



Premier Liquids-Rich Montney Opportunity

*Large, contiguous, de-risked, multiple
decade development opportunity providing
compelling free cash flow horizon*

Strictly Private and Confidential
January 2023



Premier Liquids-Rich Montney Opportunity⁽¹⁾

| | |
|--|--|
| <p>World Class Asset Base</p> | <ul style="list-style-type: none"> ▪ Saguario has a 50% non-operated working interest in a large, de-risked, contiguous Montney asset in North East British Columbia <ul style="list-style-type: none"> ▪ 114,094 gross (57,047 net) liquids-rich acre position ▪ 100% de-risked through the development of Saguario and adjacent lands ▪ 104 horizontal Montney wells have been drilled to date on Saguario lands with Q3 2022 net average production of 10,885 Boe/d⁽²⁾ and total proved reserves of ~127 MMBoe at year end 2021⁽³⁾ |
| <p>Extensive Future Development Potential</p> | <ul style="list-style-type: none"> ▪ Extensive inventory of 1,100+ development locations across land base⁽⁴⁾ ▪ Unique, over pressured reservoir with high permeability and liquids-rich stacked potential <ul style="list-style-type: none"> ▪ Multi-layer development with reservoir up to 265 m thick ▪ Shallow depths (1,450-1,725 m) reduce capital costs |
| <p>Significant Free Cash Flow Generation</p> | <ul style="list-style-type: none"> ▪ Strong asset performance and low sustaining capital requirements drive positive free cash flow <ul style="list-style-type: none"> ▪ ~\$65 MM free cash flow at strip forecasted in 2022⁽⁵⁾; ▪ Free cash flow generated at strip is expected to be sufficient to fully fund growth and/or return cash to shareholders; ~\$40 MM distributed to shareholders in August 2022 as a return of capital |
| <p>Top Tier Operating Partner</p> | <ul style="list-style-type: none"> ▪ Asset is operated by Tourmaline Oil Corp. (TSE:TOU), the largest natural gas producer in Canada⁽⁶⁾ <ul style="list-style-type: none"> ▪ As a large, active producer, Tourmaline is in a position to efficiently manage capital expenditures through economies of scale ▪ Canada's largest natural gas producer with industry leading drilling and completion costs and the lowest capital cost operator in the WCSB⁽⁶⁾⁽⁷⁾ |
| <p>Infrastructure, Egress, and LNG Upside</p> | <ul style="list-style-type: none"> ▪ Owned infrastructure supports low operating cost and long-term production growth ▪ Physically connected to five gas pricing hubs across North America ▪ Ideally located to provide long-term supply to West Coast LNG projects when developed |

1. See advisories on pages 16 and 17 hereof.

2. Wells drilled as of September 30, 2022. Q3 2022 based on field estimates (unaudited).

3. Based on Sproule reserves evaluation dated effective December 31, 2021 and based on Sproule pricing as of December 31, 2021.

4. Assumes four wells per section per Montney target as described on page 5 hereof.

5. Cash Flow forecasts are current expectations, before tax, based on Saguario's internal preliminary planning and current market conditions, including strip pricing as at October 24, 2022, and are subject to change. See Non-GAAP financial measure advisory on page 17 hereof.

6. As per Tourmaline's published Corporate Presentation dated November 2022.

7. WCSB is the Western Canadian Sedimentary Basin.



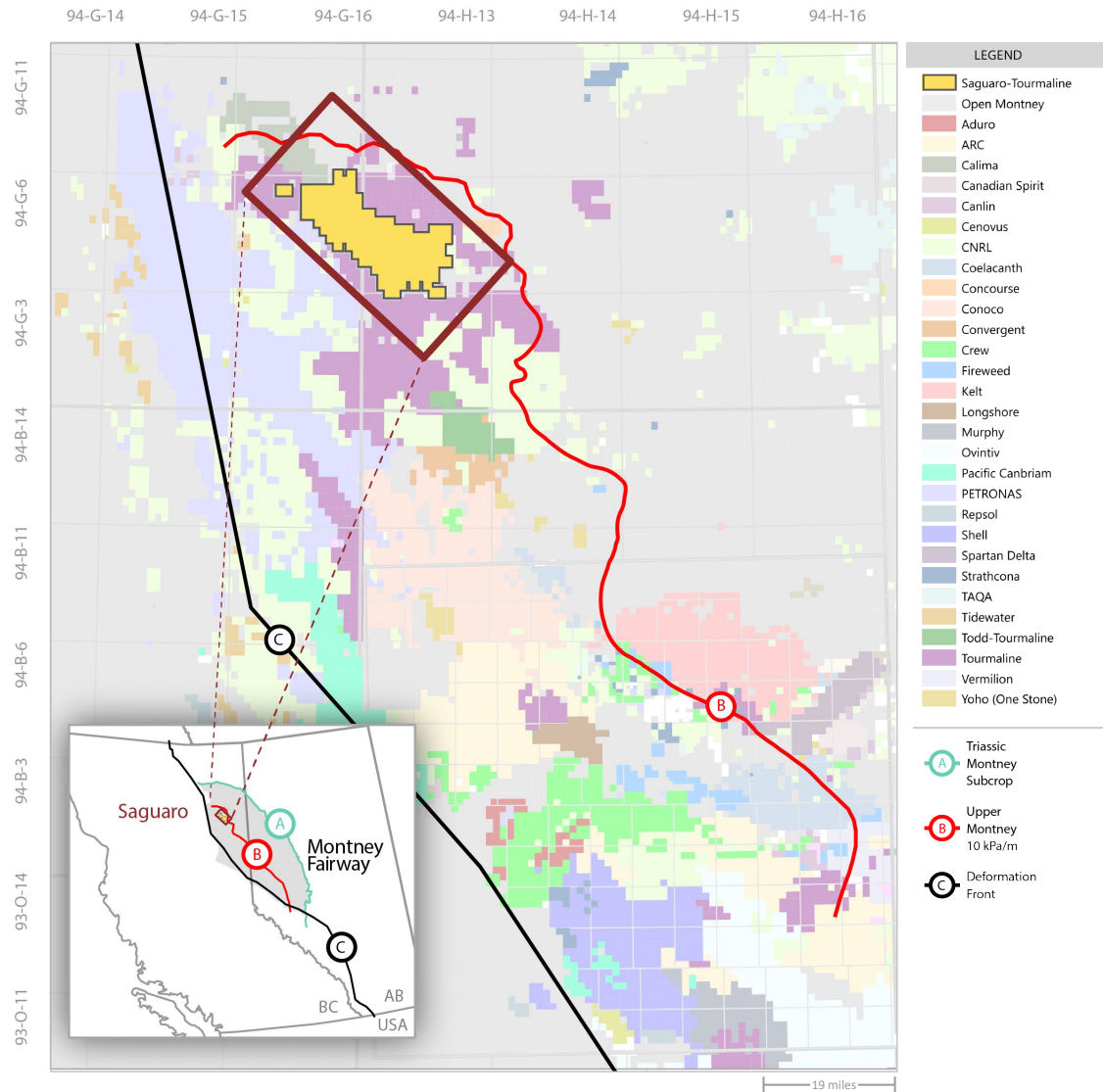
High Quality Asset in One of North America's Leading Oil & Gas Plays⁽¹⁾

- Saguaro is a debt free, privately-held pure play Montney producer with a large, contiguous land position in the Northeast British Columbia Montney
 - The Montney is a large, world class oil and gas play with leading supply costs and economics
- 50% non-operated working interest in 114,094 gross (57,047 net) acres⁽²⁾
- 100% de-risked through the development of Saguaro and adjacent lands
- Operated by Tourmaline, Canada's largest natural gas producer⁽³⁾
 - Industry leading drilling and completion costs⁽³⁾

1. See advisories on pages 16 and 17 hereof.

2. Effective April 1, 2021, Saguaro completed a disposition of a 50% working interest in all of Saguaro's assets to Tourmaline Oil Corp. Disposition was inclusive of a 50% working interest in all Saguaro assets including, but not limited to, land, wells, infrastructure and facilities.

3. As per Tourmaline's published Corporate Presentation dated November 2022.



Overview of Saguario's Assets⁽¹⁾

- Saguario's assets include 50% non-operated working interest in:

Land

- 165 contiguous gross (82.5 net) sections (114,094 gross (57,047 net) acres)

Montney Wells

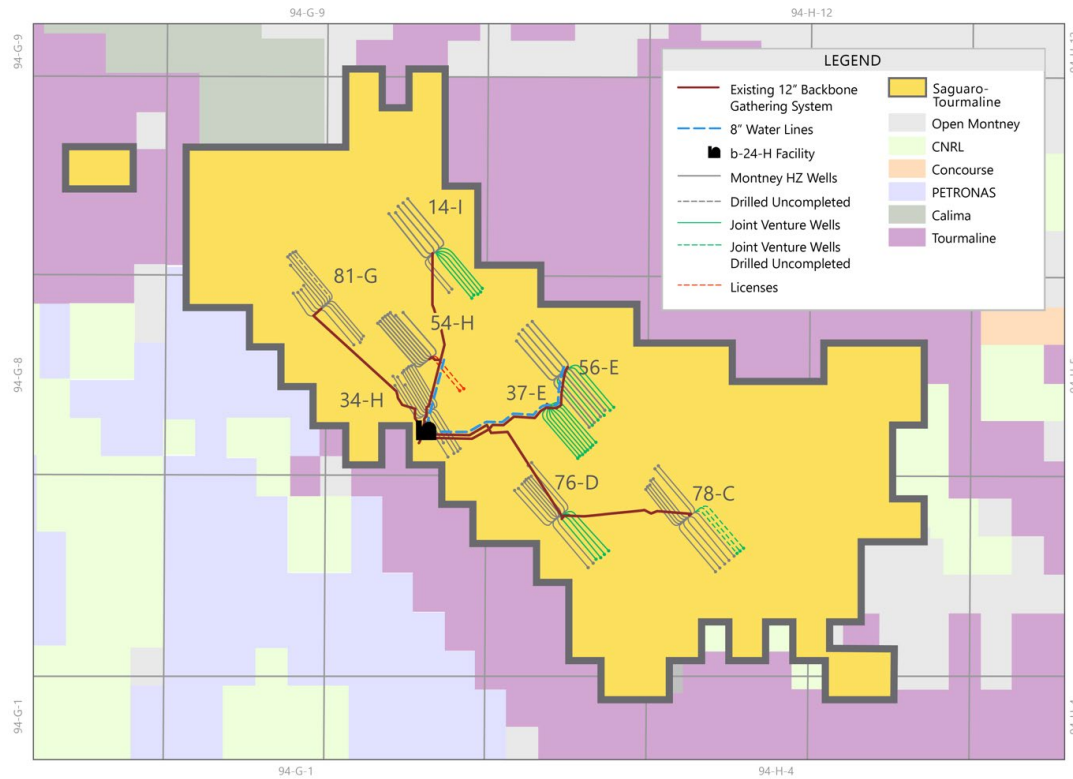
- 104 wells drilled to date⁽²⁾

Facilities

- 140 MMcf/d b-24-H compression & dehydration facility with 40 MMcf/d amine
- Water treatment and storage facility

Infrastructure

- 43.1 km of 12" raw gas gathering pipelines supports future development
- 13.4 km of water lines to cost effectively transport water for completion operations
- 13.9 km of sales gas lines to connect facility to multiple third party gathering lines
- Tenure holder to 85.5 km of roads
- Centralized camp



- **Saguario owns a 50% non-operated, working interest in all critical infrastructure across its large, contiguous land base**

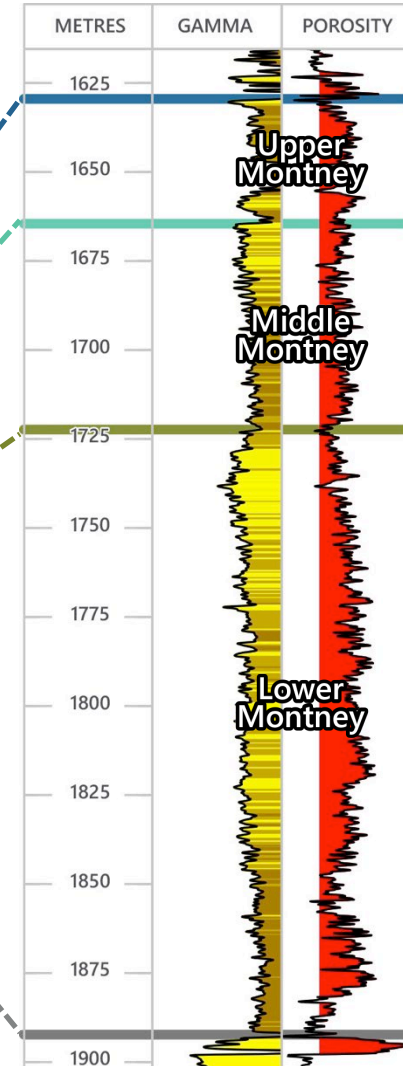
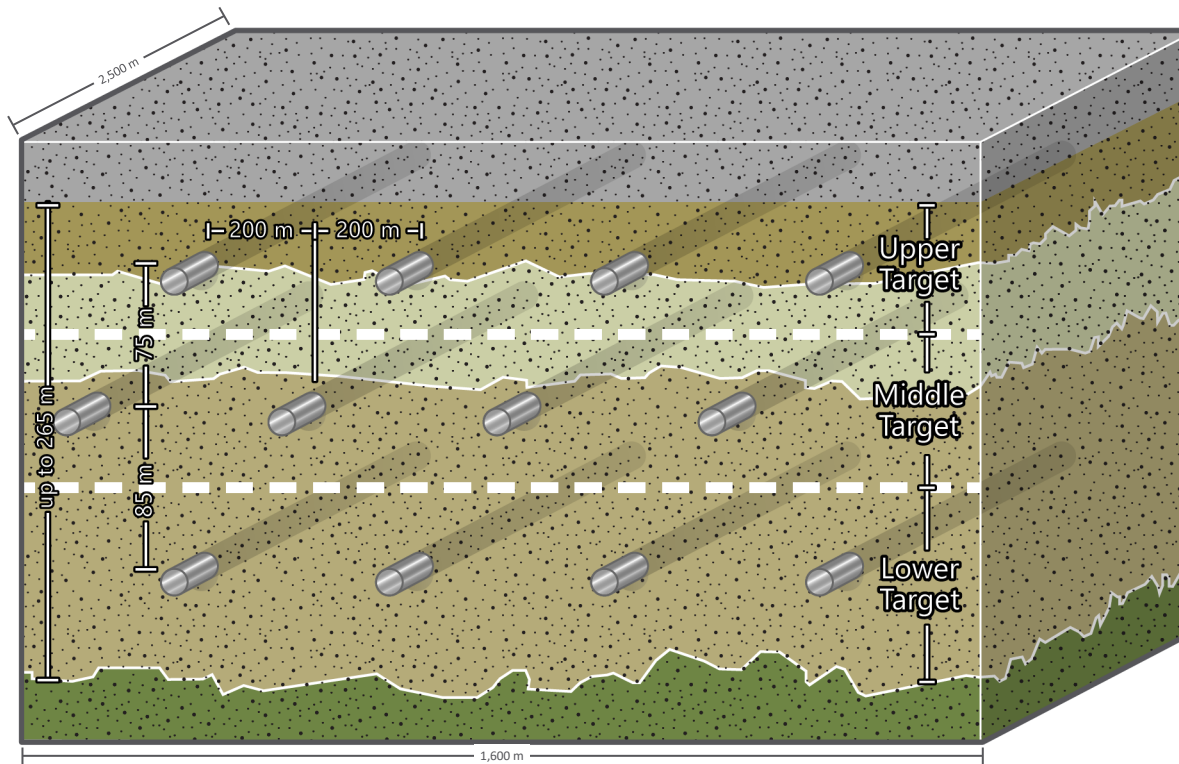
1. See advisories on pages 16 and 17 hereof.

2. Wells drilled as of September 30, 2022.



Stacked Zone Exploitation Multiplies Productive Potential⁽¹⁾⁽²⁾

- Stacked reservoir ideally situated in a regional sweet spot
 - Liquids-rich stacked potential
 - Over pressured at 11-15 kPa/m with good permeability
 - Gross pay up to 265 m across 3 stacked porous zones
- Shallow depth of 1,400-1,900 m reduces cost and improves economics



1. See advisories on pages 16 and 17 hereof.

2. Porosity from Nutech Petrophysical analysis. 3% porosity cut off.

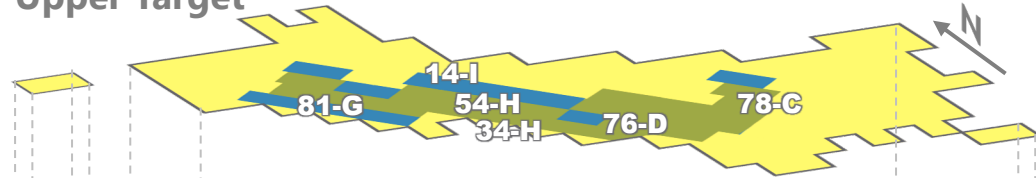


Substantial Reserves with Significant Unbooked Potential⁽¹⁾

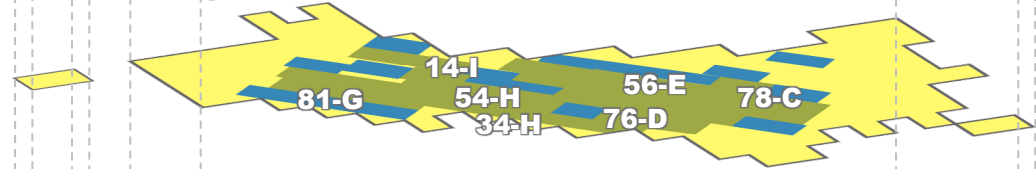
- High quality asset has allowed impressive, consistent reserve growth to date and provides large future growth potential
- All three Montney targets proven productive with 104 gross wells drilled to date⁽³⁾:
 - 37 Upper Target
 - 63 Middle Target
 - 4 Lower Target
- Upper and Middle targets are full-scale development ready with 100 wells drilled and optimization efforts well advanced⁽³⁾
- Lower target currently in the delineation phase exhibiting higher condensate gas ratio and substantial future upside

Reserve Bookings⁽²⁾

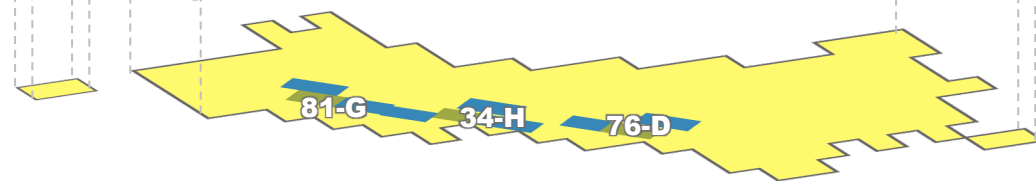
Upper Target



Middle Target



Lower Target



■ Proved
■ Probable

1. See advisories and definitions on pages 16 and 17 hereof.
 2. Illustration based on Sproule's reserves evaluation dated effective December 31, 2021.
 3. Wells drilled as of September 30, 2022.
 4. Assumes four wells per section per Montney target as described on page 5 hereof.

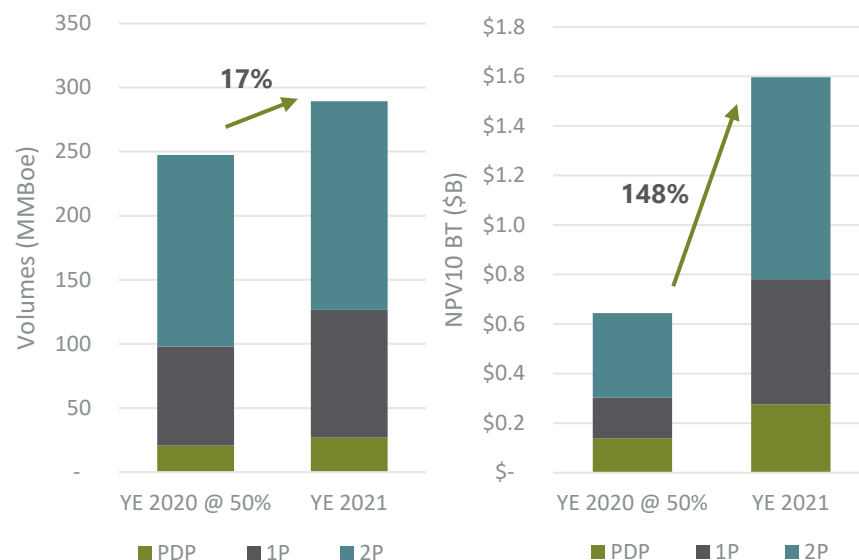
Scale and quality of land base supports impressive growth and capital efficiencies with a drilling inventory of 1,100+ locations⁽⁴⁾



Sproule December 31, 2021 Reserves Summary⁽¹⁾⁽²⁾

| Company Gross Reserves | Proved Developed Producing (PDP) | Total Proved (1P) | Total Proved Plus Probable (2P) |
|--|----------------------------------|-------------------|---------------------------------|
| Total Reserves (MBoe)⁽³⁾ | 27,049 | 126,641 | 289,385 |
| NPV10 (BT \$MM) | \$276 | \$781 | \$1,596 |
| NPV10 (BT \$/Boe) | \$10.19 | \$6.16 | \$5.52 |
| F&D (Incl. FDC) (\$/Boe) | \$4.13 | \$2.54 | (\$5.06) |
| FD&A (Incl. FDC) (\$/Boe) | \$14.78 | \$2.02 | \$1.87 |
| RLI (years) | 6.5 | 30.3 | 68.1 |
| Locations (#) | 84 | 259 | 428 |

Reserve Values Adjusted for Tourmaline Transaction⁽⁴⁾



- Achieved significant year over year reserves growth across all categories through organic development program and increases to Sproule type curves as a result of historical well performance
- Strengthening commodity prices have resulted in a material increase in value

1. See advisories and definitions on pages 16 and 17 hereof.

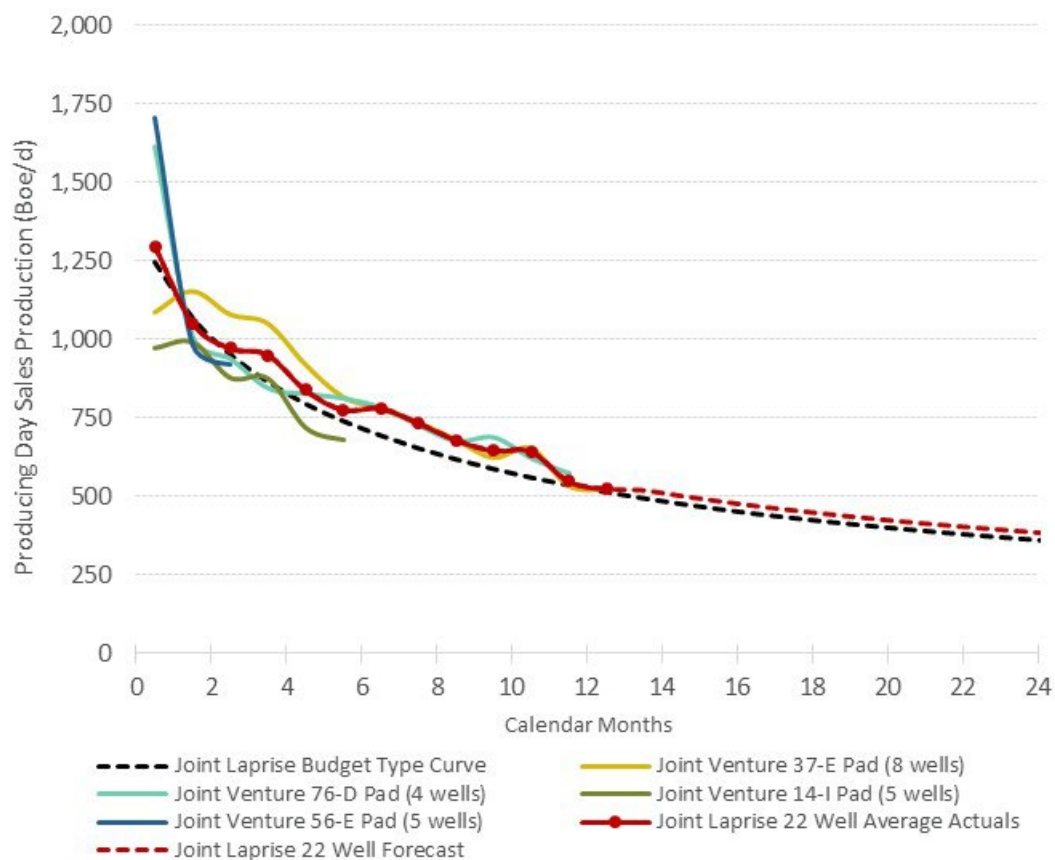
2. Based on Sproule reserves evaluation dated effective December 31, 2021 and based on Sproule pricing as of December 31, 2021. FD&A and F&D includes Future Development Costs (FDC).

3. PDP reserves are comprised of 78% natural gas, 22% natural gas liquids (NGLs), 0.2% Oil. 1P and 2P reserves are comprised of 77% Gas, 23% NGLs. 1P includes 270 MBoe of net Proved Developed Non-Producing reserves.

4. Year End 2020 reserves based on Sproule reserves evaluation dated effective December 31, 2020 and based on Sproule pricing as of December 31, 2020. For comparison purposes only, Saguario management has adjusted the reserves volumes and values as at December 31, 2020 to reflect the 50% asset disposition in April 2021, which adjustments have not been reviewed by Sproule.



Joint Venture Wells Exceeding Type Curve⁽¹⁾⁽²⁾



| | | Joint Laprise Budget Type Curve ⁽²⁾ | Joint Laprise 22 Well Average Curve ⁽²⁾ |
|------------------|----------------|--|--|
| HZ Length | meters | 2,500 | 2,500 |
| IP30 | Sales (MMcf/d) | 5.3 | 5.2 |
| | Sales (Boe/d) | 1,208 | 1,322 |
| | CGR (Bbl/MMcf) | 40 | 61 |
| EUR | Sales (Bcf) | 6.9 | 7.7 |
| | Liquids (MBoe) | 272 | 321 |
| | Sales (MBoe) | 1,423 | 1,598 |

- Strong, consistent results in line with expectations
 - Some wells were flow restricted during the first few months due to clean up testing and condensate stabilization limitations at b-24-H
- Stacked pad development focusing on Upper and Middle Montney Targets

Average initial flow rates from 22 Joint Venture wells to date exceeding type curve

1. See advisories and definitions on pages 16 and 17 hereof.

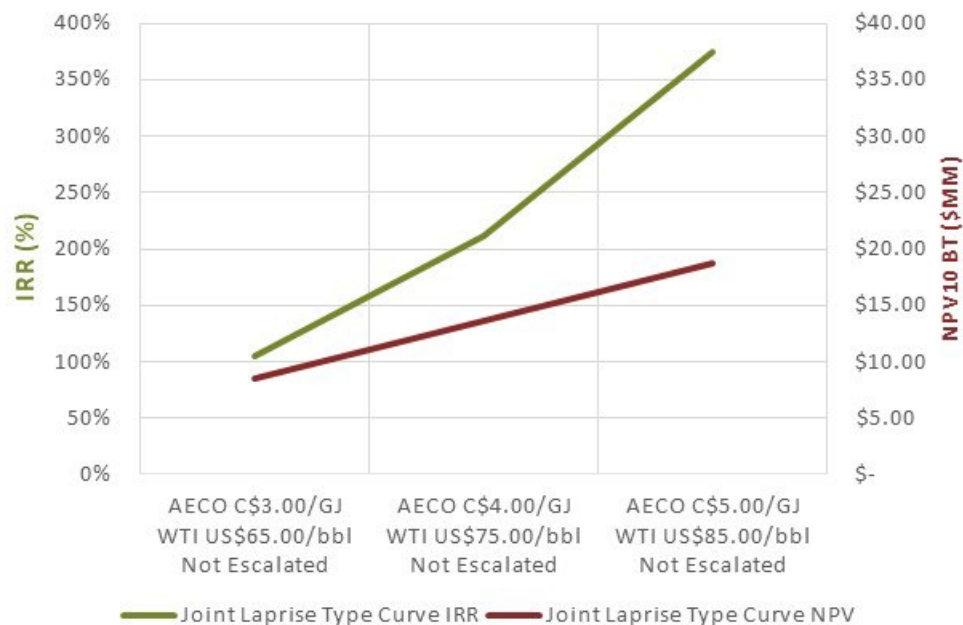
2. Joint Laprise Budget Type Curve and Joint Laprise 22 Well Average Curve are derived based on public data to September 30, 2022 as well as on Saguaro's internal planning.



Competitive Single Well Economics at Flat Prices⁽¹⁾⁽²⁾⁽³⁾

| Based on Flat Pricing AECO C\$4.00/GJ & WTI US\$75/Bbl ⁽⁴⁾ | Joint Laprise Budget Type Curve ⁽³⁾ | Joint Laprise 22 Well Average Curve ⁽³⁾ |
|---|--|--|
| Horizontal Well Length (m) | 2,500 m | 2,500 m |
| D&C Cost⁽⁵⁾ (\$MM) | \$5.4 | \$5.4 |
| IRR (BT %) | 211% | 334% |
| NPV0 (BT \$MM) | \$25.5 | \$30.1 |
| NPV10 (BT \$MM) | \$13.6 | \$16.3 |
| Net PIR0 (x) | 4.6 | 5.4 |
| Net PIR10 (x) | 2.4 | 2.9 |
| Payout (months) | 9 | 7 |

Single Well Sensitivities

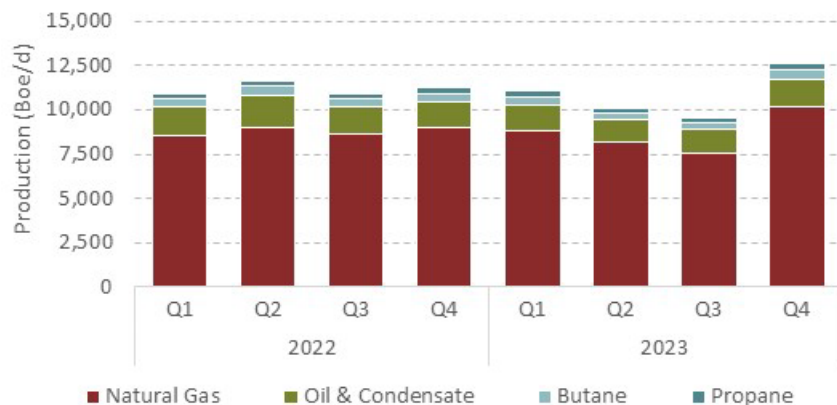


- **Robust single well economics and attractive payouts assuming Joint Venture Budget Type Curve**
 - Results to date consistently exceeding expectations

1. See advisories and definitions on pages 16 and 17 hereof. Economics include drilling, completions, and equipping costs. Assumes: 2,500 m wells and a heating value of 1,175 Btu/scf; and NGLs pricing relative to WTI: C5+ 99%; C4 51%; C3 38%. Economics do not include G&A, land costs, or undeveloped land value.
 2. Assumptions applied to single well economics are based on Saguario's historical results prior to 50% working interest disposition in April 2021.
 3. Joint Laprise Budget Type Curve and Joint Laprise 22 Well Average Curve are derived based on public data to September 30, 2022 as well as on Saguario's internal planning.
 4. Based on flat pricing of AECO \$4.00/GJ and WTI US\$75/Bbl, -\$0.20/GJ Station 2 differential, and 0.74 US\$/C\$ FX.
 5. D&C cost represents costs for drilling and completions. Drilling, completion and equipping costs are based on Saguario's historical results prior to 50% working interest disposition in April 2021.

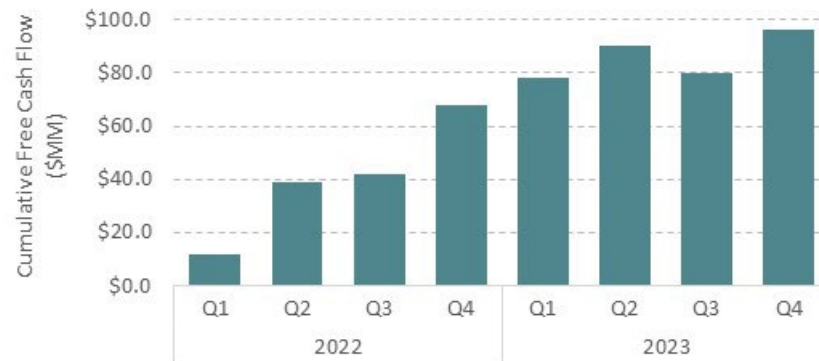


Significant Free Cash Flow Generation Based on Strip Pricing⁽¹⁾⁽²⁾



- Well positioned to generate free cash flow
 - Low cash costs and operational efficiencies achieved through a fully utilized facility

- Forecast assumes development to maintain facility at near full capacity which maximizes operational efficiencies
- Minimal development capital is required to maintain production⁽²⁾



Free cash flow available to fund growth and/or return cash to shareholders

1. See advisories on pages 16 and 17 hereof.

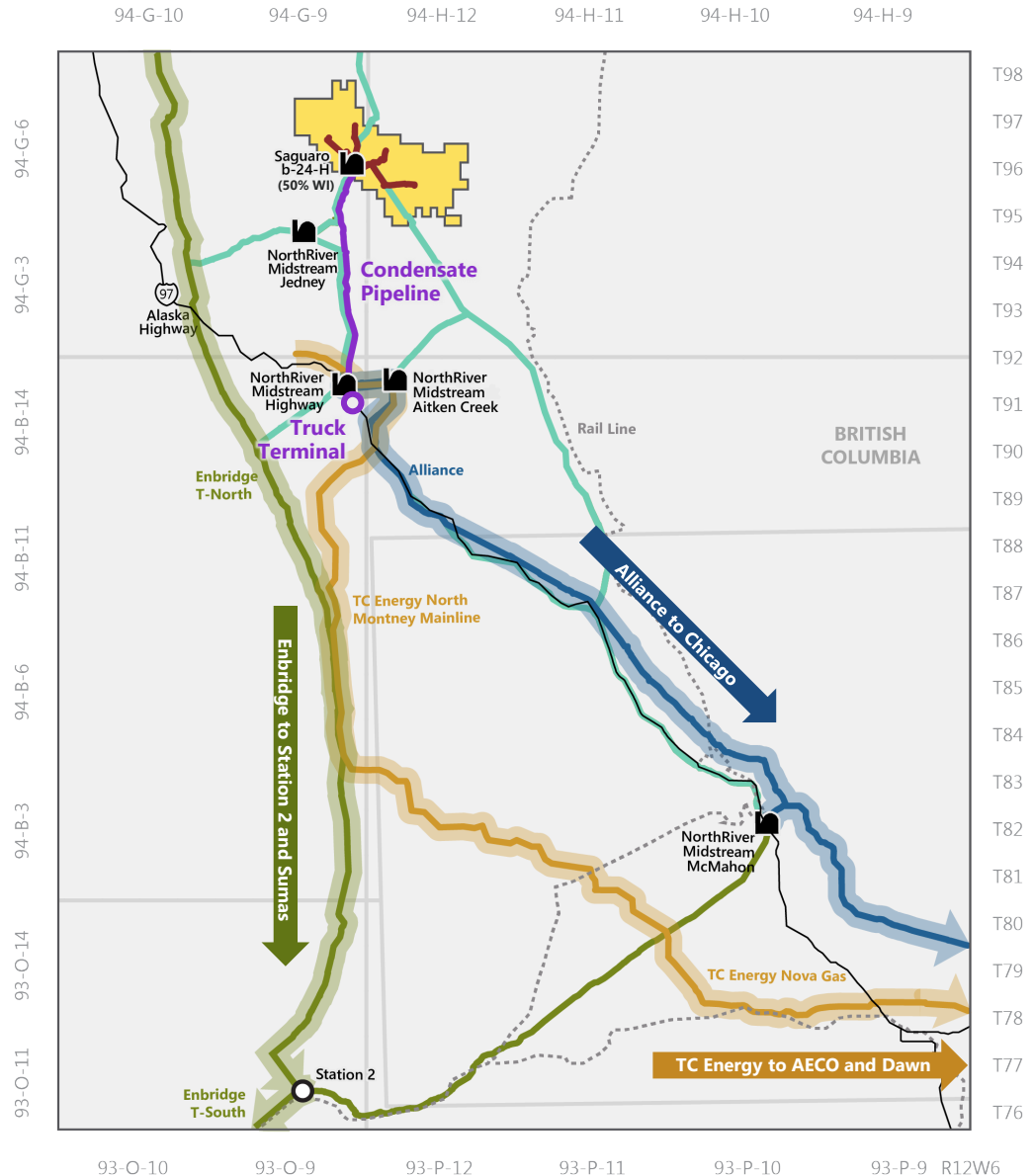
2. Production, capital and free cash flow forecasts are Saguario's current expectations, before tax, based on Saguario's internal preliminary planning, Saguario's historical results prior to 50% working interest disposition in April 2021 and current market conditions, including strip pricing as at October 24, 2022, and are subject to change. ~\$40 MM distributed to shareholders in August 2022 as a return of capital. Based on existing BC royalty framework and does not reflect changes from May 2022 BC Government royalty review.



Transportation and Natural Gas Market Access⁽¹⁾

- Connected to three NorthRiver processing facilities (Jedney, Highway or McMahon)
 - Processing at multiple third party plants provides access to numerous long-haul pipeline options with diversified end markets
- Physically connected to five gas pricing hubs across North America
 - AECO, Station 2, Sumas, Chicago, and Dawn
 - Firm service transportation commitments on Enbridge T-North pipeline, Enbridge T-South pipeline and TC Energy North Montney Mainline⁽²⁾
- Connected to 49 km 6" condensate pipeline from b-24-H facility to truck terminal on the Alaska Highway

Existing market access allows market diversification and resulting netback improvement

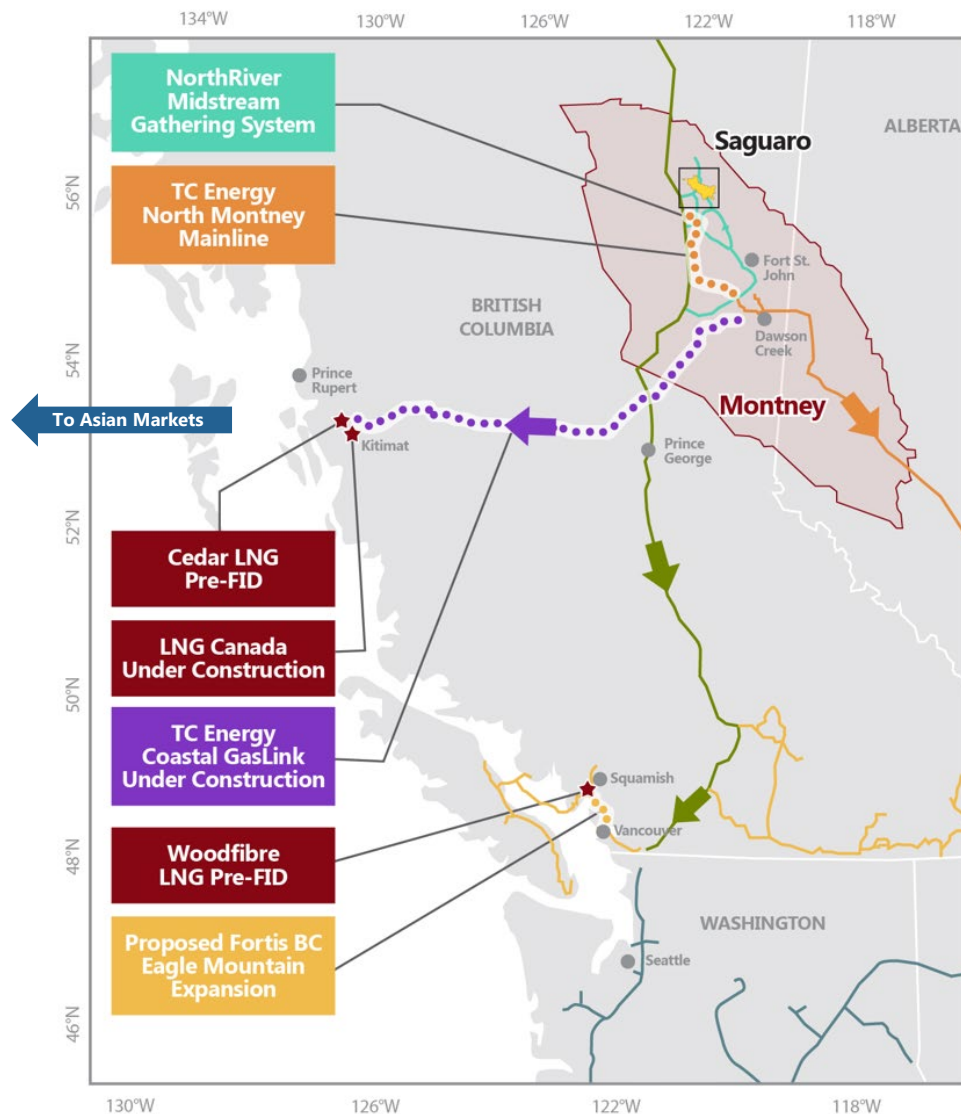


1. See advisories on pages 16 and 17 hereof.
 2. Connection to North Montney Mainline to be completed.



Strategically Positioned for West Coast LNG Development⁽¹⁾

- Global LNG demand expected to grow significantly
- Saguaro's assets are ideally positioned to provide long-term natural gas supply to West Coast LNG projects
 - LNG Canada project will require a total of ~4 Bcf/d of natural gas supply should both Phase 1 and Phase 2 proceed
 - Phase 1 approved and expected onstream 2025+
 - Phase 2 pending FID
 - Several LNG Canada participants are short gas supply even for Phase 1
 - Coastal GasLink pipeline to LNG Canada under construction
- Canada, and the Montney specifically, has a competitive geographical advantage to address the supply gap with growing Asian markets
- Canadian gas producers are also beginning to access growing USGC LNG capacity
 - Tourmaline entered into marketing arrangement to ship 150 MMcf/d to Cheniere LNG starting exit 2022⁽²⁾



1. See advisories on pages 16 and 17 hereof.

2. As per Tourmaline's published Corporate Presentation dated November 2022.





Saguaro
resources

**Appendix A:
Supplementary Materials**

Corporate Information

Officers

| | |
|-------------------------|--|
| Stacy Knull | President & Chief Executive Officer |
| Scott Carrothers | Vice President Finance & Chief Financial Officer |
| Darcy McLaughlin | Vice President Engineering |
| Esther Troyan | Vice President Land & Business Development |

Directors

| | |
|-----------------------------|-------------------------------------|
| Michael Graham | Chairman |
| James C. (Pep) Lough | Independent Businessman |
| M. Scott Bratt | Independent Businessman |
| Robert Chaisson | Independent Businessman |
| Stacy Knull | President & Chief Executive Officer |
| Richard Aube | Pine Brook Road Partners LLC |
| Ted Maa | Pine Brook Road Partners LLC |
| Cameron McVeigh | Camcor Partners Inc. |

Auditors

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Bank

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Scott Carrothers
Vice President Finance & Chief Financial Officer
Phone: (403) 453-2451
Email: scarrothers@saguaroresources.com



Strip Pricing October 24, 2022⁽¹⁾⁽²⁾

- The following price forecast was used to create future cash flow projections:

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|---------------------------------------|----------|----------|----------|----------|---------|
| NYMEX WTI (US\$/Bbl) | \$94.78 | \$77.65 | \$71.68 | \$67.80 | \$64.97 |
| Sumas Natural Gas (US\$/MMBtu) | \$6.75 | \$4.99 | \$4.52 | \$4.38 | \$4.35 |
| AECO-C (C\$/GJ) | \$5.22 | \$4.29 | \$4.04 | \$4.22 | \$4.47 |
| Station 2 (C\$/GJ) | \$4.40 | \$4.05 | \$3.85 | \$4.09 | \$4.43 |
| Condensate (C\$/Bbl) | \$122.49 | \$102.17 | \$95.51 | \$91.33 | \$88.42 |
| C5+ Diff to WTI (US\$/Bbl) | (\$0.84) | (\$2.91) | (\$1.47) | (\$0.36) | \$0.61 |
| Butane (C\$/Bbl) | \$62.48 | \$53.13 | \$50.21 | \$47.64 | \$45.66 |
| Conway Propane (C\$/Bbl) | \$60.53 | \$47.71 | \$45.49 | \$49.22 | \$47.14 |

1. See advisories on pages 16 and 17 hereof.

2. Source AEGIS Hedging. When strip pricing was not available, average IQRE pricing at September 2022 (Sproule, McDaniel & Associates Consultants Ltd., GLJ Ltd.) relative to IQRE WTI pricing was applied to WTI strip pricing for the following: Condensate 2024+, Butane 2022+, Conway Propane 2025+.



Advisories

Forward Looking Statements. Certain statements included in this investor presentation (the "**Presentation**") constitute forward looking statements or forward looking information under applicable securities legislation. Such forward looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements or information in this Presentation include, but are not limited to, statements or information with respect to: Saguaro Resources Ltd.'s ("**Saguaro**" or the "**Corporation**") business strategy, focus, priorities, objectives and growth opportunities; the future development potential of the Corporation's assets; statements with respect to the performance characteristics of Saguaro's oil and natural gas properties including their low sustaining capital requirements and their ability to drive significant free cash flow; free cash flow forecasts and the anticipated timing thereof; that Saguaro's anticipated free cash flow at current strip prices will fully fund growth and/or return cash to shareholders; expectations that Saguaro's operating partner is in a position to efficiently manage capital expenditures through economies of scale; that Saguaro's owned infrastructure will provide long-term supply to West Coast LNG projects and will support low operating costs and long-term production growth; that Saguaro's reserves have significant unbooked potential, large future growth potential and substantial future upside; forecast production expectations, including effect on free cash flow and financial flexibility; cumulative free cash flow forecast; the anticipated timing of when the Corporation's b-24-H Facility will be fully utilized; expectations that minimal capital will be required to maintain production; the anticipated number of wells in 2022 and 2023 and the anticipated net capital spend in connection therewith; expectations that the Corporation's existing market access will allow market diversification and netback improvement; Saguaro's expectations that global LNG demand will grow significantly; statements with respect to reserves growth; potential drilling locations; expanding access to certain markets; and forecasted pricing. In addition, the statements contained herein relating to "reserves" and "resources" are by their nature forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves or resources described can be profitably produced in the future.

Type Well Production and Economics. This Presentation contains references to type well, or "type curve", production and economics, which are derived, at least in part, from available information respecting the well economics of other companies and, as such, there is no guarantee that Saguaro will achieve the stated or similar results, capital costs and return costs per well. Any references to peak rates, test rates, IP30 or initial production rates or declines are useful for confirming the presence of hydrocarbons, however, such rates and declines are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or ultimate recovery. In addition, such rates or declines may also include recovered fluids used in well completion stimulation. Readers are cautioned not to place reliance on such rates in calculating aggregate production for the Corporation.

Assumptions. Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Corporation believes that the expectations reflected in such forward looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Corporation can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this Presentation, assumptions have been made regarding, among other things: commodity prices; the accuracy of geological and geophysical data and its interpretations of that data; estimated decline rates; the ability of the new operator to successfully operate the assets; the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the Corporation to operate in a safe, efficient and effective manner; the ability of the Corporation to obtain financing on acceptable terms; that the Corporation will have sufficient cash flow, debt or equity or other financial resources to fund its capital and operating expenditures as needed; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Corporation to secure adequate product transportation; availability of pipelines; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; that the estimates of the Corporation's reserve volumes and assumptions related thereto are accurate in all material respects; the ability of the Corporation to successfully market its oil and natural gas products; that Saguaro will maintain its existing market access; that Saguaro's facilities will operate at full capacity and maximize operational efficiencies; and price forecasts. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Risks and Uncertainties. Forward looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Corporation and described in the forward looking statements or information. These risks and uncertainties which may cause actual results to differ materially from the forward looking statements or information include, among other things; the ability of management to execute its business plan; general economic and business conditions; the risk of instability affecting the jurisdictions in which the Corporation operates; the risks of the oil and natural gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; risks and uncertainties involving geology of oil and natural gas deposits; the uncertainty of reserves estimates and reserves life; the ability of the Corporation to add production and reserves through acquisition, development and exploration activities; the Corporation's ability to enter into or renew leases; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production (including decline rates), costs and expenses; fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates; risks inherent in the Corporation's marketing operations, including credit risk; uncertainty in amounts and timing of royalty payments; health, safety and environmental risks; risks associated with potential future lawsuits and regulatory actions against the Corporation; uncertainties as to the availability and cost of financing; changes in income tax rates; changes in incentive programs related to the oil and gas industry; failure of investors to fund capital calls; availability of pipelines; that legal actions may have an adverse effect on Saguaro's financial position or operations; financial risks affecting the value of the Corporation's investments; the risk that Saguaro's oil and natural gas properties may not have low sustaining capital requirements or be able to drive significant free cash flow; the risk that Saguaro's free cash flow may not fully fund growth and/or return cash to shareholders; the risk that Saguaro's operating partner may not efficiently manage capital expenditures through economies of scale; the risk that Saguaro's owned infrastructure may not provide long-term supply to West Coast LNG projects or support low operating costs and long-term production growth; the risk that the Corporation's b-24-H Facility may not be fully utilized when anticipated, or at all; the risk that greater amounts of capital than anticipated may be required to maintain production; the risk that Saguaro may drill less wells in 2022 and 2023 than anticipated; and the risk that global LNG demand may weaken. Readers are cautioned that the foregoing list is not exhaustive of all potential risks and uncertainties.

Distributions. The payment of shareholder distributions, including but not limited to the payment of returns of capital and the amount thereof is uncertain. Any decision by the Corporation to pay distributions on its shares (including the actual amount, the declaration date and the payment date in connection therewith) will be subject to the discretion of the Board of Directors of Saguaro and may depend on a variety of factors, including, without limitation the Corporation's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions, creditor approval and satisfaction of the solvency tests imposed on the Corporation under applicable corporate law. There can be no assurance that the Corporation will pay distributions to shareholders in the future.

No Obligation to Update. The forward looking statements or information contained in this Presentation are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise unless required by applicable securities laws. The forward looking statements or information contained in this Presentation are expressly qualified by this cautionary statement.

Future Oriented Financial Information. This Presentation, contains Future Oriented Financial Information or Financial Outlook (collectively, "**FOFI**") within the meaning of applicable securities laws about the Corporation's potential financial position, including, but not limited to: the Corporation's free cash flow forecasts and the anticipated timing thereof; that Saguaro's anticipated free cash flow at current strip prices will fully fund growth and/or return cash to shareholders and the information contained in the slides entitled "Competitive Single Well Economics at Flat Prices" and "Significant Free Cash Flow Generation Based on Strip Pricing". The FOFI has been prepared by Saguaro's management to provide an outlook of the Corporation's activities and results. The FOFI has been prepared based on a number of assumptions including the assumptions discussed under the heading "Forward Looking Statements" and assumptions with respect to the costs and expenditures to be incurred by the Corporation, capital equipment and operating costs, foreign exchange rates, taxation rates for the Corporation, general and administrative expenses and the prices to be paid for the Corporation's production. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the FOFI or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not objectively determinable. **The actual results of operations of the Corporation and the resulting financial results will likely vary from the amounts set forth in the analysis presented in this Presentation, and such variation may be material.** The Corporation and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is highly subjective and subject to numerous risks including the risks discussed under the heading "Forward Looking Statements", it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Saguaro undertakes no obligation to update such FOFI and forward looking statements and information.



Advisories (cont'd)

Specified Financial Measures

Throughout this Presentation, Saguro discloses certain measures to analyze financial performance, financial position and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss) and comprehensive income (loss), cash provided by operating activities, and cash used in investing activities, as indicators of Saguro's performance.

Free Cash Flow. Free cash flow is a non-GAAP financial measure and is calculated as funds from operations less capital expenditures. Saguro uses free cash flow as an indicator of the efficiency and liquidity of the Corporation's business by measuring its cash available after capital expenditures.

Refer to the Corporation's most recent Management's Discussion and Analysis for the three months ended March 31, 2022 for additional information about certain specified financial measures, including reconciliations to the nearest GAAP measures and disclosure of historical non-GAAP financial measures, as applicable.

Oil and Gas Advisories

Future Drilling Locations. Unless otherwise expressly stated, the information in this Presentation pertaining to future drilling locations or drilling inventories is based solely on internal estimates made by management and such locations have not been reflected in any independent reserve or resource evaluations prepared pursuant to National Instrument 51-101 ("NI 51-101"). Similarly, unless otherwise expressly stated, the information in this Presentation pertaining to targeted reserve volumes from future drilling is intended to indicate that in making its internal drilling decisions, the Corporation seeks to target drilling locations that, based on previous drilling results and its own internal assessments, it believes will on average ultimately generate the indicated volumes. This document discloses drilling locations which are unbooked locations and are internal estimates based on Saguro's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources and have been identified by management as an estimation of multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Saguro will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Finding and Development Costs. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.

Reserves and Resources. The reserve estimates disclosed on slides 2, 7 and 8 were prepared by Sproule Associates Limited with an effective date of December 31, 2021 and December 31, 2020, as applicable in accordance with NI 51-101 and the COGE Handbook and using Sproule's forecast prices at December 31, 2021 and December 31, 2020, respectively. Other than the reserves estimates disclosed on slides 2, 7 and 8, the recovery and reserves estimates provided herein are Saguro's internal estimates only and are not derived from an independent reserves evaluation prepared pursuant to NI 51-101. There is no guarantee that the reserves or resources will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward looking statements. "EUR" is not indicative of reserves, nor is it a category of resources recognized by the COGE Handbook. Estimates of the net present value of the future net revenue from Saguro's reserves do not represent the fair market value of Saguro's reserves. Reserves estimates contained herein have been made assuming that funding is likely to be available to Saguro for the development of the applicable property.

Definitions of Oil and Gas Resources and Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates as follows:

Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Pay Thickness. Estimates of pay thickness are considered to be anticipated results or information that indicate the potential value or quantities of resources under NI 51-101. Such estimates have been prepared by management of Saguro and have not been prepared or reviewed by an independent qualified reserves evaluator or auditor. The risks associated with estimates of pay thickness include, but are not limited to, the risk that Saguro's exploration and development drilling and related activities may provide different results; the risk that Saguro may encounter unexpected drilling results; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas; delays in anticipated timing of drilling and completion of wells; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves.

Boe Presentation. All Boe conversions in the report are derived by converting gas to oil at the ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Boe: 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. Given that the value ratio of oil compared to natural gas, based on current prevailing prices, is significantly different than the energy equivalency ratio of 1 Boe: 6 Mcf, utilizing a conversion ratio may be misleading.

Definitions

Certain oil and gas metrics. Finding, development and acquisition costs, finding and development costs, netbacks and the metrics set forth below do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in documents provided by Saguro to shareholders to give readers additional measures to evaluate the Saguro's performance; however, such measures are not reliable indicators of the future performance of the Saguro and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon.

Net Present Value (NPV): The anticipated net present value of the future net revenue (before tax) discounted at a rate (NPV0 for undiscounted future net revenue and NPV10 for future net revenue discounted by 10%) associated with the type curves presented.

IRR: Rate of return. IRR is the discount rate required to arrive at a NPV equal to zero. Rates of return set forth in this presentation are for illustrative purposes. There is no guarantee that such rates of return will be achieved in the future.

Profit to Investment Ratio (PIR): The ratio of payoff to investment for the project. For example, a net PIR (PIR0 for undiscounted future cash flow and PIR10 for future cash flow discounted by 10%) of \$1.50 represents for every \$1.00 of investment, the project will return the invested \$1.00 plus an additional \$1.50 of profit for a total cash flow of \$2.50. The net PIR of such a project would be \$1.50 while the gross PIR would be \$2.50.

EUR: Estimated Ultimate Recovery. An approximation of the quantity of oil or gas that is potentially recoverable or has already been recovered from a reserve or well.

Finding and Development Costs (F&D): The anticipated full exploration and development costs associated with each barrel of oil equivalent expected to be recovered from a well based on the type curves and economics presented.

Finding, Development and Acquisition Costs (FD&A): The anticipated full exploration, development and acquisition costs associated with each barrel of oil equivalent expected to be recovered from a well based on the type curves and economics presented.

IP30: The average production rate over a 30 day period.

Payout: The anticipated time required (in months) to recover the drill, complete, and well equipping capital based on the field level revenue generated from the assumed type curve. The field level revenue is the revenue received based on the assumed commodity prices less estimated royalties, operating expenses, and transportation costs.

RLI: Reserve Life Index. The number of years to deplete the reserves at the calendar day rates as of the reference date.

All dollar amounts in the presentation are in Canadian dollars.

