



Sweet Light Oil, Great Opportunity
Introduction to Nine Ring's Clear Hills Development Asset

Nine Ring Energy Development Inc.

2021



Nine Ring's Clear Hills asset lies in a proven prolific region in northwest of Alberta. The primary target is Charlie Lake C light sweet oil in huge consecutive lands which are 56.25 Sections/144.04Km². Nine Ring drilled and tested four wells in 2017-2019. The total production rate was 383boe/d and made the asset ready to be developed on a large scale. The highlights are as follows:

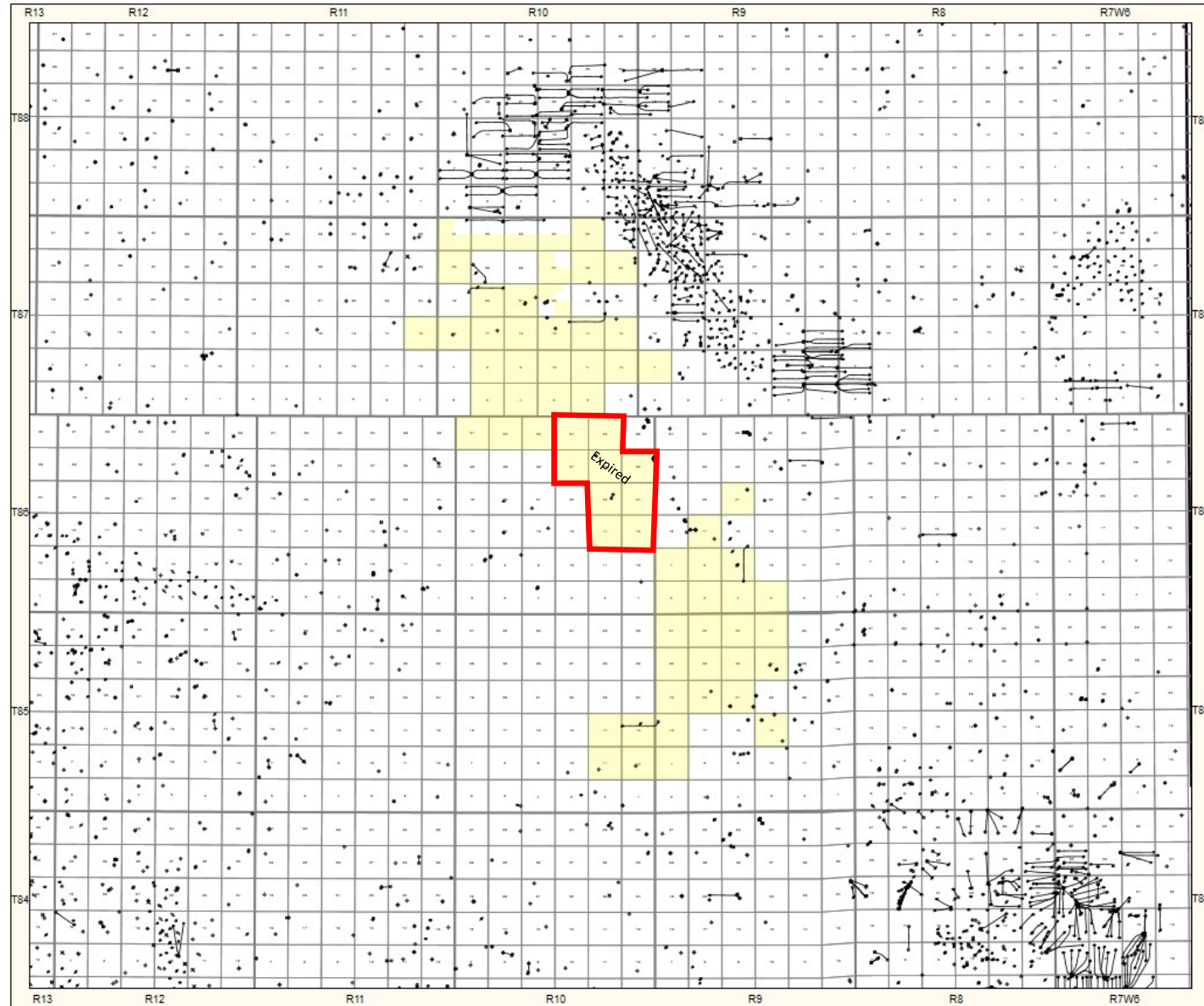
- 1. Neighbouring Enercapita producing pools with mature infrastructures**
- 2. Average Charlie Lake play depth is less than 1100m which indicates low development capital cost.**
- 3. Stable shore face sandstone reservoir with very low geological risk**
- 4. API 30-40 light sweet oil with high sale price**
- 5. Confirmed big development base with OOIP of 200mmbbl**
- 6. 185 drilling locations**
- 7. Third party evaluation: 6.8 mmbbl 2p reserves; NPV 46 millions**

Clear Hills Asset Location

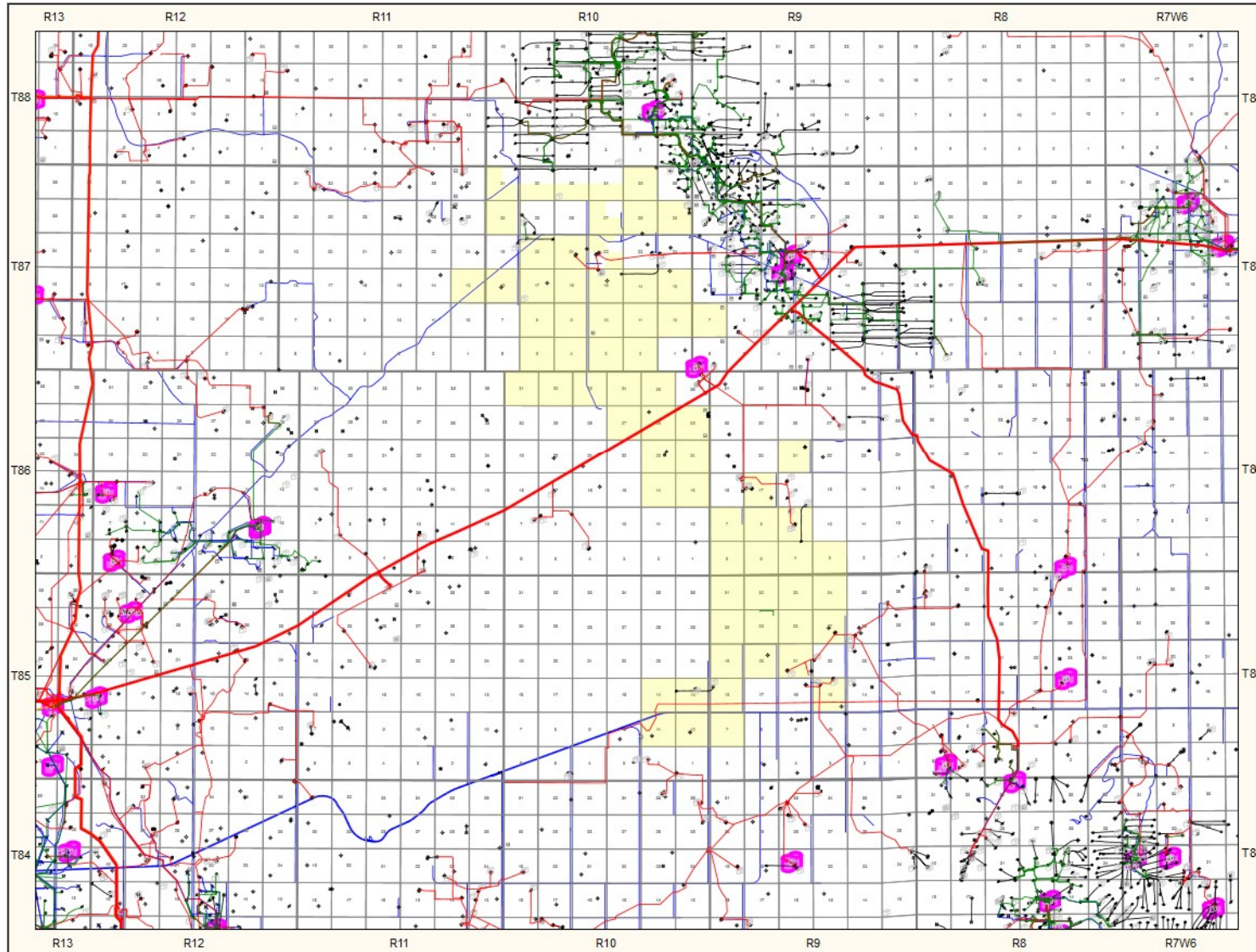






Clear Hills Lands

144Km², 56 Sections



Infrastructures



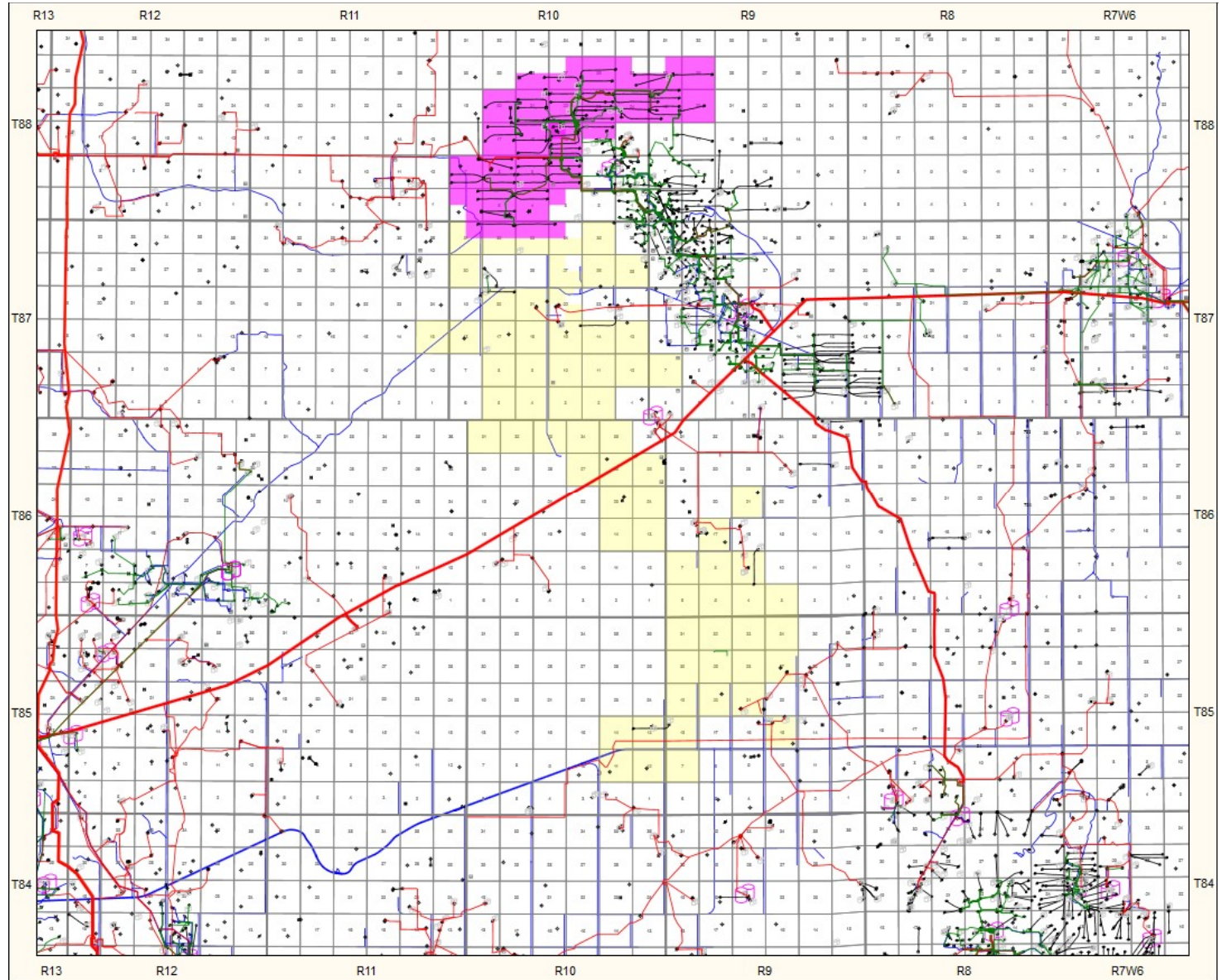
-  Roads
-  Gas Pipeline
-  Oil Pipeline
-  Multi-well Battery



Adjacent Pool Properties

Pool Properties

	Primary
Area:	5870 ha
Pay Thickness:	2.47 m
Rock Volume:	14498.9 ha-m
Porosity:	13.2 %
WTR Sat(Sw):	40.0 %
Shrinkage:	86.0 %
Initial Pressure:	9110 kPa
Fm Temp(Ft):	52.0 degC
Fm Temp(Ft):	325.5 K
OIL Density:	850.000 kg/m3
API Gravity:	35.0 deg API
Sol GAS/OIL Ratio:	57 m3/m3
Original OIP(OOIP):	9875.50 e3m3
OOIP/ha-m:	681.12 m3/ha-m
Recv Factor Pri:	10.0 %
Recv Factor Enh:	%
Pri Rcvbl OIL Rsrv:	987.60 e3m3
Enh Rcvbl OIL Rsrv:	e3m3
Tot Rcvbl OIL Rsrv:	987.60 e3m3
Rcvbl OIL/ha-m:	68.12 m3/ha-m
Cum Production:	643.24 e3m3
Rmn Recvble OIL:	344.36 e3m3
2017 Annual Production:	49.50 e3m3
2017 Year End RRO:	384.00 e3m3
2017 Life Index:	7.8 Years
Cum WTR Production:	2414.44 e3m3
Cum WTR Injection:	e3m3
Net WTR Produced:	2414.44 e3m3
% OOIP Remaining:	93.5 %





From: 2006-11
 To: 2019-06
 Unit(M/A): API

Producing Wells: 57
 Injecting Wells: 0

Adjacent Pool Production Chart

Producing Wells: 57

Initial development started in 2008.

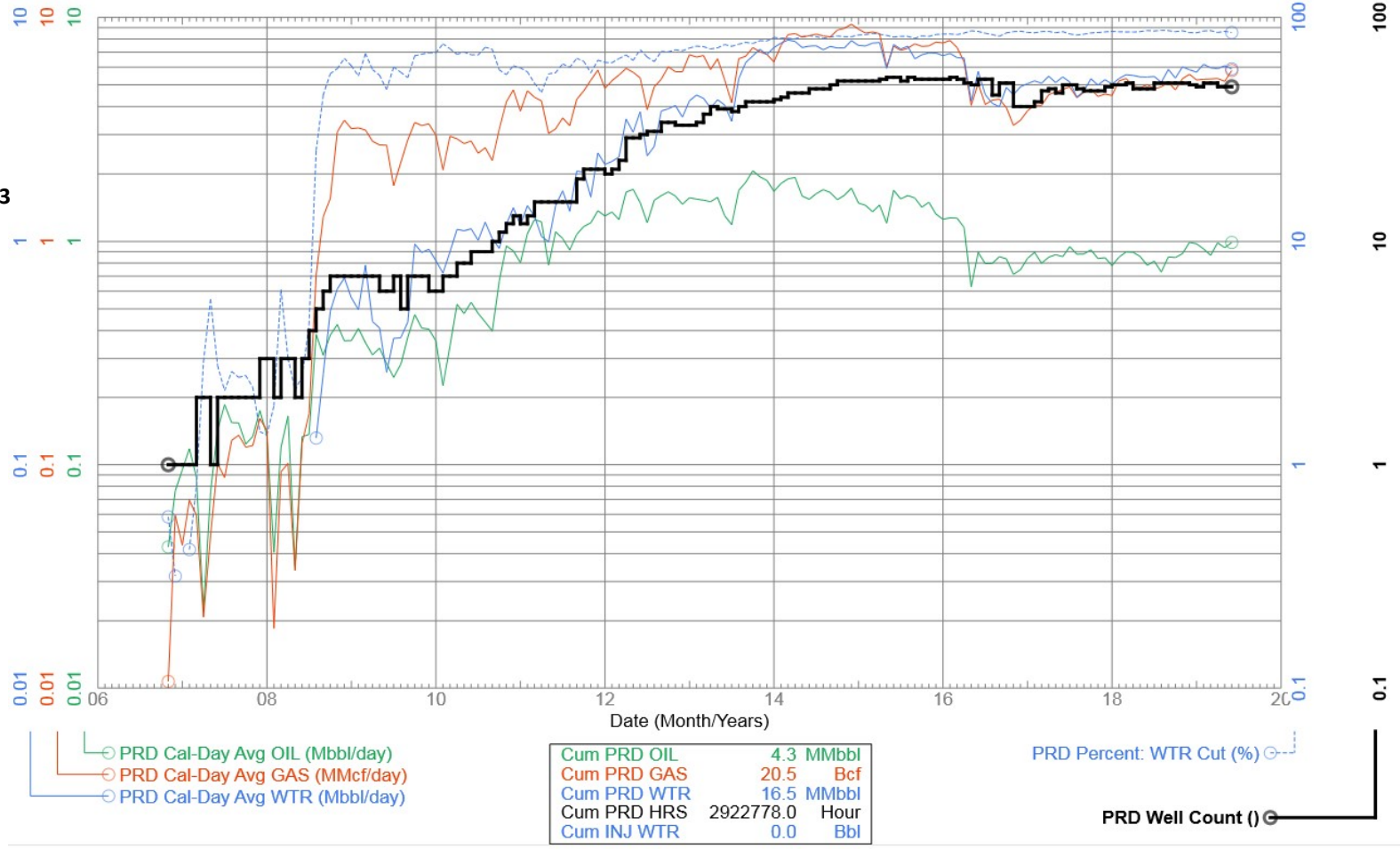
Most of the wells drilled between 2010-2013

As of June 2019, Cumulative oil 4.3MMbbl

Cumulative water 16.5MMbbl

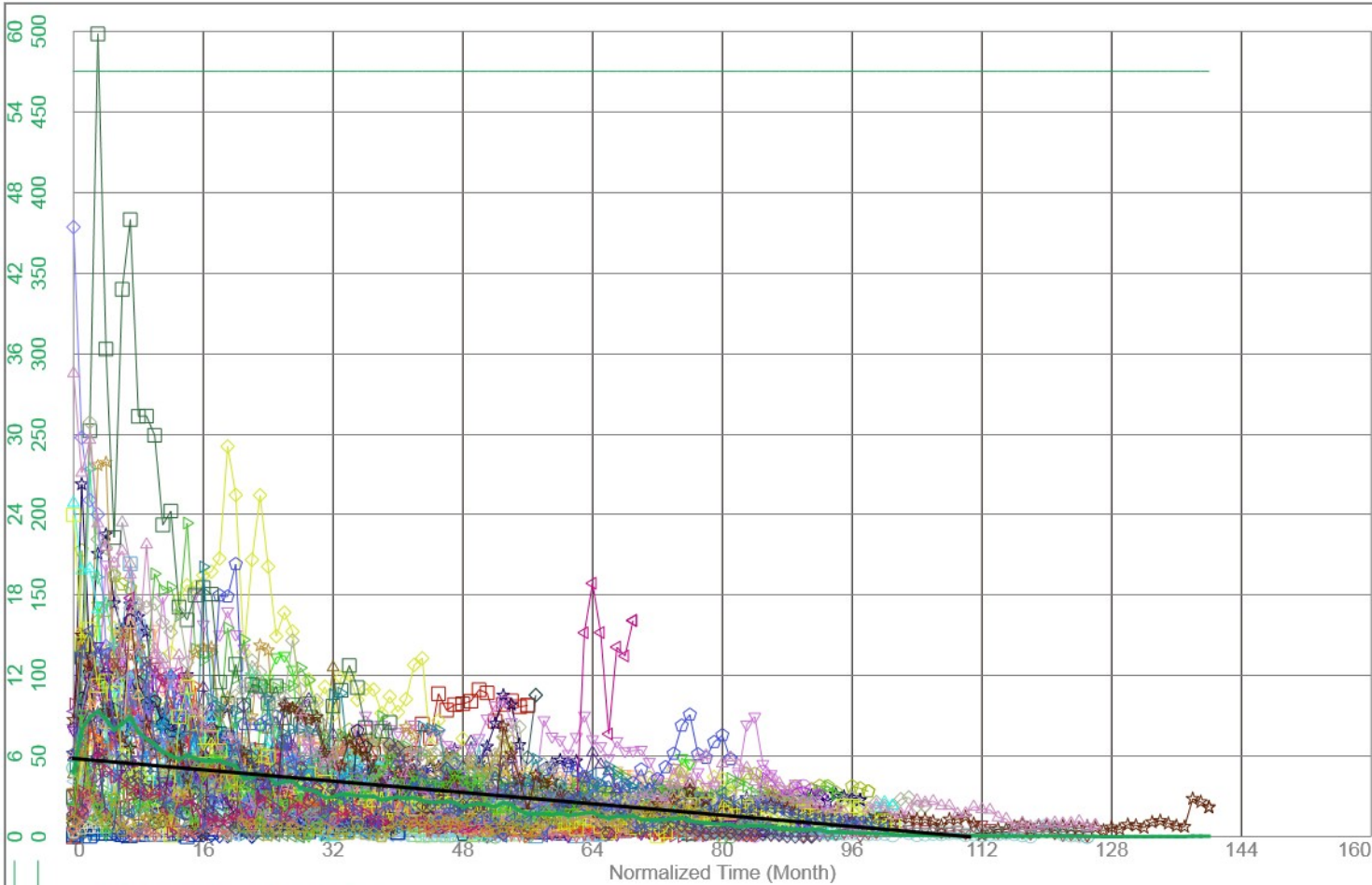
Water cut 79%

Average cumulative oil per well 75,088bbl





Adjacent Pool wells Production Chart



Curve Legend:

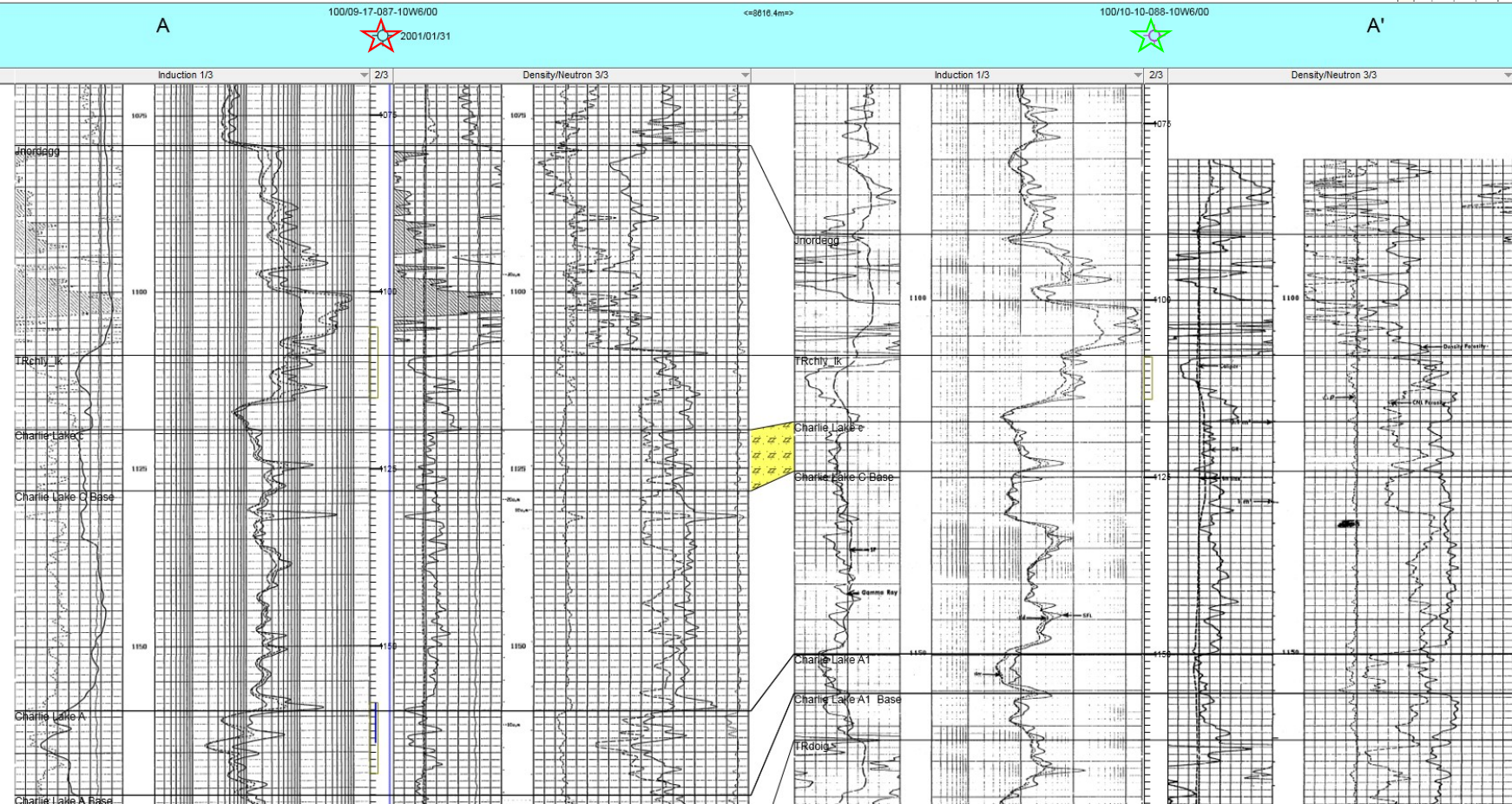
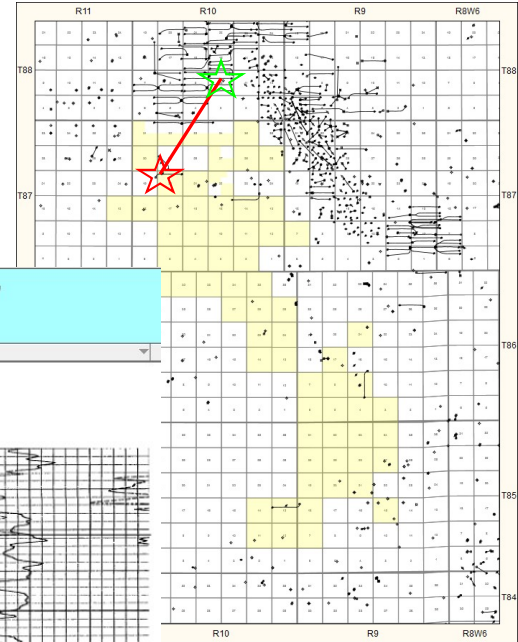
UWI	Operator
100/16-31-087-10W6/02	Enercapita Enrg Ltd
100/13-34-087-10W6/00	Enercapita Enrg Ltd
100/01-19-088-09W6/00	Enercapita Enrg Ltd
100/03-19-088-09W6/00	Enercapita Enrg Ltd
100/05-19-088-09W6/00	Enercapita Enrg Ltd
100/08-19-088-09W6/00	Enercapita Enrg Ltd
100/11-19-088-09W6/00	Enercapita Enrg Ltd
100/14-19-088-09W6/00	Enercapita Enrg Ltd
100/16-19-088-09W6/02	Enercapita Enrg Ltd
102/16-19-088-09W6/00	Enercapita Enrg Ltd
100/10-20-088-09W6/00	Enercapita Enrg Ltd
102/08-29-088-09W6/00	Enercapita Enrg Ltd
100/09-04-088-10W6/00	Enercapita Enrg Ltd
100/16-04-088-10W6/02	Enercapita Enrg Ltd
100/09-06-088-10W6/00	Enercapita Enrg Ltd
100/16-06-088-10W6/00	Enercapita Enrg Ltd
100/04-07-088-10W6/00	Enercapita Enrg Ltd
100/05-07-088-10W6/00	Enercapita Enrg Ltd
100/01-08-088-10W6/00	Enercapita Enrg Ltd
100/08-08-088-10W6/00	Enercapita Enrg Ltd
100/04-09-088-10W6/00	Enercapita Enrg Ltd
100/05-09-088-10W6/02	Enercapita Enrg Ltd
100/12-09-088-10W6/00	Enercapita Enrg Ltd
100/13-09-088-10W6/00	Enercapita Enrg Ltd
100/16-09-088-10W6/00	Enercapita Enrg Ltd
geoSCOUT Best Fit	
Multi-Well Average	
Well Count	
Divisor Item	

Cum PRD OIL	4.3 MMbbl
Cum PRD GAS	20.5 Bcf
Cum PRD WTR	16.5 MMbbl
Cum PRD HRS	2922778.0 Hour
Cum PRD FLD	20.8 MMbbl

Various performance

Average initial production rate 75bbl/d

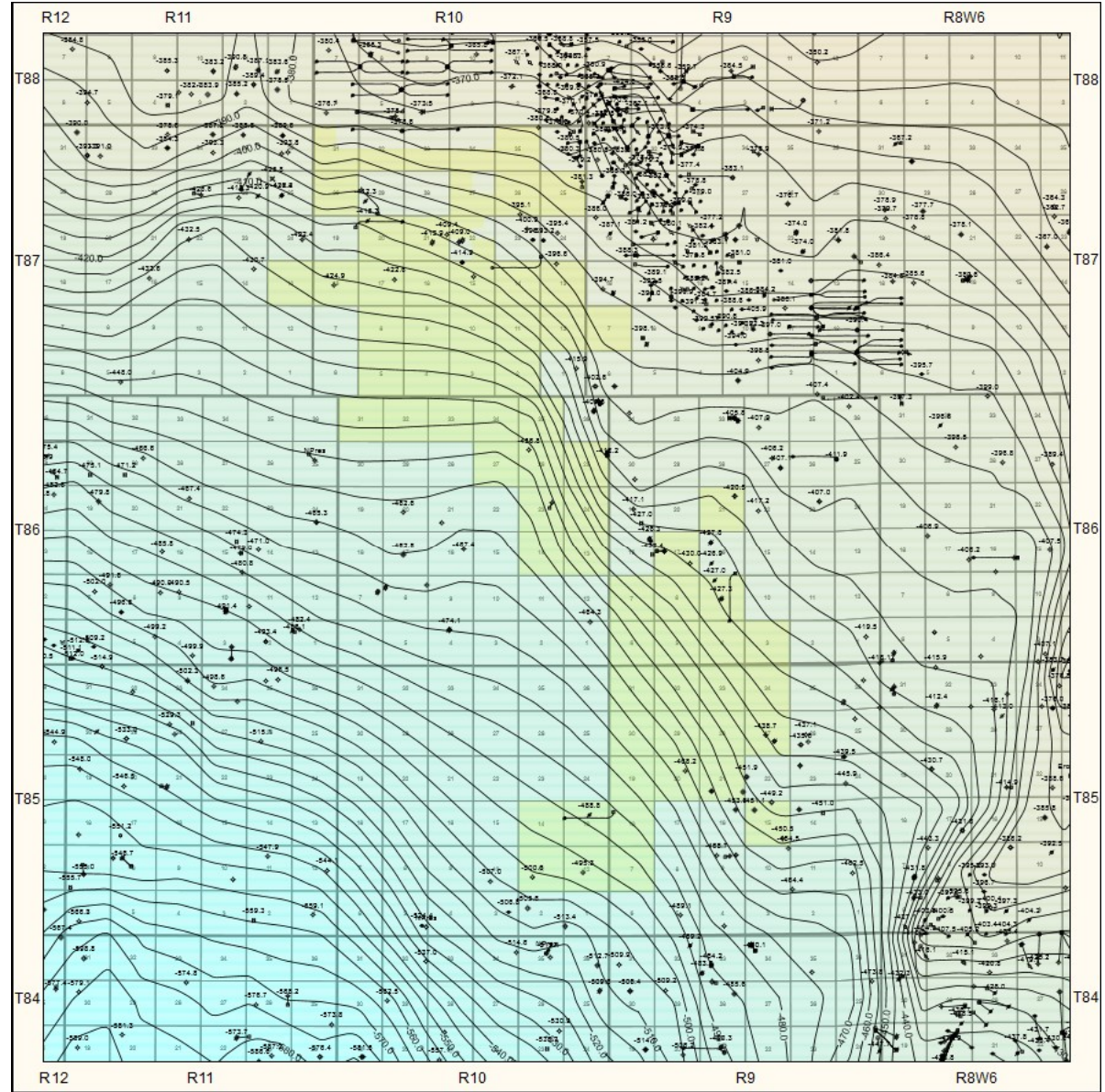
Correlation with Type Well in Adjacent Producing Pool



} Payzone

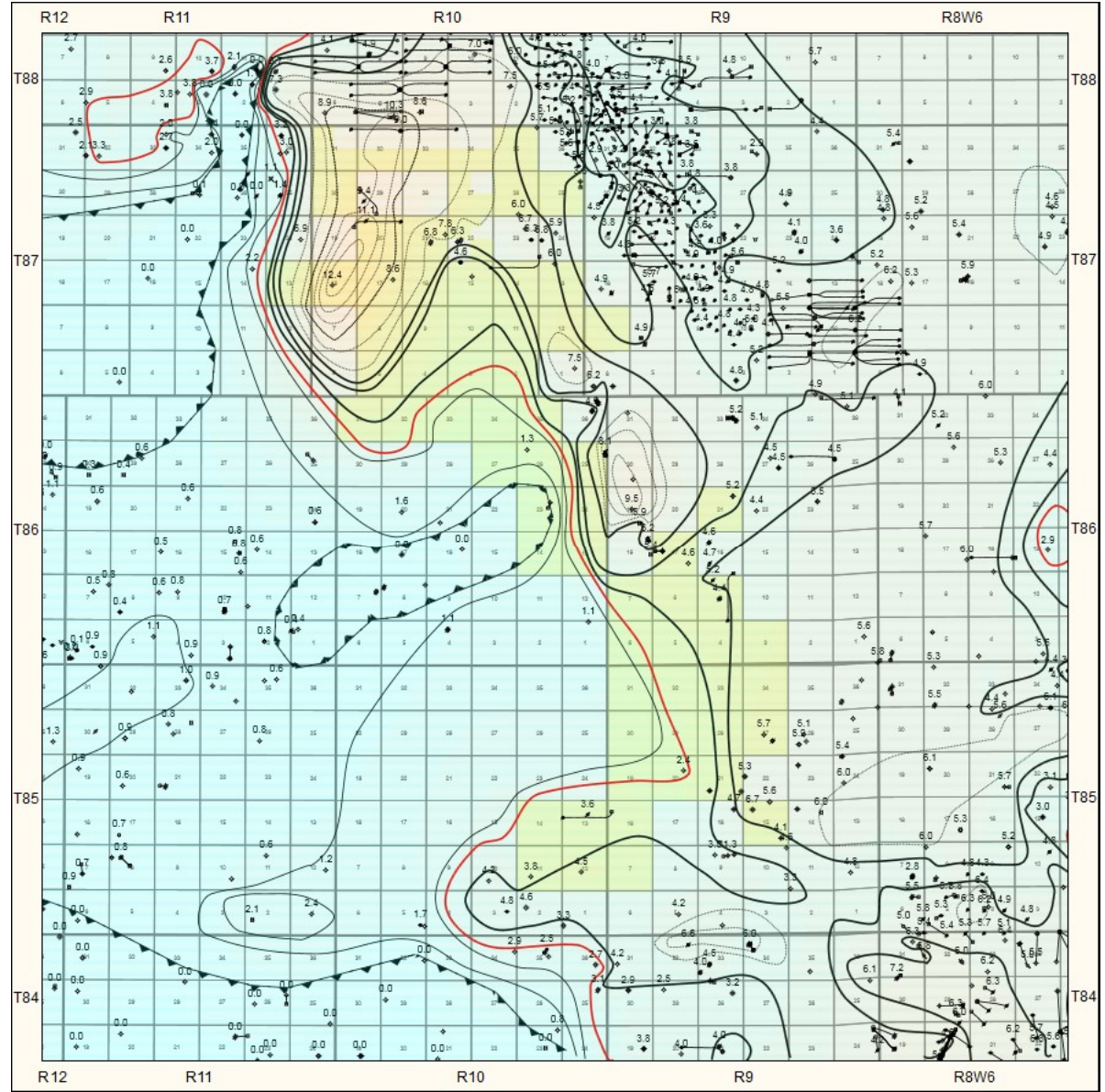


Top Charlie Lake C Structure Map

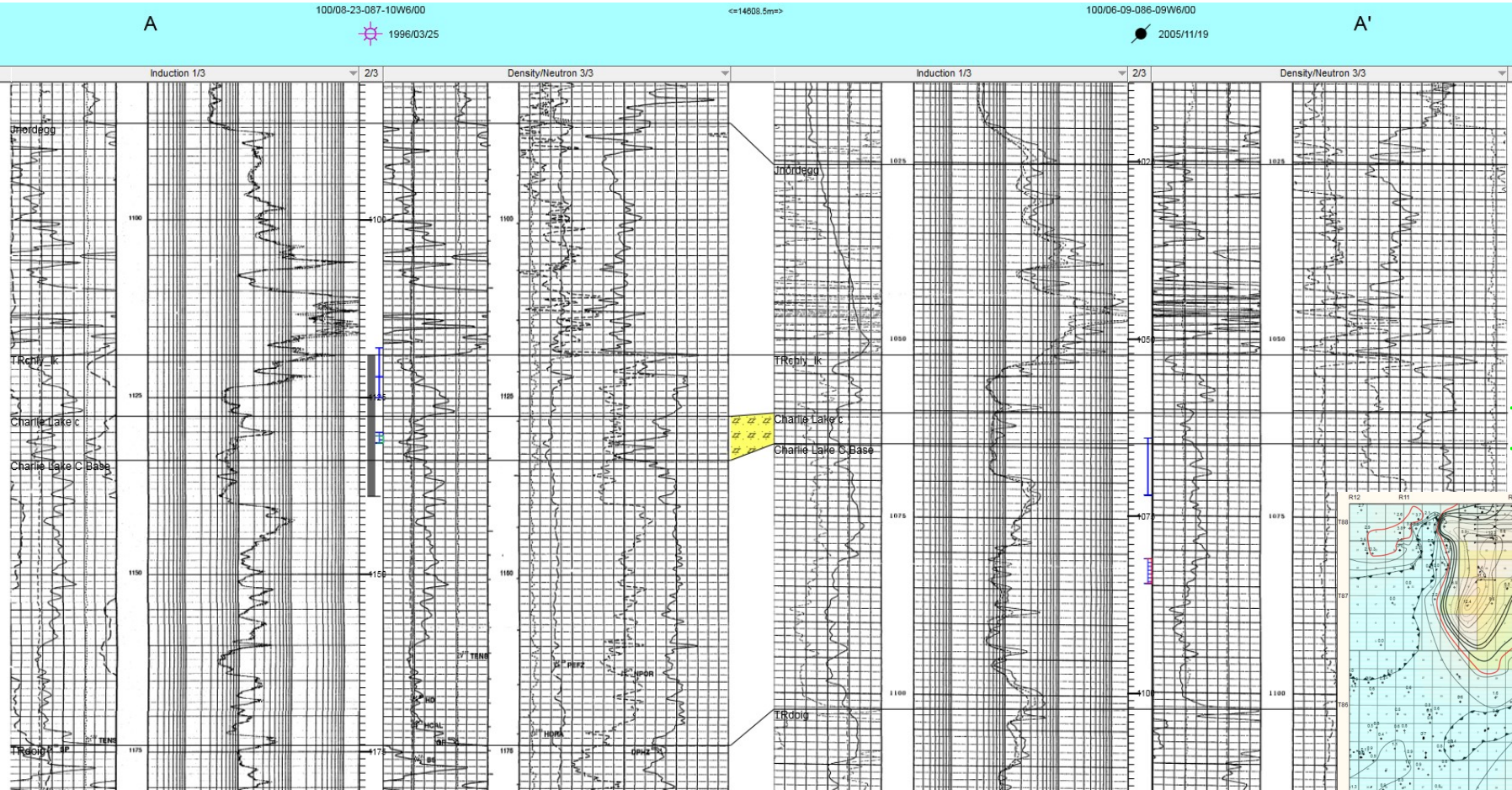




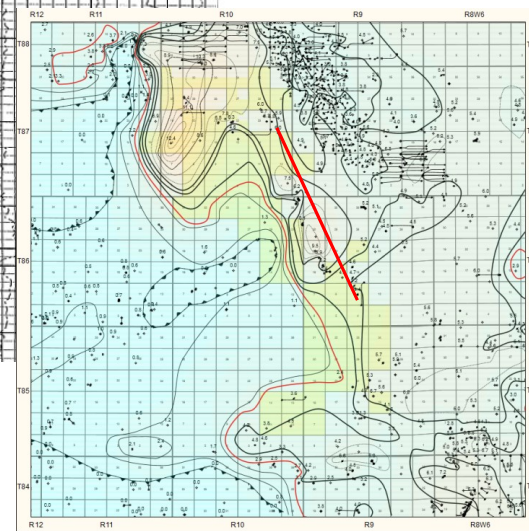
Charlie Lake C Sand Isopach



Well Correlation over Nine Ring's Lands



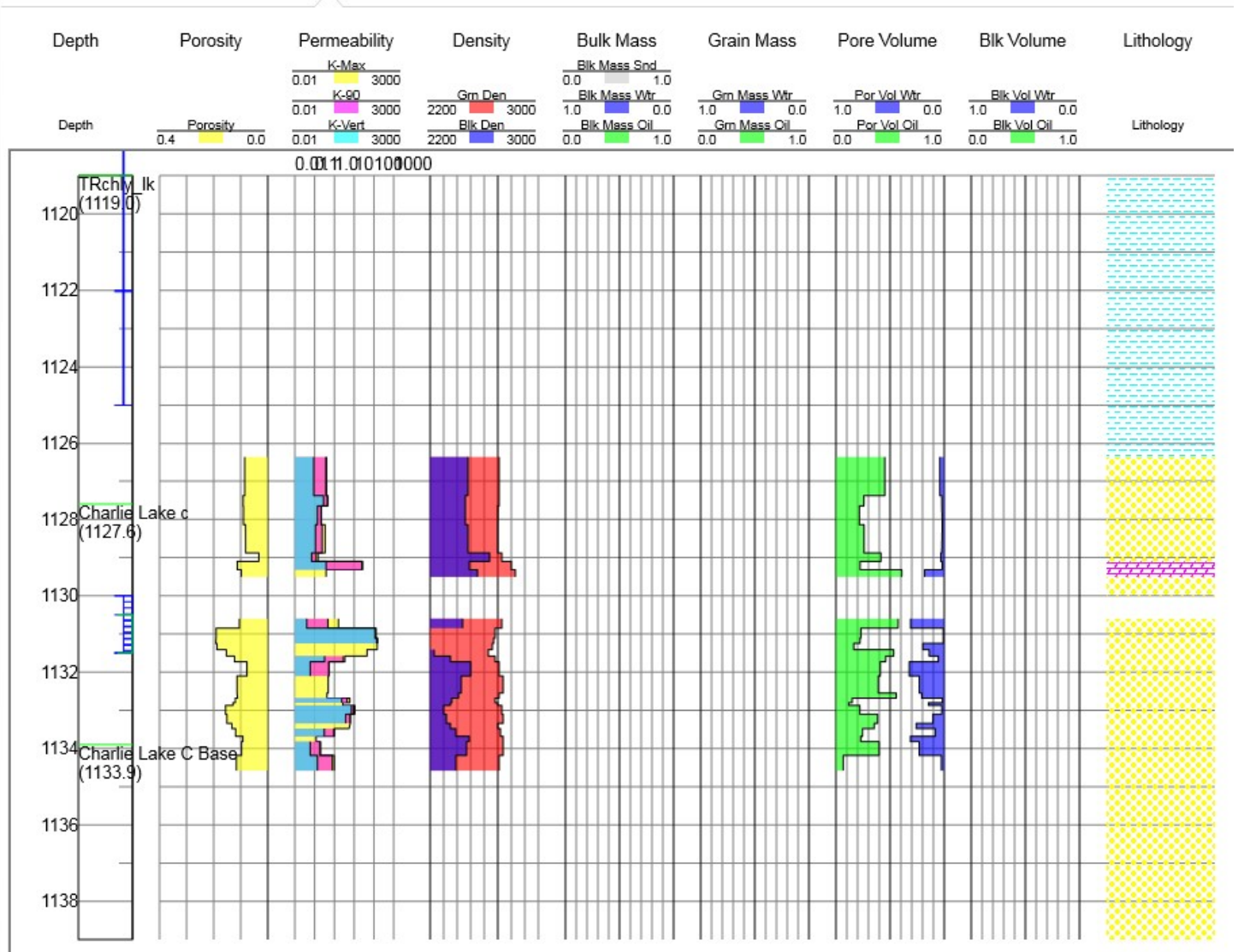
Charlie Lake C



The interval between these two wells is 14Km and similar well log patterns show the stability of the reservoir distribution.



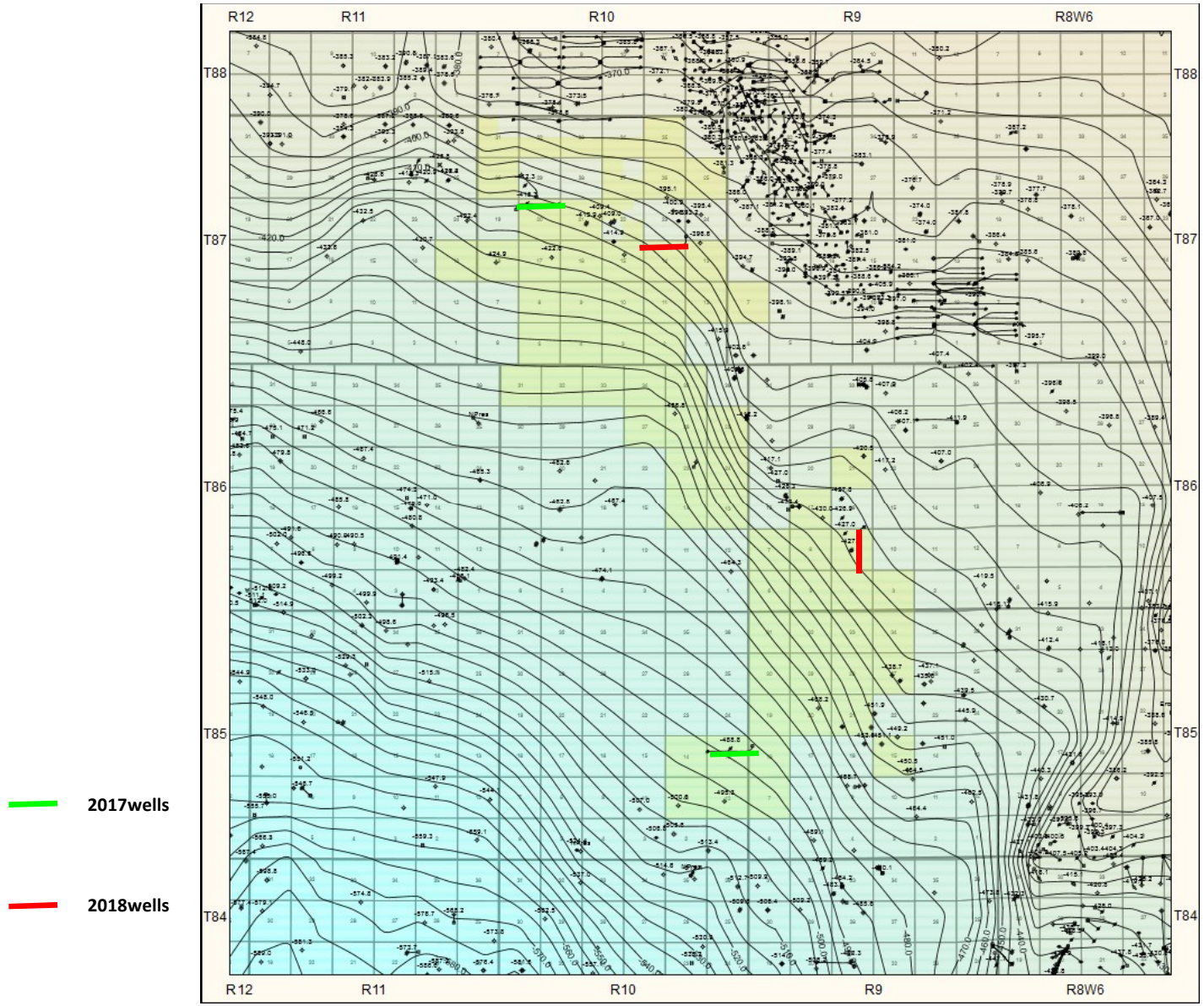
08-23-87-10 Core Analysis Data



Average Porosity: 10.8%
Average Permeability: 11.23md



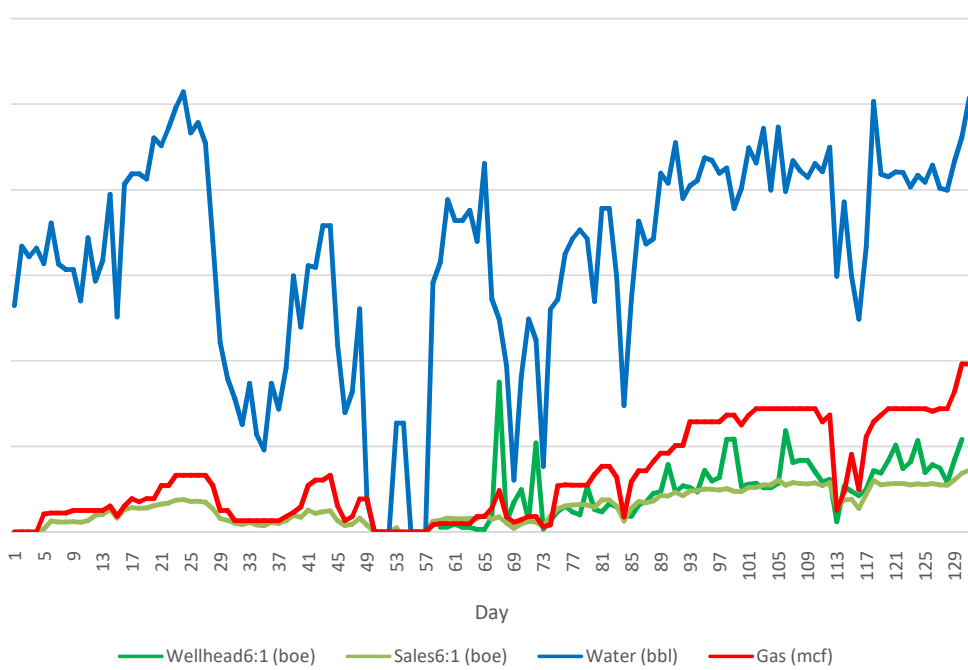
Nine Ring Well Locations



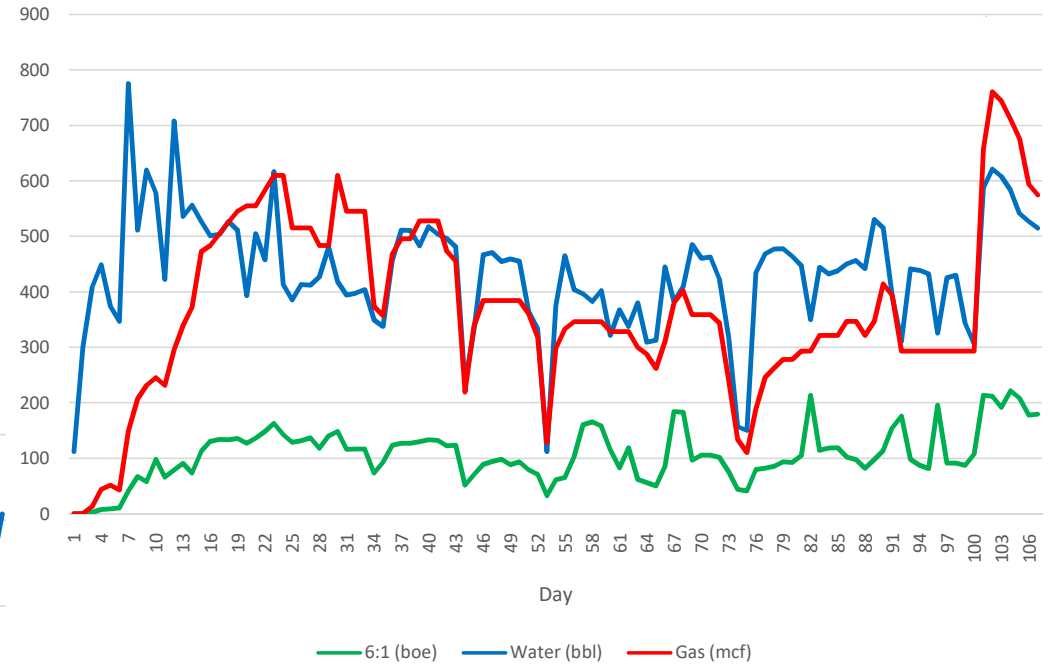


Nine Ring Wells Test Results

16-20-087-10W6 Test Production Chart



02-09-086-09W6 Test Production Chart



UWI	Last 15 Days Oil Rate (bbl/d)	Last 15 Days Rate (boe/d)	
16-20-087-10W6	53.75	76.85	
12-13-085-10W6	19.94	37.89	75.78
13-14-087-10W6	45.6	80.48	
02-09-086-09W6	70.98	150	
Total	190.27	345.22	383.11

Oil Analysis Data

16-20-087-10

ABSOLUTE DENSITY <small>kg/m³ @15°C</small>		API GRAVITY @15.6°C																						
<u> </u> <small>AS RECEIVED</small>	<u>822.2</u> <small>AFTER CLEANING</small>	<u> </u> <small>AS RECEIVED</small>	<u>40.5</u> <small>AFTER CLEANING</small>																					
SULPHUR	SALT	WAX CONTENT	POUR POINT °C																					
<u> </u> <small>grams/kg</small>	<u> </u> <small>kg/m³</small>	<u> </u> <small>wt. %</small>	<u> </u> <small>A.S.T.M.</small>																					
REID VAPOUR PRESSURE		FLASH POINT °C																						
<u> </u> <small>kPa @ 37.8 °C</small>		<u>-2.9</u> <small>Pensky-Martens Closed Cup (ASTM D-93)</small>																						
		<small>Cleveland Open Cup (ASTM D-92)</small>																						
VISCOSITY																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">TEMP °C</th> <th style="width: 25%;">DYNAMIC mPa's</th> <th style="width: 25%;">KINEMATIC mm²/s</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">40</td> <td style="text-align: center;">2.392</td> <td style="text-align: center;">3.002</td> </tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	TEMP °C	DYNAMIC mPa's	KINEMATIC mm ² /s	40	2.392	3.002																		
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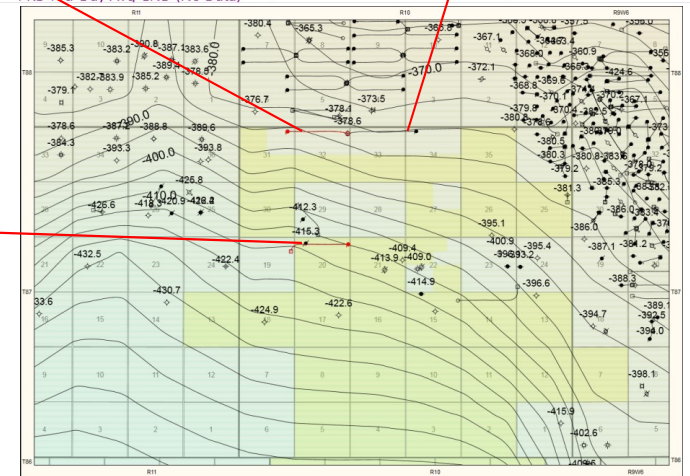
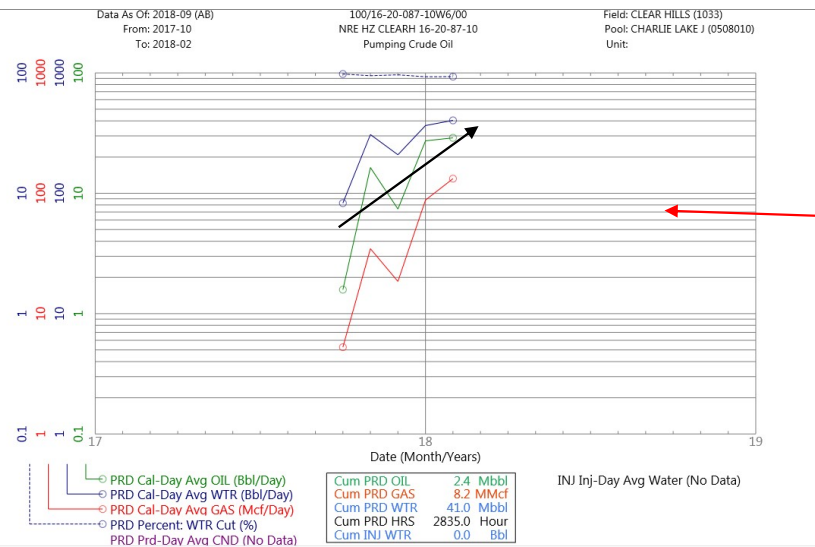
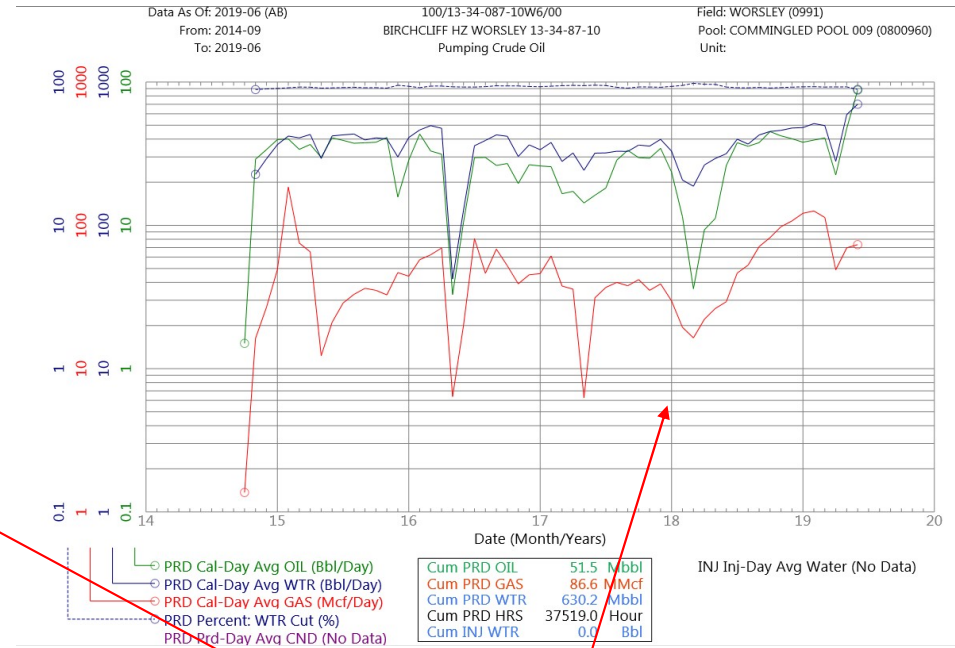
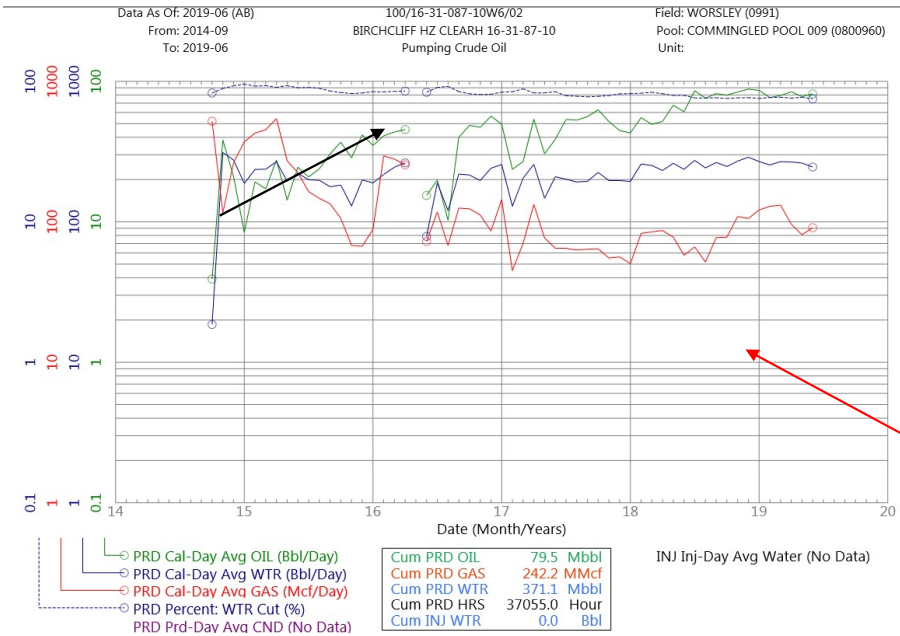
REMARKS: Trace Sulphur by SCD for H₂S only < 1 mg/kg
 Initial Boiling Point by ASTM D-5307 (°C) = 0°C

ABSOLUTE DENSITY <small>kg/m³ @15°C</small>		API GRAVITY @15.6°C																						
<u> </u> <small>AS RECEIVED</small>	<u>875.5</u> <small>AFTER CLEANING</small>	<u> </u> <small>AS RECEIVED</small>	<u>30.0</u> <small>AFTER CLEANING</small>																					
SULPHUR	SALT	WAX CONTENT	POUR POINT °C																					
<u>18.7</u> <small>grams/kg</small>	<u> </u> <small>kg/m³</small>	<u> </u> <small>wt. %</small>	<u>-21</u> <small>A.S.T.M.</small>																					
REID VAPOUR PRESSURE		FLASH POINT °C																						
<u> </u> <small>kPa @ 37.8 °C</small>		<small>Pensky-Martens Closed Cup (ASTM D-93)</small>																						
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Organic Chloride in Whole Sample																								
<u> </u> <small>mg/kg</small>																								

REMARKS: Free water (volume %) = 35

13-14-087-10

API : 30- 40.5 light sweet oil



16-20 Test Production Chart compared with Adjacent Wells





Confirmed OOIP Calculation

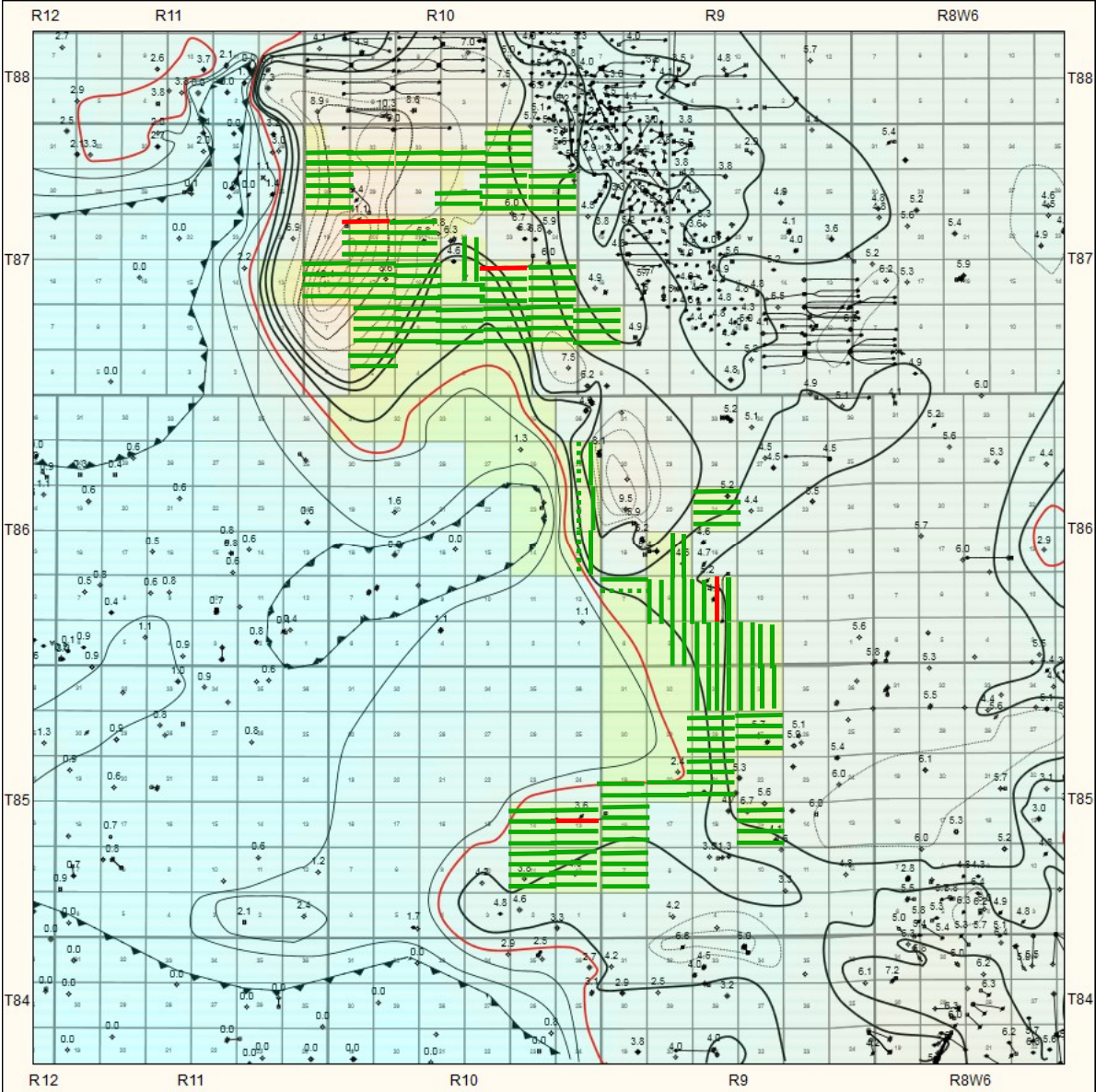
Plays	Sections	Net pay (m)	Porosity (%)	Water Saturation (%)	Oil Shrinkage	OOIP(Mbbl)	Recoverable@10%(Mbbl)
Clear Hills Charlie lake C	41	5	10	40	0.86	170,326	17,033
Clear Hills Charlie lake A	7	4	12	40	0.89	28,891	2,889
Total						199,217	19,922



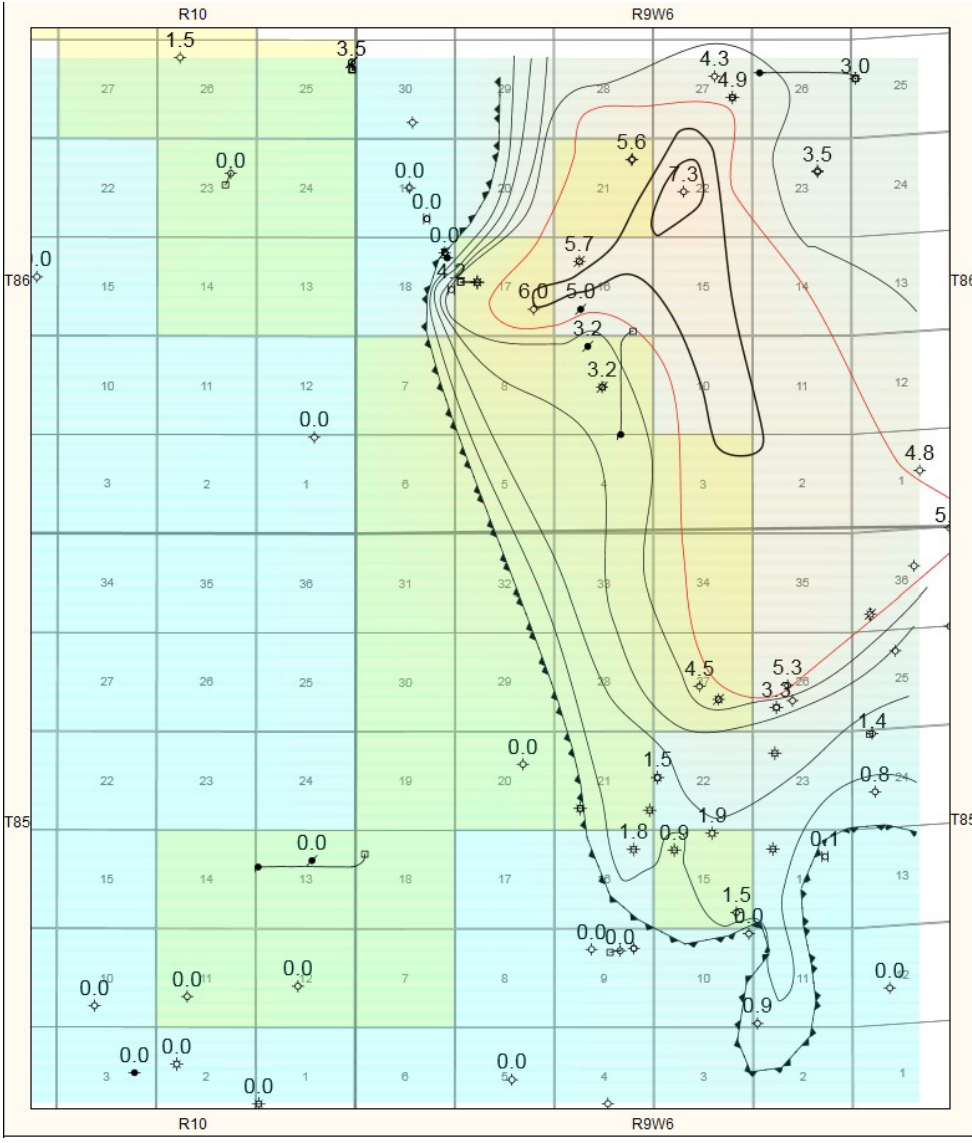
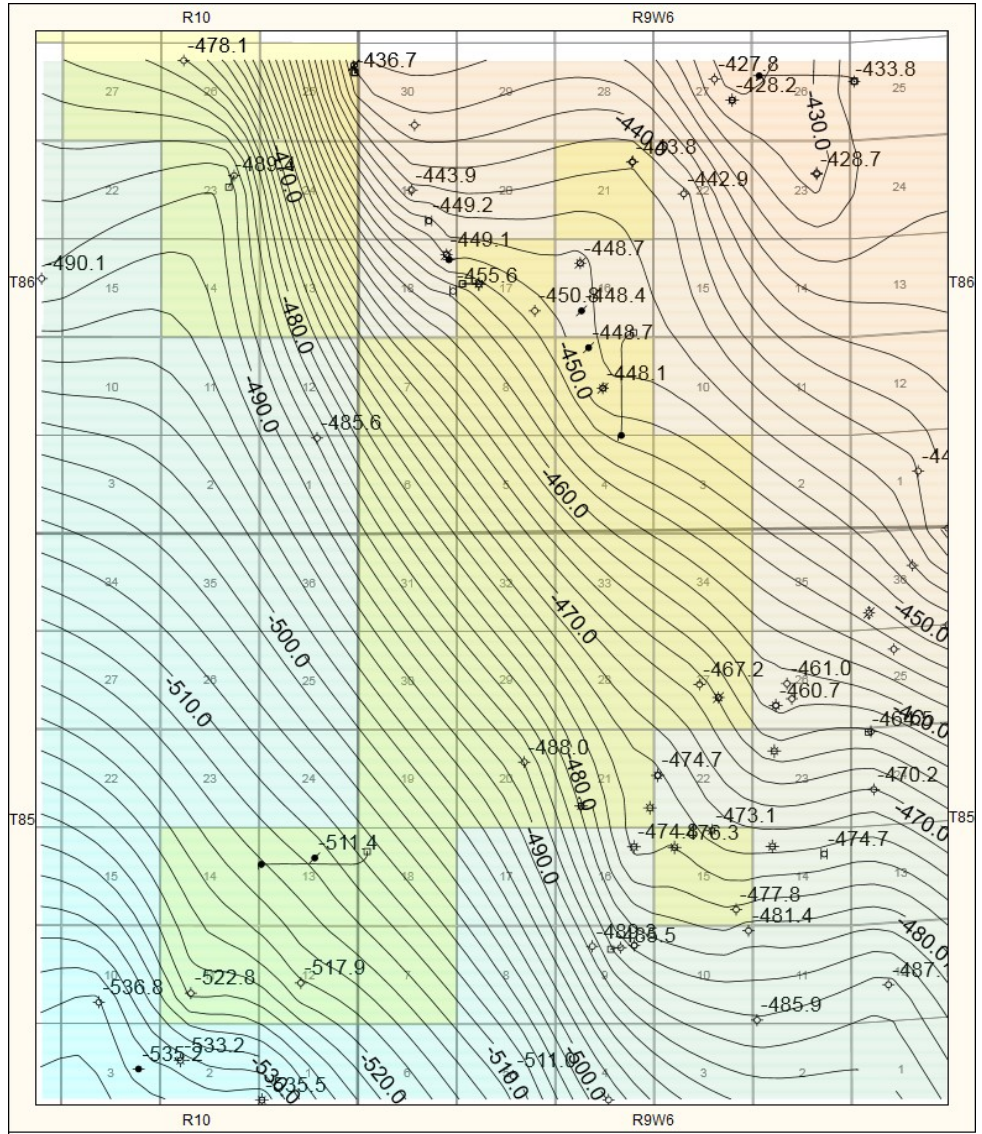
Charlie Lake C Drilling Locations

Sections	OOIP(Mbbl)	Rec(Mbbl)	Wells Drilled	Drilling locations
41	170,326	17,033	4	160

-  Drilling Locations
-  Wells Drilled



Top Charlie Lake A Structure Map



Charlie Lake A Sand Isopach



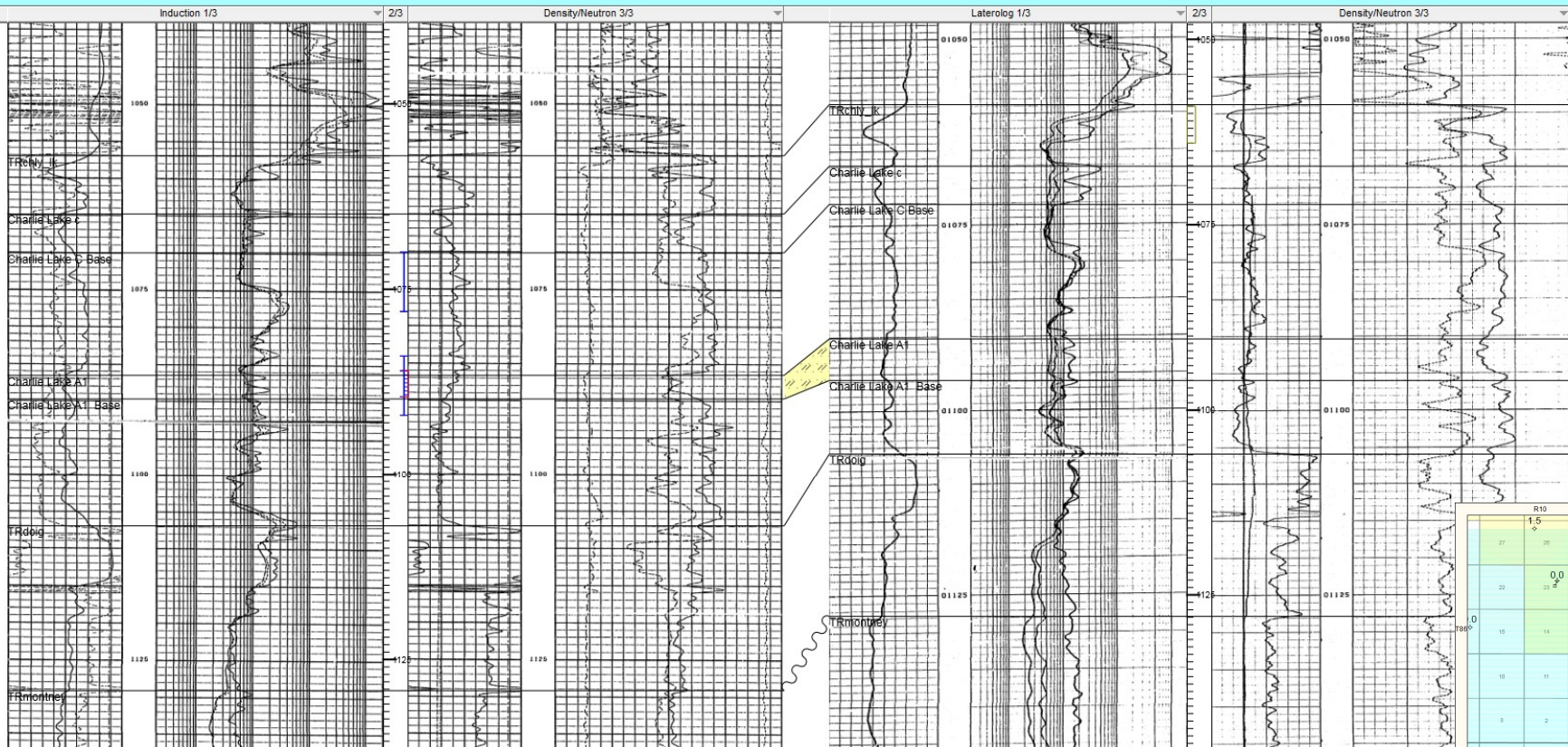
A

100/14-09-086-09W6/00
2005/07/26

<=3141.4m>

100/16-21-086-09W6/00

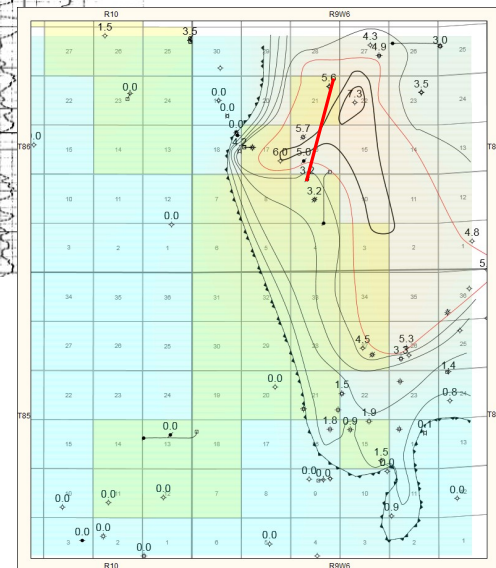
A'



Charlie Lake C

Charlie Lake A

Charlie Lake A Well Correlation





A

100/06-16-086-09W6/00

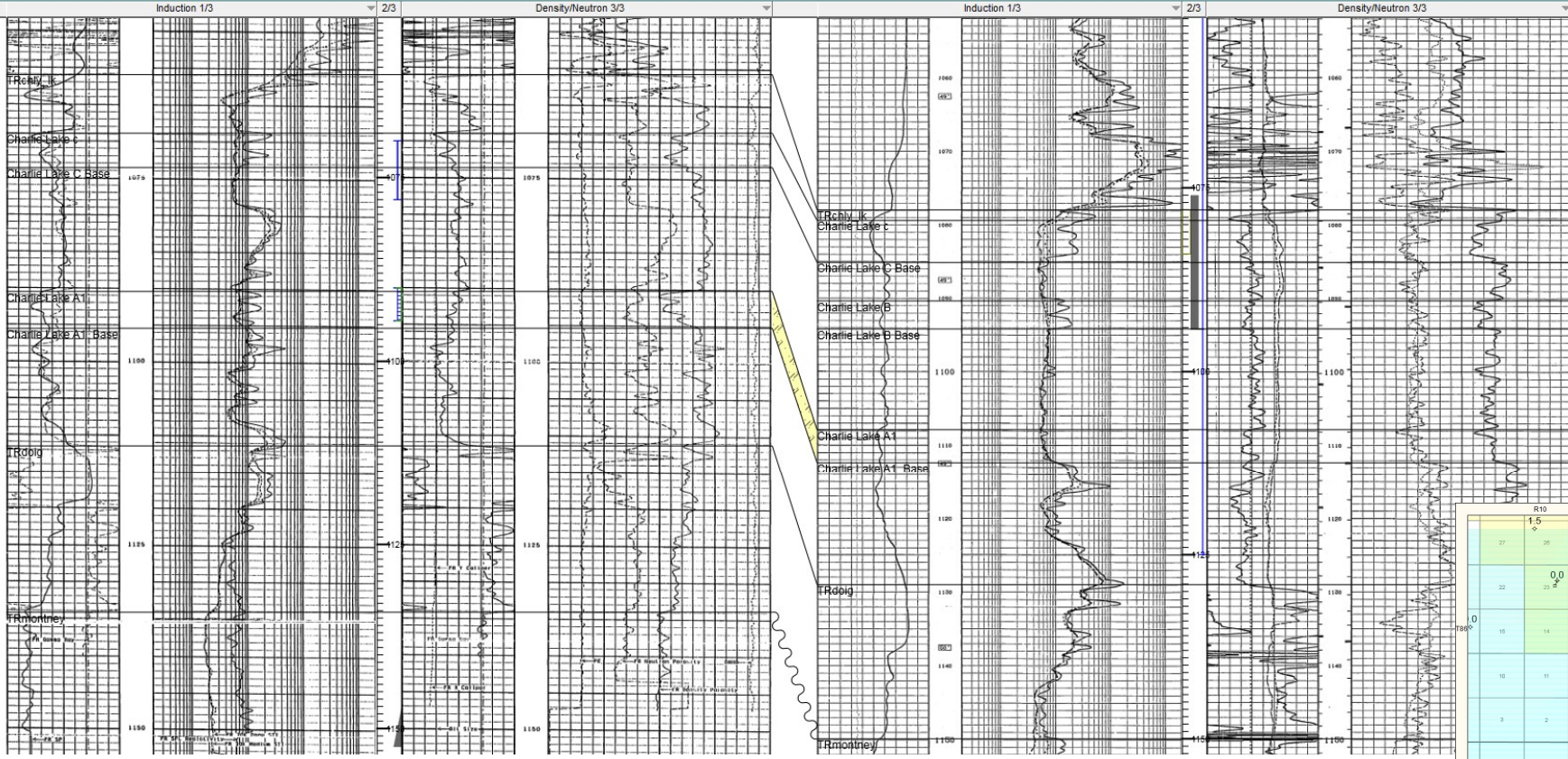
<=6480.5m>

100/06-27-085-09W6/00

A'

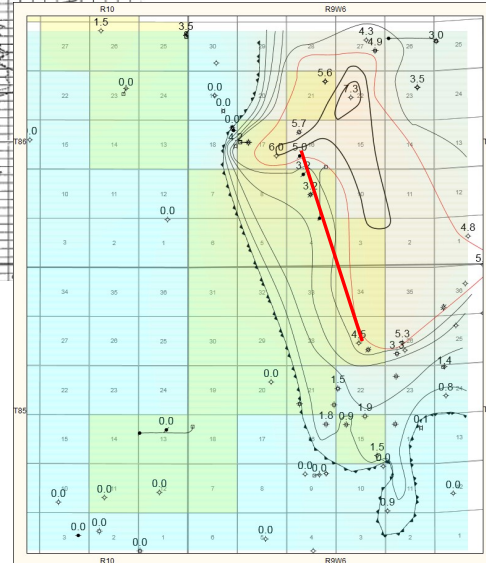
2006/02/10

1989/03/10



Charlie Lake C
Charlie Lake B
Charlie Lake A

Charlie Lake A Well Correlation



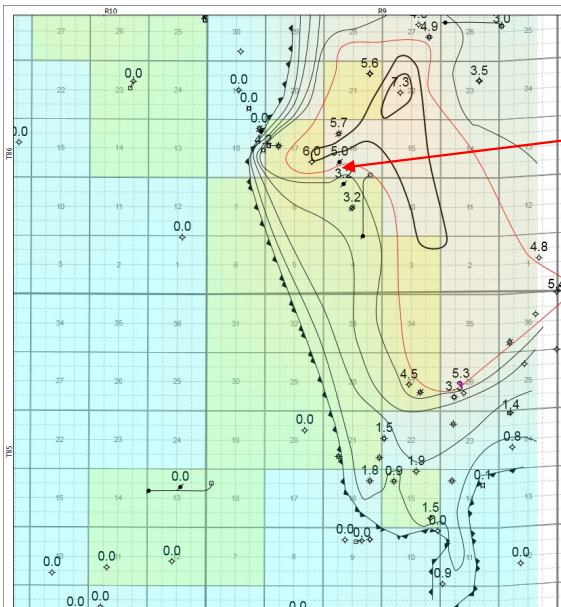
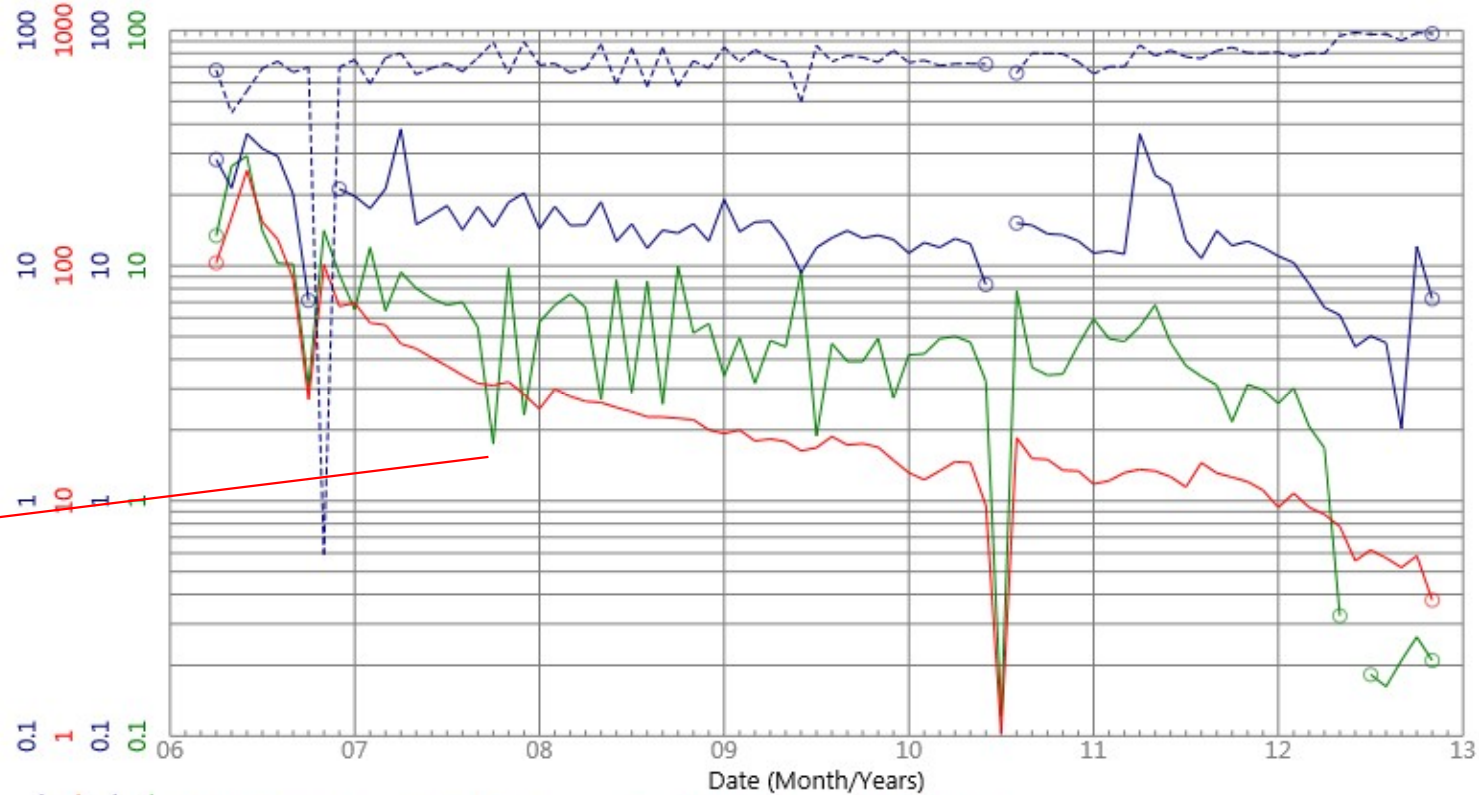


06-16-086-09w6 Charlie Lake A Production Chart

Data As Of: 2018-09 (AB)
 From: 2006-04
 To: 2012-11

100/06-16-086-09W6/00
 YOHO ET AL WORSLEY 6-16-86-9
 Abandoned Crude Oil

Field: WORSLEY (0991)
 Pool: CHARLIE LAKE AA (0508027)
 Unit:



- PRD Cal-Day Avg OIL (Bbl/Day)
- PRD Cal-Day Avg WTR (Bbl/Day)
- PRD Cal-Day Avg GAS (Mcf/Day)
- PRD Percent: WTR Cut (%)
- PRD Prd-Day Avg CND (No Data)


Cum PRD OIL	13.7 Mbbbl
Cum PRD GAS	75.6 MMcf
Cum PRD WTR	35.8 Mbbbl
Cum PRD HRS	54493.0 Hour
Cum INJ WTR	0.0 Bbl

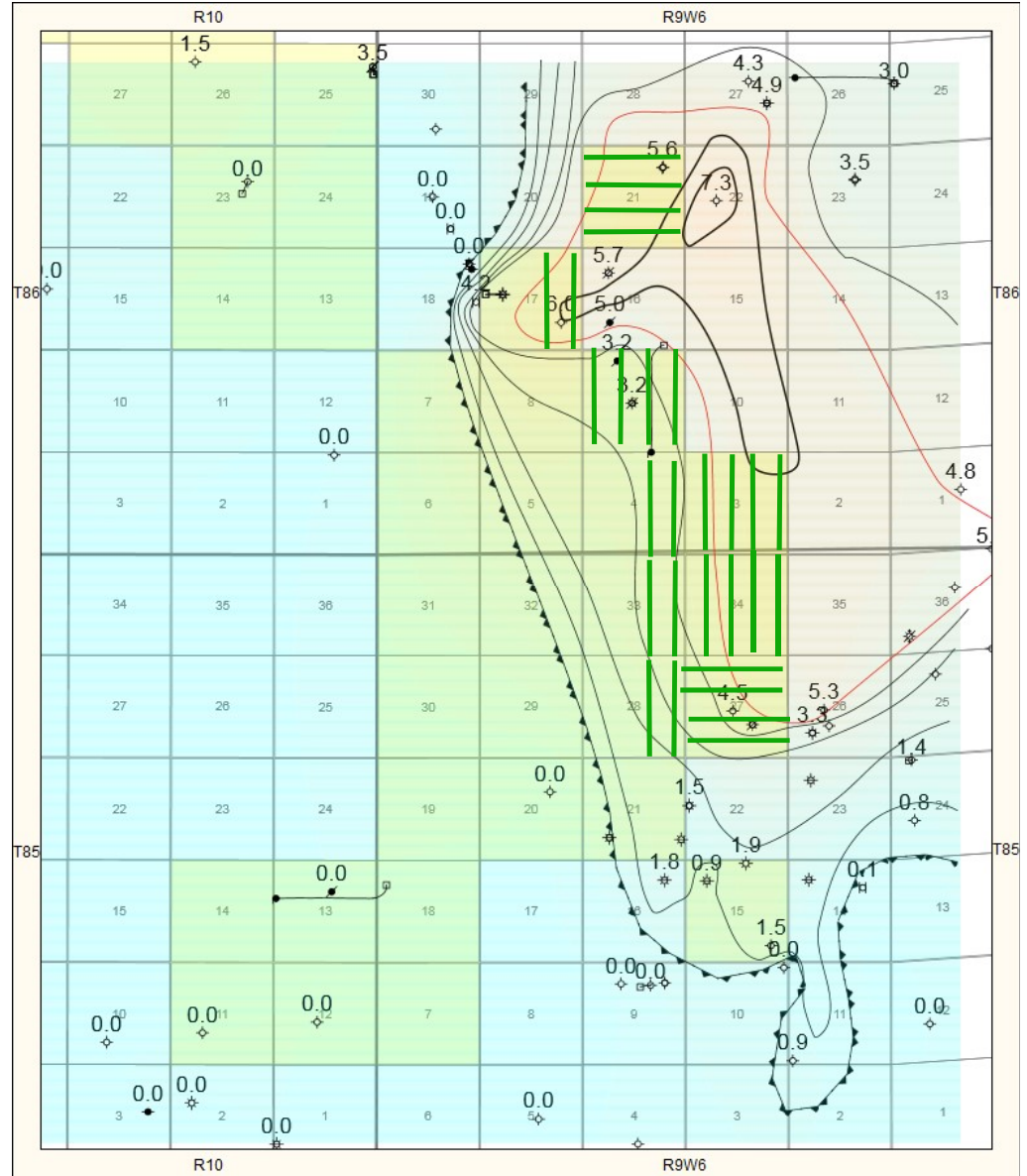
INJ Inj-Day Avg Water (No Data)



Charlie Lake A Drilling Locations

Sections	OOIP(Mbbl)	Rec(Mbbl)	Wells Drilled	Drilling locations
7	28,891	2,889	0	28

 Drilling locations

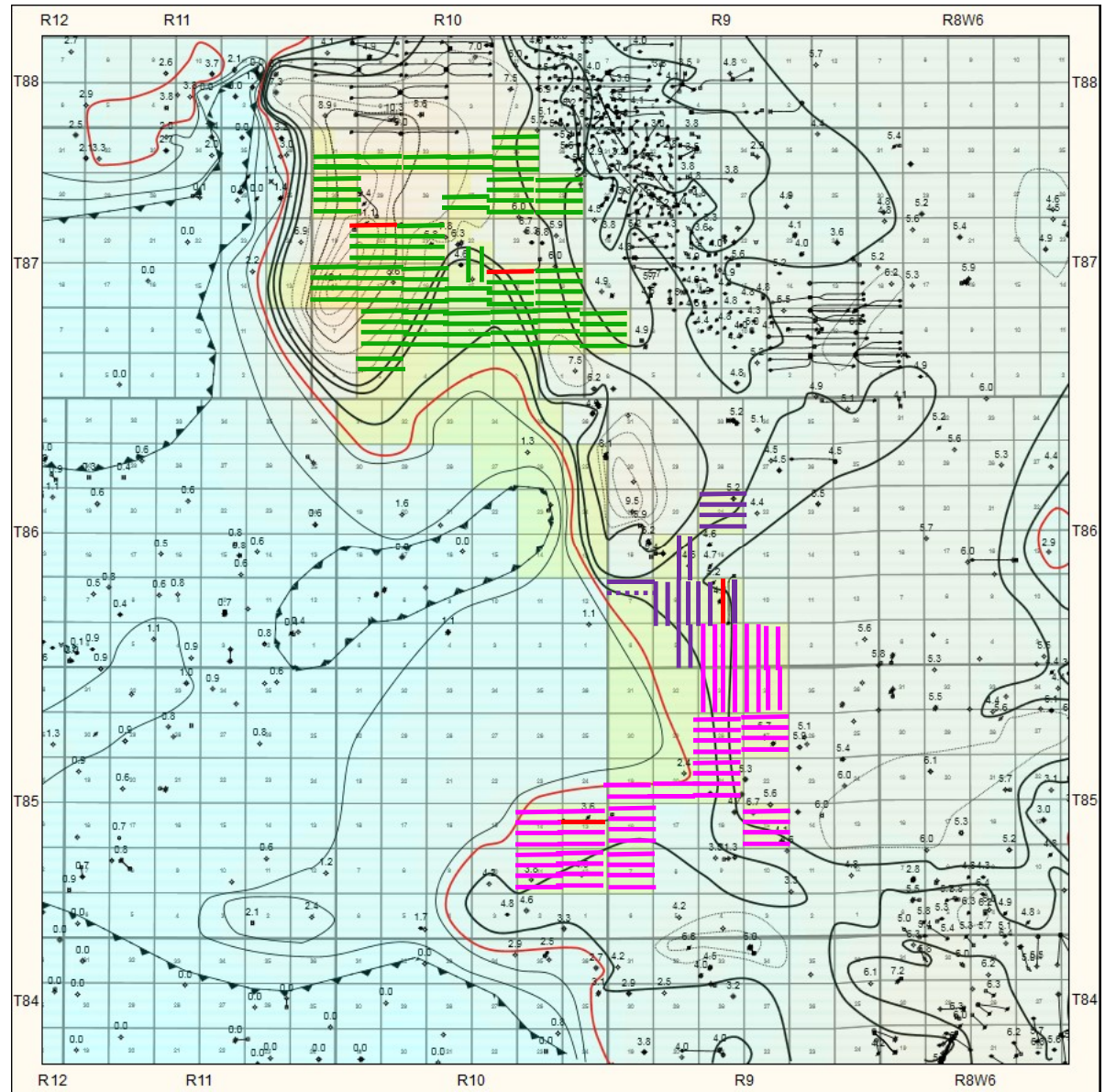




Clear Hills Development Plan

Plays	Sections	OOIP(Mbbl)	Rec(Mbbl)	Drilling locations
Clear Hills Charlie lake C	41	170,326	17,033	157
Clear Hills Charlie lake A	7	28,891	2,889	28
Total	48	199,217	19,922	185

- Phase I : Charlie Lake C North, 82 wells █
- Phase II : Charlie Lake C South, 59 wells █
- Phase III: Charlie Lake C, Charlie Lake A Halfway 44 wells █



Third Party Evaluation



Summary of Oil and Gas Reserves

April 1, 2019
(as of March 31, 2019)

Forecast Prices and Costs

Reserves Category	Company Reserves							
	Light and Medium Oil		Heavy Oil		Natural Gas [1]		Natural Gas Liquids	
	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbi	Net Mbbi
PROVED								
Developed Producing	0	0	0	0	0	0	0	0
Developed Non-Producing	162	153	0	0	1,088	1,078	0	0
Undeveloped	1,301	1,132	0	0	10,106	9,889	0	0
TOTAL PROVED	1,463	1,285	0	0	11,194	10,967	0	0
PROBABLE	5,345	4,666	0	0	41,691	41,166	0	0
TOTAL PROVED PLUS PROBABLE	6,808	5,951	0	0	52,885	52,133	0	0
POSSIBLE	13,108	11,389	0	0	101,823	100,297	0	0
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	19,916	17,340	0	0	154,708	152,430	0	0

Reference: Item 2.1 (1) Form 51-101F1

Columns may not add precisely due to accumulative rounding of values throughout the report.

Notes: [1] Includes associated, non-associated and solution gas where applicable.



**Summary of Net Present Values
April 1, 2019
(as of March 31, 2019)**

Forecast Prices and Costs

Before Income Tax

Reserves Category	Net Present Values of Future Net Revenue				
	Discounted at				
	0 %/yr. M\$	5 %/yr. M\$	10 %/yr. M\$	15 %/yr. M\$	20 %/yr. M\$
PROVED					
Developed Producing	0	0	0	0	0
Developed Non-Producing	4,942	3,762	2,893	2,240	1,738
Undeveloped	29,845	17,358	8,763	2,665	(1,771)
TOTAL PROVED	34,787	21,120	11,656	4,905	(33)
PROBABLE	125,028	70,446	34,339	9,205	(8,912)
TOTAL PROVED PLUS PROBABLE	159,815	91,566	45,995	14,110	(8,945)
POSSIBLE	330,008	193,059	99,460	33,490	(14,243)
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	489,823	284,625	145,455	47,600	(23,188)