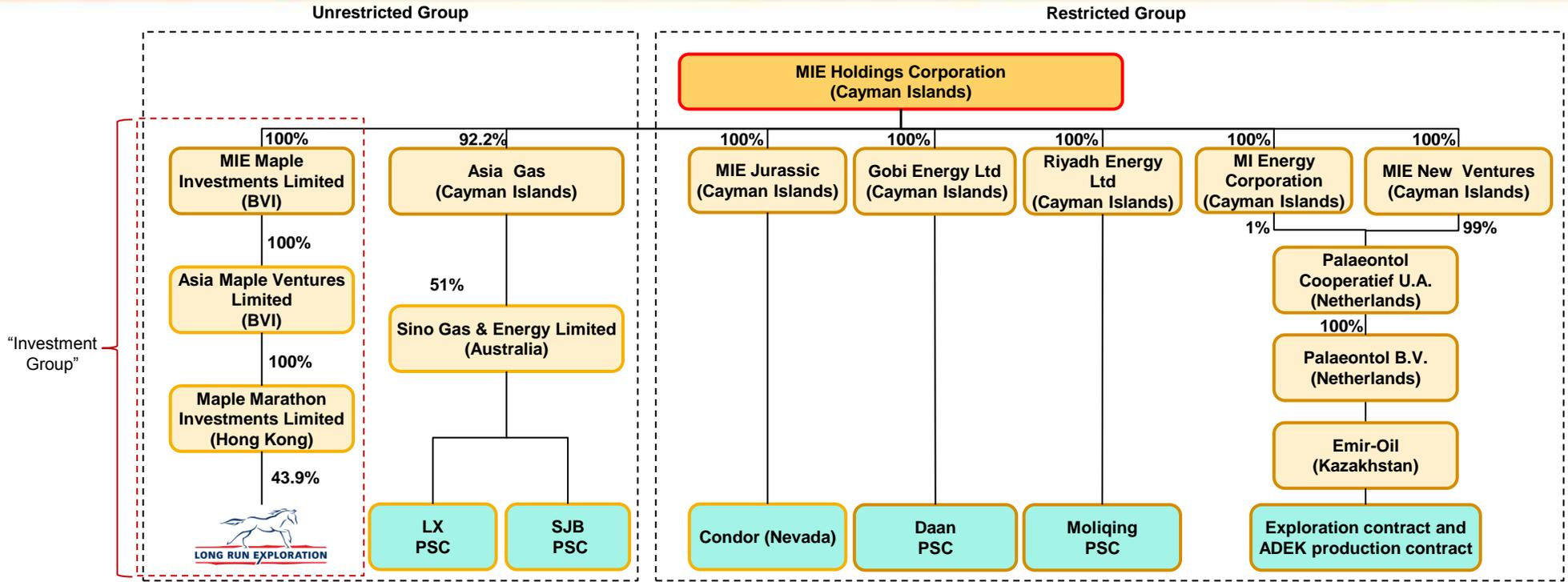




Transaction Overview



Investment Structure and Terms



Key Investment Terms

- Maple Marathon will subscribe for and purchase from Long Run 155mm units at a price of C\$1.30 per unit
 - 155mm common shares
 - 31mm 18 Month Warrant (C\$1.40 conversion price)
 - 31mm 24 Month Warrant (C\$1.80 conversion price)
- Post transaction shareholding: 43.9%
- Post warrant exercise shareholding: 52.2%

Key Governance Terms

- The board of directors of Long Run will initially be fixed at seven and any increase or decrease in size of the board shall require the approval by a simple majority of the directors
 - More than 10% but less than 20%: 1 director
 - More than 20% but less than 40%: 2 directors
 - More than 40%: 3 directors

Transaction Evaluation

	MIEH / Long Run Transaction	Gas-Weighted Comparables	Liquids-Weighted Comparables
Subscription Price / Total Consideration	C\$1.30 / C\$201.5mm	-	-
# Subscribed Shares (% Shareholdings)	155mm (43.9%)	-	-
Enterprise Value ⁽¹⁾	C\$1,160mm	-	-
2P Reserves (mmboe)	170 (40% liquids)	-	-
Net Production (Boe/d)	34,457 (41% liquids)	-	-
EV / 2P (C\$/boe)	C\$6.80	C\$7.56	C\$18.34
EV / Production (C\$/BOED)	C\$33,672	C\$57,766	C\$98,997
EV / EBITDA ⁽²⁾	4.4x	9.8x	4.9x

When benchmarked against both gas and liquids-weighted precedent transactions, the proposed transaction (despite its relatively high liquids weighting) represents attractive 2P Multiple, Production Multiple and EV/EBITDA

(1) Enterprise Value = C\$258mm (current diluted equity value) + C\$201.5mm (new equity value) + C\$626mm (syndicated loan) + C\$75mm (convertible bonds)

(2) 2H2014 + 1H2015 EBITDA = C\$267mm

Transaction Comparables (Gas-Weighted)

Announcement Date	Acquiror	Target	Deal Type	Transaction EV (C\$ mm)	2P Reserves (MMboe)	Production (boe/d)	% Gas	EV / 2P Reserves (C\$/boe)	EV / Production (C\$/boed)	EV / EBITDA (x)
12-Mar-15	Tourmaline	Perpetual	Asset	\$257	24.0	5,750	n.a.	\$10.65	\$44,442	n.a.
23-Feb-15	Kelt	Artek	Corporate	\$307	46.4	5,400	54%	\$6.18	\$53,093	9.8x
16-Dec-14	Repsol	Talisman	Corporate	\$14,493	1640.4	353,000	71%	\$8.84	\$41,057	6.0x
1-Dec-14	Bellatrix	Undisclosed	Asset	\$118	14.2	2,200	80%	\$8.31	\$53,636	n.a.
13-Nov-14	PrairieSky	Range	Corporate	\$699	n.a.	2,917	61%	n.a.	\$239,630	n.a.
6-Nov-14	CNOR	Tourmaline	Asset	\$500	n.a.	4,500	n.a.	n.a.	\$111,111	n.a.
24-Oct-14	NAL Resources	Penn West	Asset	\$355	31.3	7,500	64%	\$11.36	\$47,333	n.a.
21-Oct-14	Contact	DonnyCreek	Corporate	\$160	16.2	1,400	51%	\$9.92	\$114,571	19.6x
8-Oct-14	Ember Resources	Encana	Asset	\$605	n.a.	30,000	100%	n.a.	\$20,167	n.a.
6-Oct-14	KUFPEC	Chevron	Asset	\$1,678	354.0	1,200	65%	\$4.74	n.m.f	n.a.
17-Jul-14	Pine Cliff	Undisclosed	Asset	\$100	15.5	5,300	100%	\$6.45	\$18,868	n.a.
2-Jul-14	Mapan	Shell	Asset	\$133	15.2	7,000	90%	\$7.95	\$17,214	n.a.
27-Jun-14	Jupiter	Encana	Asset	\$2,000	n.a.	54,787	81%	n.a.	\$36,045	5.6x
18-Jun-14	Bonavista	Cequence	Asset	\$141	34.6	1,600	90%	\$4.07	\$88,125	n.a.
12-Jun-14	PanTerra	Talisman	Asset	\$120	30.4	6,500	100%	\$3.62	\$16,932	n.a.
8-May-14	Orlen (TriOil)	Birchhill	Corporate	\$256	n.a.	3,400	60%	n.a.	\$75,176	n.a.
9-Apr-14	Long Run	Crew	Asset	\$242	60.4	7,000	75%	\$4.01	\$34,571	n.a.
9-Apr-14	Crew	Lightstream	Asset	\$105	8.5	1,400	98%	\$12.35	\$75,000	n.a.
31-Mar-14	Canadian Natural	Apache	Asset	\$413	n.a.	22,000	77%	n.a.	\$18,764	n.a.
4-Mar-14	Tourmaline	Santonia	Corporate	\$189	24.2	3,800	75%	\$7.40	\$47,101	10.5x
19-Feb-14	Canadian Natural	Devon Canada	Asset	\$3,125	n.a.	86,630	74%	n.a.	\$33,533	7.0x
21-Jan-14	Undisclosed	Penn West	Asset	\$179	n.a.	6,700	58%	n.a.	\$26,716	n.a.

Median	\$7.68	\$44,442	8.4x
Mean	\$7.56	\$57,766	9.8x

Note: Reflects transactions >C\$100mm in size with a reserves or production gas weighting of >50%.

Transaction Comparables (Liquids-Weighted)

Announcement				Transaction EV	2P Reserves	Production		EV / 2P Reserves	EV / Production	EV / EBITDA
Date	Acquiror	Target	Deal Type	(C\$ mm)	(MMboe)	(boe/d)	% Liquids	(C\$/boe)	(C\$/boed)	(x)
26-May-15	Crescent Point	Legacy	Corporate	\$1,533	102.7	22,000	82%	\$14.92	\$69,668	4.0x
14-Apr-15	TORC	Surge	Asset	\$430	21.9	4,750	98%	\$19.63	\$90,526	n.a.
14-Apr-15	Freehold	Penn West	Asset	\$301	7.3	1,370	81%	\$41.23	\$219,708	n.a.
19-Mar-15	Whitecap	Beaumont	Corporate	\$588	31.5	5,100	97%	\$18.67	\$115,196	n.a.
20-Feb-15	Bonterra	Enerplus	Asset	\$172	13.0	1,800	86%	\$13.19	\$95,556	n.a.
5-Feb-15	Torc	Undisclosed	Asset	\$128	5.9	1,550	94%	\$21.69	\$82,581	n.a.
18-Dec-14	Eagle Energy Trust	Spyglass	Asset	\$100	10.6	1,250	n.a.	\$9.48	\$80,000	n.a.
8-Dec-14	Consortium	EOG	Asset	\$470	n.a.	17,856	59%	n.a.	\$26,305	n.a.
8-Dec-14	Aspenleaf	Coral Hill	Corporate	\$373	n.a.	4,300	90%	n.a.	\$86,745	n.a.
20-Sep-14	Cenovus	Undisclosed	Asset	\$234	n.a.	2,800	100%	n.a.	\$83,571	n.a.
3-Sep-14	Tamarack Valley	Suncor	Asset	\$169	10.5	1,702	60%	\$16.05	\$99,001	n.a.
2-Sep-14	Crescent Point	Lightstream	Asset	\$378	13.2	3,300	95%	\$28.64	\$114,545	n.a.
28-Aug-14	Undisclosed	Crew	Asset	\$150	22.7	3,650	78%	\$6.61	\$41,096	n.a.
20-Aug-14	Whitecap	Undisclosed	Asset	\$267	13.6	2,500	90%	\$19.57	\$106,680	n.a.
29-Jul-14	Cardinal Energy Ltd.	Undisclosed	Asset	\$165	9.8	1,900	99%	\$16.87	\$86,842	n.a.
7-Jul-14	Undisclosed	Painted Pony	Asset	\$100	5.3	980	96%	\$18.87	\$102,041	n.a.
24-Jun-14	Legacy	Corinthian	Corporate	\$225	11.9	2,800	84%	\$18.92	\$80,411	n.a.
23-Jun-14	China Oil & Gas	Baccalieu	Corporate	\$236	22.0	4,244	67%	\$10.73	\$55,608	n.a.
23-Jun-14	Aspenleaf	Arcan	Corporate	\$292	34.1	3,290	97%	\$8.56	\$88,778	4.8x
16-Jun-14	Kelt	Undisclosed	Asset	\$165	11.7	2,300	70%	\$14.10	\$71,739	n.a.
12-Jun-14	Long Run	Crocotta	Corporate	\$357	32.6	7,500	70%	\$10.95	\$47,600	5.0x
12-Jun-14	Crescent Point	Polar Star	Asset	\$334	12.7	2,800	97%	\$26.30	\$119,286	n.a.
7-May-14	Legacy	Highrock	Corporate	\$194	7.5	2,000	99%	\$25.71	\$96,942	n.a.
23-Apr-14	Crescent Point	CanEra Energy	Corporate	\$1,114	52.1	10,000	96%	\$21.38	\$111,405	n.a.
9-Apr-14	Freehold; Canpar	Lightstream	Asset	\$141	n.m.f	470	99%	n.m.f	\$300,000	n.a.
31-Mar-14	Surge	Longview	Corporate	\$429	37.6	5,816	81%	\$11.40	\$73,762	5.8x
18-Mar-14	Vermilion	Elkhorn	Corporate	\$400	16.5	3,750	97%	\$24.24	\$106,667	n.a.
17-Mar-14	Whitecap	Imperial	Asset	\$855	49.0	6,500	83%	\$17.46	\$131,538	n.a.
11-Feb-14	Alexander Energy	Renegade	Corporate	\$505	22.7	5,200	97%	\$22.21	\$97,119	5.0x
13-Jan-14	Surge Energy	Renegade	Asset	\$109	5.6	1,225	95%	\$19.40	\$88,980	n.a.

Median	\$18.77	\$89,753	5.0x
Mean	\$18.34	\$98,997	4.9x

Note: Reflects transactions over C\$100mm in size with a reserves or production liquids weighting of >50%.

Trading Comparables – Intermediate/Junior E&P

Company	Price		Equity Value	Enterprise Value	Net Debt / 2015E Cash Flow	Production (Mboe/d)		Oil % of Production		Gross Reserves (MMboe)		RLI ⁽¹⁾	Enterprise Value as a Multiple of:					
	As of	% 52-Week				2015E	2016E	2015E	2016E	1P	2P		EBITDA		Production (\$/boe/d)		Reserves (\$/boe)	
	7/31/2015	High	(\$MM)	(\$MM)							2015E	2016E	2015E	2016E	1P	2P		
Crescent Point Energy Corp.	\$19.81	44.00%	\$9,957	\$14,886	2.5x	162	179	91%	91%	632	977	10.7	6.8x	6.1x	\$91,958	\$83,335	\$23.56	\$15.24
Tourmaline Oil Corp.	\$32.34	58.60%	\$7,108	\$8,254	1.2x	164	211	14%	15%	487	875	8.1	9.3x	7.2x	\$50,295	\$39,090	\$16.95	\$9.44
ARC Resources Ltd.	\$19.57	61.30%	\$6,683	\$7,476	1.0x	115	125	36%	36%	382	673	9.1	9.2x	7.6x	\$64,964	\$59,729	\$19.56	\$11.11
Vermilion Energy Inc.	\$44.00	60.90%	\$4,887	\$6,219	2.5x	55	62	57%	51%	151	247	7.5	9.6x	6.7x	\$113,365	\$99,846	\$41.05	\$25.19
Peyto Exploration & Development Corp.	\$28.30	73.10%	\$4,499	\$5,348	1.4x	88	102	10%	10%	347	531	10.8	8.6x	7.2x	\$60,615	\$52,228	\$15.39	\$10.06
Seven Generations Energy Ltd.	\$14.70	59.50%	\$3,946	\$4,285	0.8x	58	94	56%	55%	421	789	19.8	9.8x	5.6x	\$73,734	\$45,669	\$10.19	\$5.43
Whitecap Resources Inc.	\$11.40	61.00%	\$3,447	\$4,222	1.5x	40	43	77%	78%	181	250	12.5	7.9x	7.5x	\$106,267	\$97,452	\$23.27	\$16.91
Baytex Energy Corp.	\$11.26	23.10%	\$2,333	\$4,059	2.9x	85	80	83%	80%	283	432	9.1	7.5x	6.0x	\$47,615	\$50,816	\$14.33	\$9.40
PrairieSky Royalty Ltd.	\$26.85	65.40%	\$4,191	\$3,999	n.m.f.	18	18	43%	46%	30	36	4.7	19.8x	17.3x	n.m.	n.m.	n.m.	n.m.
Paramount Resources Ltd.	\$19.70	29.70%	\$2,095	\$3,605	6.4x	56	69	42%	46%	227	347	11.1	13.1x	7.0x	\$64,553	\$51,902	\$15.89	\$10.39
Penn West Petroleum Ltd.	\$1.79	20.70%	\$899	\$3,395	7.6x	90	85	69%	70%	364	554	11	7.3x	5.4x	\$37,610	\$39,945	\$9.34	\$6.13
Pengrowth Energy Corp.	\$2.09	29.50%	\$1,150	\$3,239	4.3x	72	68	57%	59%	310	557	11.7	7.3x	6.4x	\$44,993	\$47,476	\$10.47	\$5.82
Enerplus Corp.	\$8.31	32.50%	\$1,740	\$2,975	2.3x	100	102	44%	44%	275	416	7.5	6.6x	5.0x	\$29,853	\$29,116	\$10.83	\$7.15
Bonavista Energy Corp.	\$4.90	33.10%	\$1,141	\$2,370	3.1x	80	82	28%	30%	276	427	9.4	5.7x	5.3x	\$29,606	\$28,937	\$8.60	\$5.55
Birchcliff Energy Ltd.	\$5.92	46.10%	\$910	\$2,294	7.5x	40	42	15%	15%	282	465	19.5	10.9x	8.0x	\$57,967	\$54,111	\$8.13	\$4.93
Lightstream Resources Ltd.	\$0.68	9.30%	\$137	\$1,731	8.7x	32	27	75%	74%	103	161	8.7	5.3x	6.8x	\$53,509	\$64,529	\$16.76	\$10.74
Raging River Exploration Inc.	\$7.91	71.10%	\$1,603	\$1,669	0.4x	14	16	97%	96%	52	66	10.5	9.7x	6.7x	\$123,405	\$104,315	\$32.01	\$25.14
Advantage Oil & Gas Ltd.	\$7.14	85.60%	\$1,232	\$1,494	1.8x	26	34	2%	3%	192	301	20	9.3x	6.6x	\$56,914	\$44,118	\$7.78	\$4.97
Freehold Royalties Ltd.	\$12.96	49.80%	\$1,273	\$1,460	1.7x	11	11	62%	64%	4	8	1	10.7x	11.2x	n.m.	n.m.	n.m.	n.m.
Kelt Exploration Ltd.	\$7.21	51.90%	\$1,225	\$1,326	1.0x	20	24	41%	42%	85	145	11.6	13.4x	8.9x	\$65,824	\$56,196	\$15.57	\$9.11
Trilogy Energy Corp.	\$4.60	15.70%	\$579	\$1,286	6.1x	30	27	36%	36%	96	140	8.7	8.7x	6.5x	\$42,869	\$47,506	\$13.46	\$9.20
Bonterra Energy Corp.	\$24.10	36.50%	\$804	\$1,154	3.2x	13	14	74%	74%	73	93	15.2	8.6x	8.2x	\$88,646	\$85,443	\$15.88	\$12.37
Bellatrix Exploration Ltd.	\$2.56	28.90%	\$491	\$1,147	5.5x	43	44	31%	31%	161	249	10.1	7.6x	5.0x	\$26,455	\$25,865	\$7.14	\$4.61
Northern Blizzard Resources Inc.	\$5.90	31.10%	\$639	\$1,055	2.1x	22	21	95%	95%	84	158	10.7	5.3x	4.3x	\$48,966	\$49,225	\$12.52	\$6.66
TORC Oil & Gas Ltd.	\$7.06	47.20%	\$1,131	\$1,016	n.m.f.	15	18	88%	89%	56	87	9.9	6.0x	4.2x	\$65,759	\$55,058	\$18.13	\$11.66
NuVista Energy Ltd.	\$5.27	44.30%	\$807	\$932	0.9x	24	28	31%	33%	111	220	12.9	7.4x	4.4x	\$39,654	\$33,794	\$8.40	\$4.24
Crew Energy Inc.	\$4.80	41.70%	\$685	\$868	1.8x	21	26	37%	34%	107	220	13.7	7.5x	5.7x	\$40,897	\$33,422	\$8.15	\$3.94
Spartan Energy Corp.	\$2.59	60.80%	\$740	\$831	1.2x	9	10	94%	94%	26	40	7.7	11.8x	7.1x	\$91,010	\$83,232	\$32.45	\$20.98
Long Run Exploration Ltd.	\$0.57	10.10%	\$113	\$814	4.7x	32	28	42%	42%	104	171	8.8	5.8x	6.2x	\$25,254	\$28,639	\$7.86	\$4.77
Cardinal Energy Ltd.	\$12.20	58.20%	\$729	\$783	0.5x	11	12	92%	92%	32	43	7.9	7.7x	7.6x	\$69,773	\$66,739	\$24.13	\$18.01
Painted Pony Petroleum Ltd.	\$7.04	47.70%	\$703	\$710	0.2x	16	23	7%	9%	123	488	20.8	17.1x	6.7x	\$44,180	\$30,722	\$5.79	\$1.45
Surge Energy Inc.	\$2.37	26.90%	\$531	\$638	0.8x	17	14	81%	78%	84	138	13.6	4.5x	4.4x	\$38,009	\$44,116	\$7.63	\$4.61
Twin Butte Energy Ltd.	\$0.45	22.90%	\$163	\$483	1.9x	17	16	89%	90%	36	61	5.8	2.2x	2.4x	\$28,516	\$30,160	\$13.33	\$7.89
Storm Resources Ltd.	\$3.96	64.30%	\$477	\$480	0.1x	11	16	19%	19%	59	84	14	9.0x	6.1x	\$42,045	\$29,997	\$8.20	\$5.73
Perpetual Energy Inc.	\$0.85	39.20%	\$130	\$473	n.m.f.	19	17	14%	14%	50	94	7.3	18.0x	16.1x	\$25,045	\$27,826	\$9.42	\$5.05
RMP Energy Inc.	\$1.84	20.80%	\$225	\$373	1.4x	14	15	45%	45%	18	34	3.6	3.4x	2.9x	\$27,333	\$24,671	\$20.88	\$10.90
Cequence Energy Ltd.	\$0.64	27.20%	\$135	\$193	1.5x	11	12	16%	16%	57	118	13.8	4.2x	3.6x	\$17,060	\$16,708	\$3.38	\$1.64
Chinook Energy Inc.	\$0.87	35.50%	\$188	\$127	n.m.f.	7	9	29%	29%	18	27	7.1	6.2x	6.3x	\$18,553	\$14,870	\$7.09	\$4.65

Max	8.7x	164	211	97%	96%	632	977	20.8	19.8x	17.3x	\$123,405	\$104,315	\$41.05	\$25.19
Mean	2.7x	44	48	51%	51%	168	282	10.7	8.7x	6.7x	\$54,252	\$49,356	\$14.54	\$9.20
Median	1.8x	25	27	43%	45%	105	195	10.3	7.8x	6.4x	\$48,291	\$46,572	\$12.92	\$7.52
Min	0.1x	7	9	2%	3%	4	8	1	2.2x	2.4x	\$17,060	\$14,870	\$3.38	\$1.45

Source: FactSet, Bloomberg and Company disclosure

(1) Based on proved reserves

Strategic Rationale for MIEH

1 Upgrade asset portfolio

- Significant acreage provides flexibility for future growth and development
- Proven reserves and economic production
 - Reserves: 1P of ~103.5mmboe (42% liquids) and 2P reserves (2P) of ~170.6mmboe (40% liquids)
 - Production: 34,457boe/day (41% liquids)
- No lease expiry for land with production
- No production sharing “PSC” with partners or state

2 Diversification of risks

- Creates a more balanced oil and gas business portfolio and geographic diversity
 - High gas weightage provides additional diversity from MIEH’s current oil-focused revenue
- Limited further downside of gas prices while keeping upside potential from rebound of crude prices

3 Enhance 2P by more than 75% and production guidance by more than 3x upon consolidation



Appendix

 *MIE Holdings Corporation*



Management Team

Mr. William E. Andrew - Chair and Chief Executive Officer

- Bill Andrew is a professional engineer with over 40 years of experience in oil and gas exploration and development focused in western Canada. Prior to joining Guide Exploration Ltd. (predecessor to Long Run) in mid-2011 he was chief executive officer of Penn West Petroleum Limited. Mr. Andrew has a bachelor of engineering degree from the Technical University of Nova Scotia with a major in mining

Mr. Dale A. Miller - President & Chief Operating Officer and Director

- Mr. Miller is a professional engineer with over 30 years of oil and natural gas industry experience. He most recently acted as the president of Guide Exploration Ltd. (predecessor to Long Run), and prior to that, vice-president and chief operating officer of an intermediate oil and gas company, Pace Oil and Gas Ltd.. Mr. Miller received a Bachelor of Science degree in petroleum engineering from the University of Tulsa

Ms. Corine Bushfield - Senior Vice President & Chief Financial Officer

- Ms. Bushfield is a chartered accountant with 20 years' experience in the oil and natural gas industry. Prior to joining Long Run in March 2013, Ms. Bushfield worked for Encana Corporation in positions of increasing responsibility, most recently as vice president and assistant controller. Ms. Bushfield holds a bachelor of commerce degree from the University of Calgary and a designation as a chartered accountant from the Institute of Chartered Accountants of Alberta

Mr. Dale Orton - Senior Vice President, Development

- Mr. Orton is a professional engineer with 20 years of exploitation, production, operations, business development and acquisition experience. Prior to his employment with Long Run, he held positions of increasing responsibility with Flowing Energy Corporation, KeyWest Energy Corporation, Velvet Exploration Ltd. and Renaissance Energy Ltd. Mr. Orton holds a bachelor of engineering degree from the University of Victoria and is a registered professional engineer in Alberta and in Saskatchewan

Existing Credit Facilities + Convertible Debentures Terms

C\$695mm Credit Facilities (Amended and Restated as May 29, 2015)

- C\$410mm Revolving Credit Facility due 31 May, 2017 (subject to semi-annual review)
- C\$245mm Non-revolving Credit Facility due 29 May, 2016
- C\$40mm Operating Facility due 31 May 2017 (subject to semi-annual review)
- Consolidated Debt/EBITDA < 4.5x
- Interest Coverage > 2.75
- 11 Lenders: Bank of Nova Scotia, National Bank of Canada, HSBC, Toronto-Dominion Bank, Wells Fargo, Alberta Treasury Branches, Canadian Imperial Bank of Commerce, Union Bank, Bank of Montreal, United Overseas Bank, Business Development Bank of Canada

Total Debt/EBITDA	Base Rate	BA Stamping Fees/LIBOR Margin/LOC	Standby Fees
≤1.00:1	100bps	200bps	50.00bps
>1.00 :1 <1.50:1	125bps	225bps	56.25bps
≥1.50 :1 <2.00:1	150bps	250bps	62.50bps
≥2.00:1 <2.50:1	175bps	275bps	68.75bps
≥2.50 :1 <3.00:1	200bps	300bps	75.00bps
≥3.00:1 <3.50:1	250bps	350bps	87.50bps
≥3.50:1 <4.00:1	300bps	400bps	100.0bps
≥4.00:1	350bps	450bps	112.5bps

C\$75mm 6.40% Convertible Unsecured Subordinated Debentures

- Counterparty: CST Trust Company
- Interest: 6.40%
- Maturity Date: 31 Jan 2019
- Conversion Price: C\$7.40 (135.135 Common Shares for each \$1,000 principal amount)

Tax Pool

Tax Pools	Annual Deduction	C\$ millions
Undepreciated Capital Cost (UCC)	Up to approximately 25%	C\$330
Canadian Oil & Gas Property Expense (COGPE)	Up to 10%	C\$420
Canadian Development Expense (CDE)	Up to 30%	C\$830
Canadian Exploration Expense (CEE)	Up to 100%	C\$90
Non-Capital Loss Carry Forward	Deductible against taxable income	C\$150
Estimated Total Corporate Tax Pools (as at June 30, 2015)		C\$1,820

Canadian Royalty Tax

Conventional Oil

- $R\% = \text{Price Component } (r_p) + \text{Quantity Component } (r_q)$
- R% has a minimum of 0% and a maximum of 40%

Price Component (r_p)	
Price (\$/m ³)	(r_p)
$PP \leq 250.00$	$((PP - 190.00) * 0.0006) * 100$
$250.00 < PP \leq 400.00$	$((PP - 250.00) * 0.0010 + 0.0360) * 100$
$400.00 < PP \leq 535.00$	$((PP - 400.00) * 0.0005 + 0.1860) * 100$
$PP > 535.00$	$((PP - 535.00) * 0.0003 + 0.2535) * 100$
Maximum	35%

Quantity Component (r_q)	
Quantity (m ³ /month)	(r_q)
$Q \leq 106.4$	$((Q - 106.4) * 0.0026) * 100$
$106.4 < Q \leq 197.6$	$((Q - 106.4) * 0.0010) * 100$
$197.6 < Q \leq 304.0$	$((Q - 197.6) * 0.0007 + 0.0912) * 100$
$Q > 304.0$	$((Q - 304.0) * 0.0003 + 0.1657) * 100$
Maximum	30%

PP: par price for the month in \$/m³
Q: monthly production in m³

Natural Gas

- $R\% = \text{Price Component } (r_p) + \text{Quantity Component } (r_q)$
- R% has a minimum of 5% and a maximum of 36%

Price Component (r_p)	
Price (\$/GJ)	(r_p)
$PP \leq 5.25$	$((PP - 4.50) * 0.0450) * 100$
$5.25 < PP \leq 9.00$	$((PP - 5.25) * 0.0200 + 0.03375) * 100$
$PP > 9.00$	$((PP - 9.00) * 0.0100 + 0.10875) * 100$
Maximum	30%

Quantity Component (r_q)	
Quantity (10 ³ m ³ /d)	(r_q)
$ADP \leq (6 * DF)$	$([ADP - (4 * DF)] * (0.0500 / DF)) * 100$
$(6 * DF) < ADP \leq (11 * DF)$	$([ADP - (6 * DF)] * (0.0300 / DF) + 0.1000) * 100$
$ADP > (11 * DF)$	$([ADP - (11 * DF)] * (0.0100 / DF) + 0.2500) * 100$
Maximum	30%

PP: par price for the month in \$/GJ

DF is a depth factor that applies only to the quantity component and is based on the measured depth (MD) of a well where:

- $DF = 1$ for all transition wells and for $MD \leq 2000$ m;
- $DF = (MD/2000)^2$ for $MD > 2000$ m; and,
- The depth factor is capped at 4

Operating Leases & Decommissioning Expenses

Operating Leases

<i>(CDN '000)</i>	2015	2016	2017	2018	2019	Thereafter	Total
Operating Leases	2,253	4,329	6,041	7,753	7,482	50,604	78,462
Processing	2,113	6,024	6,024	6,024	6,024	31,941	58,150
Transportation	5,827	14,723	13,242	9,562	4,610	9,495	57,459
Fractionation	1,462	2,843	2,653	650	-	-	7,608
Capital	6,504	9,969	7,501	308	-	-	24,282
Total	18,159	37,888	35,461	24,297	18,116	92,040	225,961

Decommissioning Expenses

<i>(CDN '000)</i>	1H2015	2014	2013
Balance, beginning of year	411,209	254,413	233,100
Accretion expense	4,639	9,286	6,110
Liabilities acquired	-	113,681	43,056
Liabilities incurred	1,075	6,306	8,442
Disposal of liabilities	(3,675)	(13,090)	(8,560)
Settlement of liabilities	(2,981)	(11,409)	(3,970)
Change in estimate	-	52,022	(23,765)
Total	410,267	411,209	254,413

Price Analysis

Benchmark Prices

	2Q2015	1Q2015	4Q2014	3Q2014	2Q2014	1Q2014	4Q2013	3Q2013	2Q2013	1Q2013	4Q2012	3Q2012	2Q2012	1Q2012
WTI (US\$/bbl)	57.96	48.57	73.12	97.21	102.98	98.68	97.46	105.83	94.20	94.37	88.18	92.22	93.49	102.93
WTI (C\$/bbl)	71.29	60.23	82.63	105.96	112.25	108.55	102.33	110.06	96.08	95.31	87.30	92.22	94.42	102.93
Edmonton Light Sweet (C\$/bbl)	67.73	51.85	75.65	97.18	105.62	99.83	86.58	104.98	92.33	88.19	83.99	84.33	83.95	92.23
AECO (C\$/Mcf)	2.66	2.76	3.75	4.02	4.69	5.72	3.53	2.43	3.53	3.20	3.21	2.29	1.90	2.15
C\$/US\$	1.23	1.24	1.13	1.09	1.09	1.10	1.05	1.04	1.02	1.01	0.99	1.00	1.01	1.00

Long Run Realized Price

	2Q2015	1Q2015	4Q2014	3Q2014	2Q2014	1Q2014	4Q2013	3Q2013	2Q2013	1Q2013	4Q2012	3Q2012	2Q2012	1Q2012
Light oil (C\$/bbl)	58.53	42.32	66.73	88.08	97.50	91.24	75.06	95.47	83.70	76.69	76.24	80.28	82.79	89.64
Heavy oil (C\$/bbl)	53.33	37.36	60.71	81.47	81.79	78.90	62.69	87.40	71.52	55.10	57.89	59.77	64.03	71.13
NGLs (C\$/bbl)	24.48	22.50	30.02	57.98	72.76	86.87	69.21	76.05	68.91	75.33	67.08	62.24	74.95	84.60
Total (C\$/bbl)	47.13	35.67	55.04	82.26	93.30	89.72	73.25	92.44	80.78	73.79	72.87	75.78	79.77	87.34
Gas (C\$/Mcf)	2.89	2.80	4.13	4.29	4.89	5.96	3.73	2.65	3.73	3.37	3.35	2.44	1.94	2.29
Total (C\$/boe)	29.80	25.38	39.71	52.16	63.17	65.89	50.24	55.84	52.72	48.76	50.27	59.98	60.92	66.43

Price Analysis (Cont'd)

Differentials Between Benchmark and Realized Prices

	2Q2015	1Q2015	4Q2014	3Q2014	2Q2014	1Q2014	4Q2013	3Q2013	2Q2013	1Q2013	4Q2012	3Q2012	2Q2012	1Q2012
WTI → Edmonton Light Sweet	(3.56)	(8.38)	(6.98)	(8.78)	(6.63)	(8.72)	(15.75)	(5.08)	(3.75)	(7.12)	(3.31)	(7.89)	(10.47)	(10.70)
%	-4.99%	-13.91%	-8.44%	-8.29%	-5.90%	-8.03%	-15.39%	-4.62%	-3.91%	-7.47%	-3.79%	-8.56%	-11.09%	-10.40%
Edmonton → Light Oil	(9.20)	(9.53)	(8.92)	(9.10)	(8.12)	(8.59)	(11.52)	(9.51)	(8.63)	(11.50)	(7.75)	(4.05)	(1.16)	(2.59)
%	-13.58%	-18.38%	-11.79%	-9.36%	-7.69%	-8.60%	-13.31%	-9.06%	-9.35%	-13.04%	-9.23%	-4.80%	-1.38%	-2.81%
Edmonton → Heavy Oil	(14.40)	(14.49)	(14.94)	(15.71)	(23.83)	(20.93)	(23.89)	(17.58)	(20.81)	(33.09)	(26.10)	(24.56)	(19.92)	(21.10)
%	-21.26%	-27.95%	-19.75%	-16.17%	-22.56%	-20.97%	-27.59%	-16.75%	-22.54%	-37.52%	-31.08%	-29.12%	-23.73%	-22.88%
Edmonton → NGLs	(43.25)	(29.35)	(45.63)	(39.20)	(32.86)	(12.96)	(17.37)	(28.93)	(23.42)	(12.86)	(16.91)	(22.09)	(9.00)	(7.63)
%	-63.86%	-56.61%	-60.32%	-40.34%	-31.11%	-12.98%	-20.06%	-27.56%	-25.37%	-14.58%	-20.13%	-26.19%	-10.72%	-8.27%
AECO → Gas	0.23	0.04	0.38	0.27	0.20	0.24	0.20	0.22	0.20	0.17	0.14	0.15	0.04	0.14
%	8.65%	1.45%	10.13%	6.72%	4.26%	4.20%	5.67%	9.05%	5.67%	5.31%	4.36%	6.55%	2.11%	6.51%

Summary Differentials

	Average	Max	Min
WTI → Edmonton	(8.20)%	(3.79)%	(15.39)%
Edmonton → Light Oil	(9.46)%	(1.38)%	(18.38)%
Edmonton → Heavy Oil	(24.28)%	(16.17)%	(37.52)%
Edmonton → NGLs	(29.86)%	(8.27)%	(63.86)%
AECO → Gas	5.76%	10.13%	1.45%