

**Bankruptcy Sale:
Panny, Alberta Area
38 bbl/d**

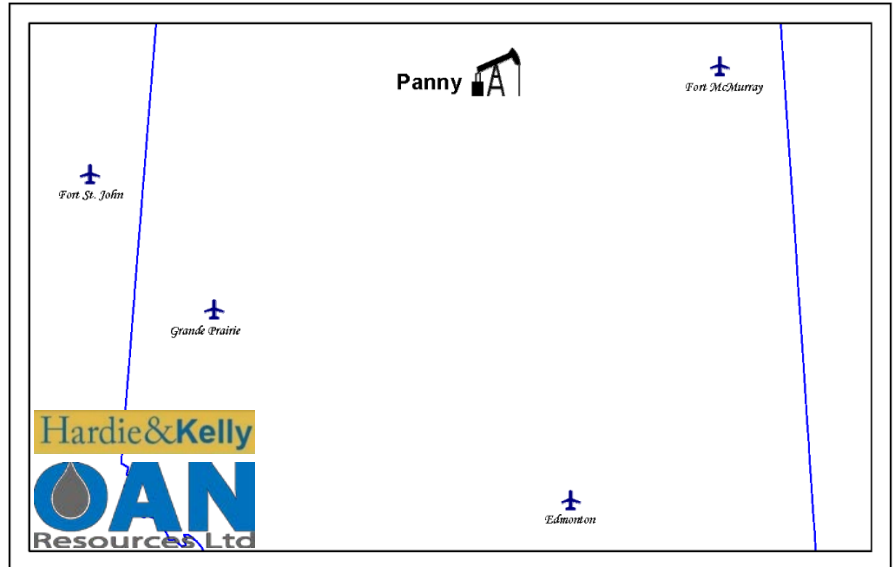


On October 13, 2019, **Hardie & Kelly Inc.** (the "Trustee") was appointed as the Trustee of the bankrupt estate of **OAN Resources Ltd.** ("OAN" or the "Company").

The Trustee has engaged **Sayer Energy Advisors** to assist it with a sale for cash of all of OAN's oil and natural gas property.

The Company's only asset is its Keg River oil play in the *Panny* area of northern Alberta (the "Property").

Recent production net to OAN from *Panny* is approximately 38 barrels of light oil per day from the Keg River Formation.



The Trustee has instructed that interested parties must provide a marked-up copy of the purchase and sale agreement (the "PSA") accompanying any offers submitted for the Property. A copy of the PSA will be available for review to parties which execute a confidentiality agreement. The Trustee has also provided a Sale Solicitation Process document (the "SSP") outlining the details of the bankruptcy sale. All offers received at the bid deadline will be reviewed by the Trustee and the most acceptable offer may be accepted by the Trustee, subject to Court approval.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting proposals relating to this opportunity until **12:00 pm on Thursday, February 13, 2020.**

Timeline		
Week of January 6, 2020		Preliminary Information Distributed
January 13, 2020		Data Room Opens
February 13, 2020	12:00 noon	Bid Deadline
February 1, 2020		Effective Date
March 2020		Closing Date

Sayer Energy Advisors does not conduct a "second-round" bidding process; the intention is to attempt to conclude a transaction with the party submitting the most acceptable proposal at the conclusion of the process.

Sayer Energy Advisors is accepting proposals from interested parties until noon on Thursday, February 13, 2020.

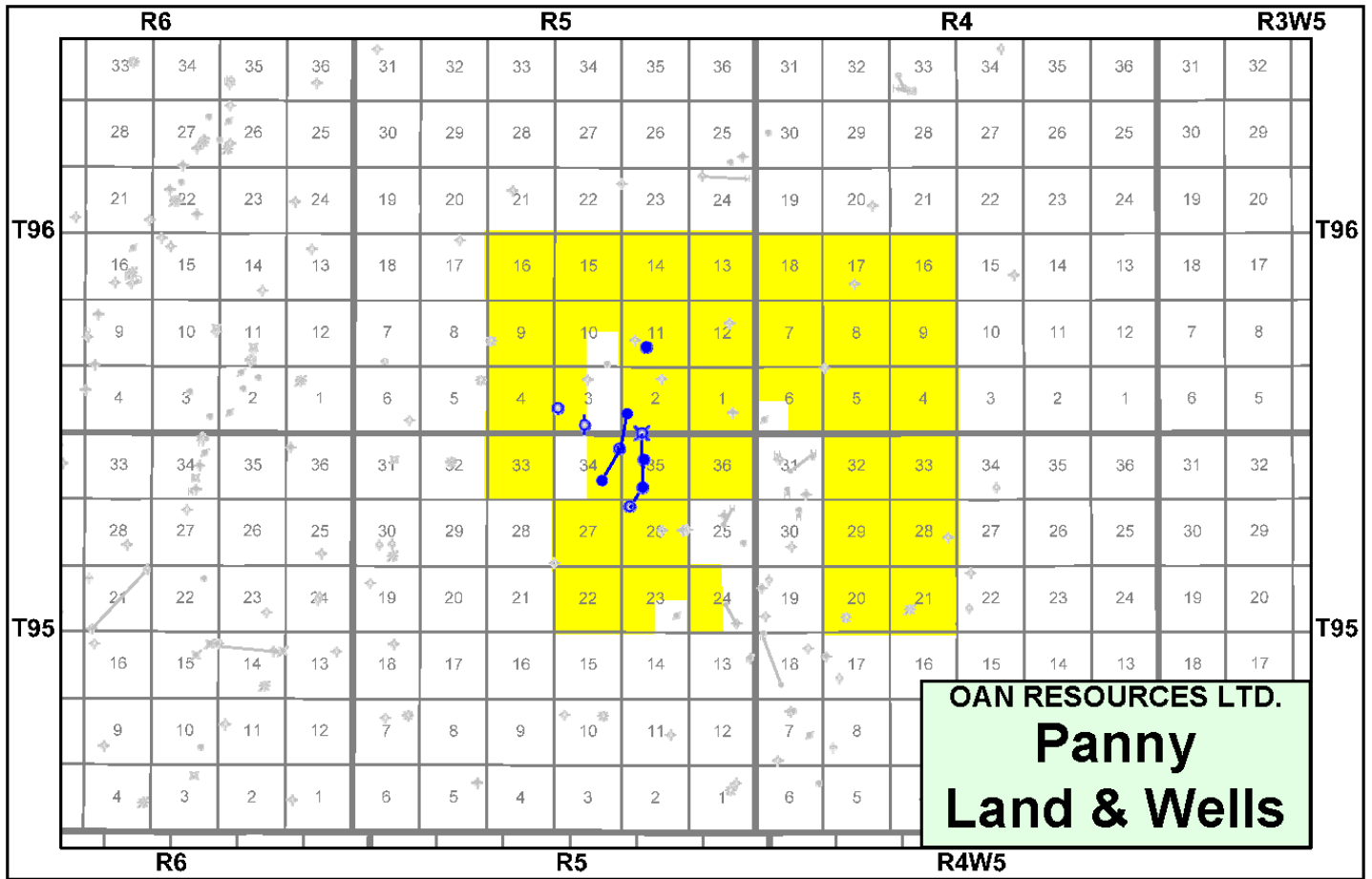


Panny Property

Township 95-96, Range 4-5 W5

At *Panny*, OAN holds a 100% working interest in land, including a 32-section license and leases on two sections. OAN has three producing oil wells and it has also licensed three wells at *Panny*, at 100/13-26-095-05W5/0, 100/09-34-095-05W5/0 and 100/05-03-096-05W5/0. Along with OAN's acquisition of the land, the Company obtained the shut-in oil well *OAN Resources Panny 00/03-35-095-05W5/0*.

The Property is separated by a fault which runs along the Panny River which separates the west portion of the Property from the east. The Property is winter access only.



Panny LLR (January 4, 2020)

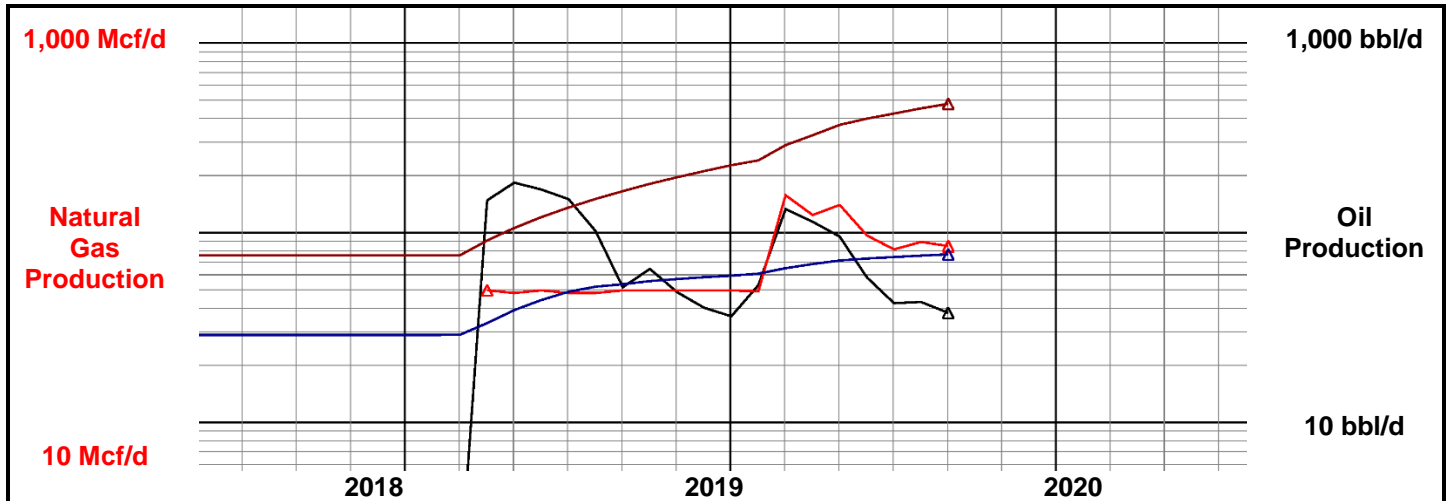
As of January 4, 2020, the OAN had net deemed asset value of \$1,904,809 (deemed assets of \$2,624,767 and deemed liabilities of \$719,958) with an LMR of 3.65.





Recent production net to OAN from *Panny* is approximately 38 barrels of light oil per day from the Keg River Formation.

Panny, Alberta
Group Plot of OAN's Keg River Oil Wells



Operations & Facilities

OAN drilled the well *OAN Resources HZ Panny 00/14-35-095-05W5/0* which landed horizontally approximately 3-4 metres above the target. The well did not produce until a lateral leg was drilled into the productive zone at *OAN Resources Panny 00/11-35-095-05W5/2*. The horizontal lateral at 11-35-095-05 initially had limited inflow and an acid frac was performed, which increased production until the well was suspended in June 2019 due to pump issues.

Following the 14-35 well, in February 2018, OAN drilled the well *OAN Resources Panny 00/05-02-096-05W5/0*, then the well *OAN Resources Panny 00/07-34-095-05W5/0*. These two wells encountered faults. Both wells had high water cuts and swab tests showed water at the heels of the wellbores.

The well *OAN Resources Panny 00/05-02-096-05W5/0* was shut-in due to high operating costs related to high water volumes. OAN believes that inflatable packers could be used to isolate the toe of the well where oil production was observed from the liner packer.

In addition to the horizontal drilling, in the first quarter of 2019 the Company drilled the two vertical wells *OAN Resources Panny 00/03-03-096-05W5/0* and *OAN Resources Panny 00/06-11-096-05W5/0*. The Company believes the 03-03 well to be a good candidate for water disposal in the Wabamun Formation. The 06-11 well produced for one month but encountered a high water cut. The Company believes the 06-11 well is a candidate for fracing the entire Keg River zone and producing high volumes of fluid once the disposal well is operational.

OAN has a Group Inlet Separator at 03-35 and Pad Separator at 16-34.

The Company holds two pipelines at *Panny* used to transport effluent to tank at 08-03 then to 03-11 where oil is sold through *Highwood Oil Company Ltd.*'s Wabasca River Sales Line.

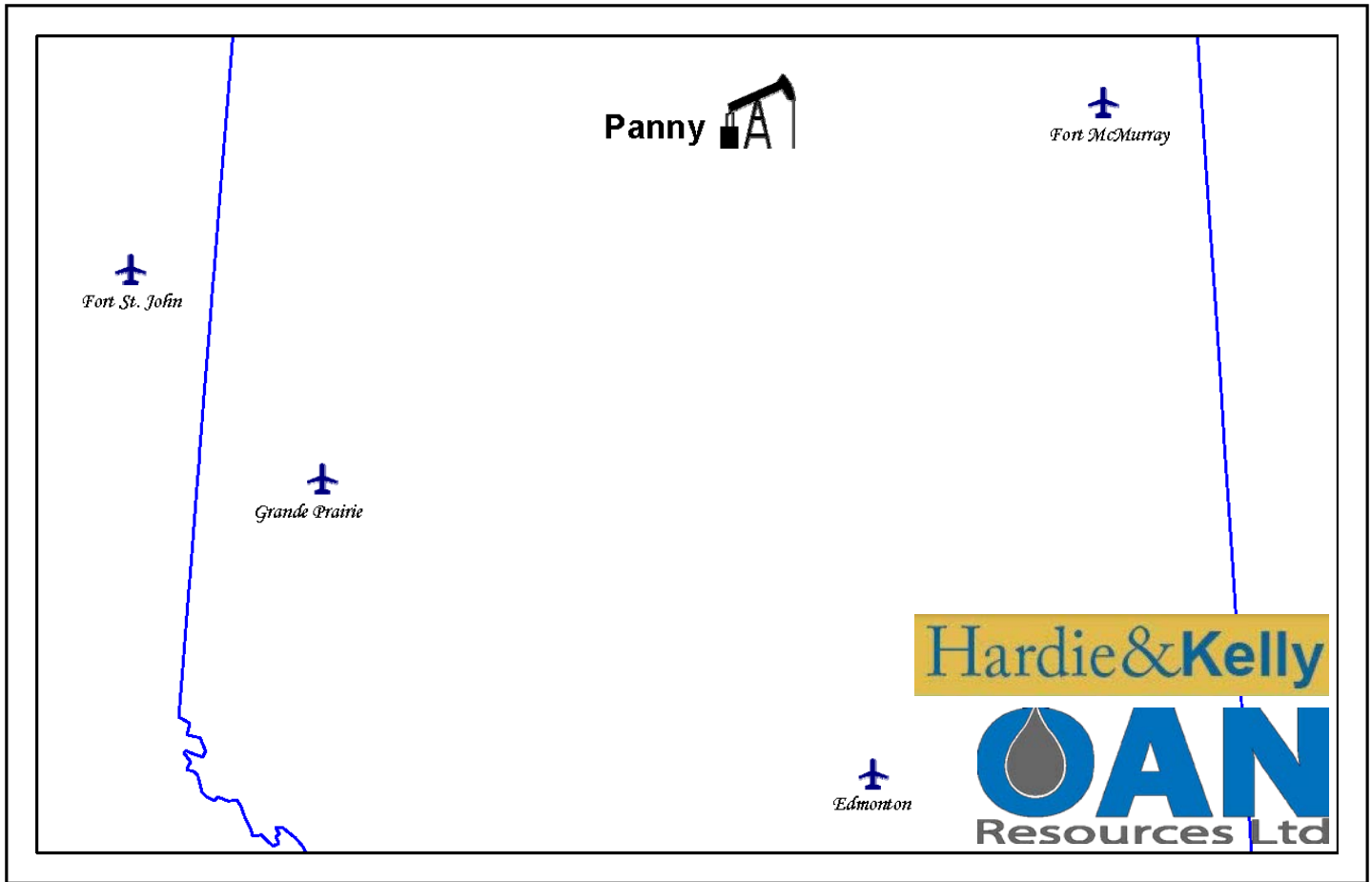




BID DEADLINE: 12:00 pm February 13, 2020

Bankruptcy Sale

Hardie & Kelly Inc. OAN Resources Ltd. Winter 2020 Bankruptcy Sale



CONTACT

Parties wishing to receive a Confidential Information Binder with detailed technical information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (brye@sayeradvisors.com) or fax (403.266.4467).

Included in the Confidential Information Binder is the following: summary land information, lease operating statements, the PSA and SSP and other relevant technical information.

To receive further information on the Property please contact Ben Rye, Tom Pavic, Grazina Palmer or Alan Tambosso at 403.266.6133.



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