The Belly River Oil Resource has the right blend of ingredients to be included in an economic drilling portfolio. Canadian Discovery Ltd. (CDL) has found many reasons why this play should not be overlooked:

» Attractive IRR, even in a low commodity price environment
» Low risk, repeatable drilling and completion results
» Drilling inventory supported by significant OOIP
» Easy integration with existing operations

**Compelling Economics**

Canadian Discovery’s Probabilistic Type Curve analysis and completion cost data* of over 150 horizontal wells finds that Belly River light oil economics can thrive in a low oil price environment if an operator can target a better-than P50 Type Curve.

<table>
<thead>
<tr>
<th>Study Area</th>
<th>Bell River West</th>
<th>Bell River East</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR (Mboe)</td>
<td>218.6, 90.7, 22**</td>
<td>145.4, 79.2, 36.3</td>
</tr>
<tr>
<td>D&amp;C Cost (M$)</td>
<td>2,260</td>
<td>1,970</td>
</tr>
<tr>
<td>F&amp;D Cost ($/boe)</td>
<td>10.34, 24.92, 102.73**</td>
<td>13.55, 24.87, 54.27</td>
</tr>
<tr>
<td>ROR (%)</td>
<td>92.2, 16.7, NA</td>
<td>60.3, 22.6, 2.4</td>
</tr>
<tr>
<td>Avg. Netback ($)</td>
<td>39.05, 22.48, NA</td>
<td>47.41, 34.99, 5.76</td>
</tr>
</tbody>
</table>

* derived from CDL’s CATALYST and Well Completions & Frac Database **based on technical rather than economic recoveries.

**Compelling Location**

The Belly River Oil Resource Play overlies the heart of the West-Central Alberta Deep Basin. The dense well control in this region has allowed for important de-risking of the Belly River. In prospective areas, the Belly River adds another horizon to the multi-zone potential for operators currently exploiting the Cardium, Mannville or deeper plays.

The Belly River shallow oil resource play has been largely overlooked as underpressuring, shale content and mineralogy create subtle petrophysical responses for oil pay. Canadian Discovery has developed a unique approach for identifying and mapping these oil resources and reducing the risk of encountering wet zones. Superior well results for the lower Belly River are achieved through integrating detailed stratigraphy, hydrodynamics, fluid chemistry and core analyses with petrophysical modelling to map detailed reservoir trends. In addition, CDL’s low case Original-Oil-In-Place (OOIP) estimate of almost 1,000,000 bbls per quarter section suggests this play has the footprint to support years of drilling driven reserves growth.

The oil potential of this interval was overlooked during the initial exploitation pulse of the Uppermost Cretaceous of West-Central Alberta, which focused on pervasively gas-saturated sands and coals. With the advent of multi-stage fracturing of horizontal wells and an industry realignment to light oil targets, there is a renaissance of this hydrodynamically-driven prospect. This intriguing light oil (>40° API) resource play, occurring at depths of up to 1,500 metres, has been mapped by CDL to identify oil fairways and reservoir trends.
Original Study (CAGS) Details

Stratigraphic Summary
» Dinosaur Park (5 sub-zones)
» Oldman
» Foremost (13 sub-zones)
» Basal Foremost (3 sub-zones)

<table>
<thead>
<tr>
<th>Data Type (as of October 31, 2015)</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Wells in Area</td>
<td>32,153</td>
</tr>
<tr>
<td>Horizontal Belly River Oil Wells</td>
<td>150</td>
</tr>
<tr>
<td>CDL Correlated Wells</td>
<td>3,172</td>
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<tr>
<td>Petrophysically Analyzed Wells</td>
<td>2,892</td>
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<tr>
<td>Stratigraphic Units</td>
<td>23</td>
</tr>
<tr>
<td>Total Stratigraphic Picks</td>
<td>24</td>
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<tr>
<td>Geological Map Units</td>
<td>17</td>
</tr>
</tbody>
</table>

Phase II – 2016 Update
Phase II will update the petrophysical analysis, porosity maps and hydrodynamics using state-of-the-art resource play analysis. In addition, rock property analysis and rock physics modelling will be done to provide templates for classification of seismic data used in Quantitative Seismic Interpretation.

Goals:
» Enhance the petrophysical model to identify low resistivity pay responsive to exploitation through horizontal multi-stage fractured wells
» Create 12% and 9% porosity cutoff reservoir maps for Phase I stratigraphic units.
» Map Ø*h maps over 9% porosity cutoff for Phase I stratigraphic units.
» Update Hydrodynamic model
» Rock property analysis and rock physics modeling for Quantitative Seismic Interpretation.

Original Deliverables 2002
» 27 Structural and Stratigraphic Cross-sections
» 8 Regional Geology Maps
» 4 Pressure/Elevation Graphs
» 4 DST Recovery Maps
» 5 Isopach Maps
» 25 Net Reservoir Maps at 15%, 18% & 21% porosity cutoff
» Illustrated Technical Report
» Data Files
» Supplemental Deliverable - GIS files

Phase II Deliverables
» 4 Pressure/Elevation Graphs
» 4 DST Recovery Maps
» 6 Isopach Maps
» 24 Net Reservoir Maps at 12% and 9% porosity cutoff
» 12 Ø*h maps over 9% porosity cutoff
» Dipole Log QC and Analysis
» Diagnostic Rock Physics Templates for
  » Sand thickness
  » Ø Levels
  » Quartz content
  » Reservoir phase gas vs oil vs water
» Illustrated Technical Report
» Data Files
» Supplemental Deliverable - GIS files

Phase II Subscription Details
Previous CASG Subscriber $19,500
New Subscriber $39,500 (includes Phases I and II)
GIS files $5,000
Available Spring 2016