

2021

# Royalty Playbook



**HIGH MARGINS**  
**ZERO CAPITAL**



**PRAIRIESKY**  
ROYALTY LTD





HIGH MARGINS  
ZERO CAPITAL



## CORPORATE PROFILE

PrairieSky Royalty Ltd. (“PrairieSky”, “PSK” or the “Company”) is a pure-play royalty company, generating royalty revenues as petroleum and natural gas are produced from its 16.1 million acres of Royalty Properties which span Western Canada from Northeast British Columbia to Western Manitoba. The Company has the largest independently-owned portfolio of fee simple mineral title and oil and gas royalty interests in Canada. PrairieSky is focused on encouraging third parties to actively develop its Royalty Properties. The Company does not directly conduct operations to explore for, develop or produce petroleum, natural gas or other minerals.







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## DISCLAIMER AND CAUTIONARY STATEMENT

This Royalty Playbook contains information relating to the Royalty Properties from which PrairieSky collects or may in the future collect royalties and associated revenues, as well as historical operations conducted by petroleum and natural gas exploration and production enterprises on the Royalty Properties. Any information relating to such operations presented in this Royalty Playbook has been sourced from public disclosure, including in certain cases public disclosure of third parties conducting operations on the Royalty Properties, available as of March 31, 2021 (except where stated otherwise). More current information may be available, or may become available from time to time, in subsequent public disclosure documents including PrairieSky's disclosure on SEDAR ([www.sedar.com](http://www.sedar.com)) and our website ([www.prairiesky.com](http://www.prairiesky.com)). This Royalty Playbook contains information about many of our assets, including those that may not currently be material to us. Also, the description and depiction of our business and assets have been simplified for presentation purposes. Dollar references are in Canadian dollars unless otherwise noted.

This Royalty Playbook should be read with reference to the explanatory notes and the Disclaimer & Cautionary Statements contained in the "Additional Information" section found at the end of this Royalty Playbook. Please also refer to the additional supporting information and explanatory notes found in our AIF for the year ended December 31, 2020 and in our 2020 MD&A, each of which is available at [www.sedar.com](http://www.sedar.com) and on our website at [www.prairiesky.com](http://www.prairiesky.com).

This Royalty Playbook has not been prepared in connection with the sale of securities and is not an offering memorandum and should not be relied upon as such. This Royalty Playbook does not constitute an offer to sell or a solicitation of an offer to purchase any security in any jurisdiction.

Capitalized terms used herein are defined in the Glossary of Terms starting at Page 128.



# Corporate Overview

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8.0

MILLION ACRES  
FEE TITLE  
LANDS

8.1

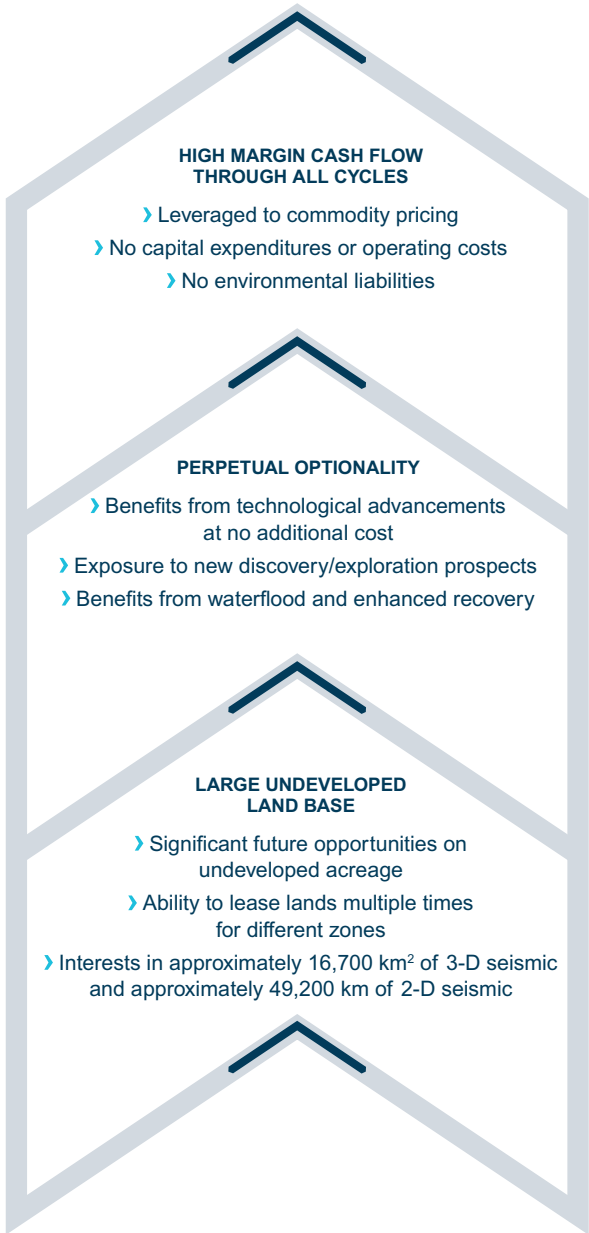
MILLION ACRES  
GROSS OVERRIDING  
ROYALTIES





# Business Model and Strategy

PrairieSky Royalty Ltd. ("PrairieSky", "PSK" or the "Company") is a pure-play royalty company, generating royalty revenues as petroleum and natural gas are produced from its 16.1 million acres of Royalty Properties which span Western Canada from Northeast British Columbia to Western Manitoba. The Company has the largest independently-owned portfolio of fee simple mineral title and oil and gas royalty interests in Canada. PrairieSky is focused on encouraging third parties to actively develop its Royalty Properties. The Company does not directly conduct operations to explore for, develop or produce petroleum, natural gas or other minerals.



PrairieSky owns 8.0 million acres of Fee Lands (excluding 1.1 million acres of coal-only titles) and has 8.1 million acres of gross overriding royalty interests in the provinces of Alberta, Saskatchewan, British Columbia and Manitoba. The Company's objective is to generate free cash flow and growth for its shareholders through indirect oil and gas investments at a relatively low risk and low cost to the Company. The Company seeks to achieve this objective by focusing on four core strategies: (i) focusing on leasing activity and organic growth of royalty production revenue from the Royalty Properties; (ii) proactively monitoring and managing the portfolio of Royalty Properties to ensure third party adherence to lease terms and contractual provisions (including offsetting well obligations); (iii) managing controllable costs associated with conducting PrairieSky's business; and (iv) selectively pursuing strategic business development opportunities that are relatively low risk to PrairieSky, accretive to shareholders and complementary to PrairieSky's existing business. The Company intends to distribute the majority of cash flow in the form of dividends and share repurchases and cancellations over time.

Royalty ownership differs significantly from a working interest or an operated position in the oil and gas industry. A working interest owner is responsible for its share of operating costs, capital costs, environmental liabilities and reclamation obligations, usually in proportion to its ownership percentage, and it receives its pro rata share of revenue. A royalty owner enjoys the commercial benefit of production and upside potential from a property, typically with no obligation for operating costs, capital costs, environmental liabilities or reclamation obligations. The Company does not conduct any drilling activity and is not responsible for making any capital expenditures with respect to the Royalty Properties.

# Overview of Royalties

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The Company's royalty revenues are derived predominantly from: (i) the leasing of Fee Lands by the Company for which lessees pay lessor royalties to the Company; (ii) the GORR Lands, or similar forms of royalty interests, for which third parties pay the Company contractual royalties, as a percentage of production; (iii) interests in the GRT Lands; and (iv) related activities, including lease issuance bonuses and lease rentals.

The Company does not conduct any drilling activity and is not responsible for making any capital expenditures with respect to the Royalty Properties. The Company receives royalty revenue based on production from wells, with the calculation of such royalty revenues payable based, in part, on the market price of crude oil, NGL and/or natural gas and allowances, if any, for certain deductions. Through its contractual arrangements, the Company is able to elect to receive physical delivery of its royalty share of production in-kind. The Company currently takes certain of its royalty production volumes in-kind. For the year ended December 31, 2020, royalty production was approximately 49% liquids (crude oil and NGL) and 51% natural gas; whereas, royalty revenue was approximately 77% derived from liquids and 23% from natural gas.

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## LESSOR INTERESTS

The Company's royalty revenue is derived predominantly from Lessor Interests and the producing wells located on the Fee Lands. The Company holds approximately 8.0 million acres of Fee Lands (excluding 1.1 million acres of coal-only mineral titles). For the year ended December 31, 2020, the Lessor Interests contributed approximately 63% of the total royalty revenue of the Company, as well as \$5.8 million of bonus consideration for leasing Fee Lands and \$5.9 million of lease rentals.

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## GORR INTERESTS

The GORR Lands are governed by contractual arrangements whereby a royalty interest has been reserved out of the working interest and granted to the Company, and the Company receives its royalty calculated as a percentage of hydrocarbons produced from the applicable lands. The GORR Interests, with a few exceptions, expire upon the termination of the underlying leases or licenses, which typically occurs after a specified period of time if the lands are not developed within the lease term or when production activity has ceased.

The creation of a GORR Interest can arise in many scenarios, including as a result of: (i) a company farming out working interest rights to another company in exchange for retaining a GORR Interest on future production from the lands under the farmout agreement; (ii) a company providing capital in exchange for granting a GORR Interest or converting a participating interest in a joint venture relationship into a GORR Interest; (iii) a company, as owner of certain fee simple mineral title that is in a checkerboard fashion, receiving a GORR Interest on offsetting Crown acreage, achieved in exchange for allowing drilling by third parties of horizontal wells across sections, including portions of fee simple mineral title, or in certain cases where a third party has reviewed the Company's seismic data and acquired a lease or license on the adjacent Crown acreage; or (iv) various other contractual arrangements.

The Company holds GORR Interests in approximately 8.1 million acres of GORR Lands (including GRT Interests and Crown Interest Lands), substantially all of which are associated with Crown lands. In 2020, the GORR Interests (together with the GRT Interests) provided approximately 37% of the total royalty revenue of PrairieSky.

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## GRT INTERESTS

The Company holds interests in approximately 0.2 million acres of GRT Lands. The GRT Interests are governed under trustee arrangements made with financial institutions and ownership evidenced by virtue of trust unit certificates issued by the financial institution to the unit holders. Each trust unit represents a fractional ownership share of the lessor royalty payable out of GRT Lands when leases are granted, and in rare instances may be a fractional ownership of a fee simple interest.

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## CROWN INTEREST LANDS

The Company holds approximately 26,000 acres of Crown Interest Lands predominately in Alberta which were acquired to complement the Company's checkerboard Fee Land position and to build its land holdings in strategic areas for purposes of royalty interest transactions, including future farmout transactions in exchange for a GORR Interest.

# Types of Royalties

The following figure outlines the royalty hierarchy. As you move up the royalty hierarchy, costs decrease and lease duration increases.

**1 CROWN ROYALTIES**  
Provincial government owns the mineral rights and receives royalties pursuant to leases/licenses acquired by exploration and production companies through public auctions.

**2 FEE SIMPLE MINERAL TITLE – PRAIRIESKY OWNS 8.0 MILLION ACRES**  
Corporations and individuals own the mineral rights in perpetuity. No royalties are payable to the Crown on these lands. Revenue is received from exploration and production companies as lessor royalties from producing wells located on leased lands.

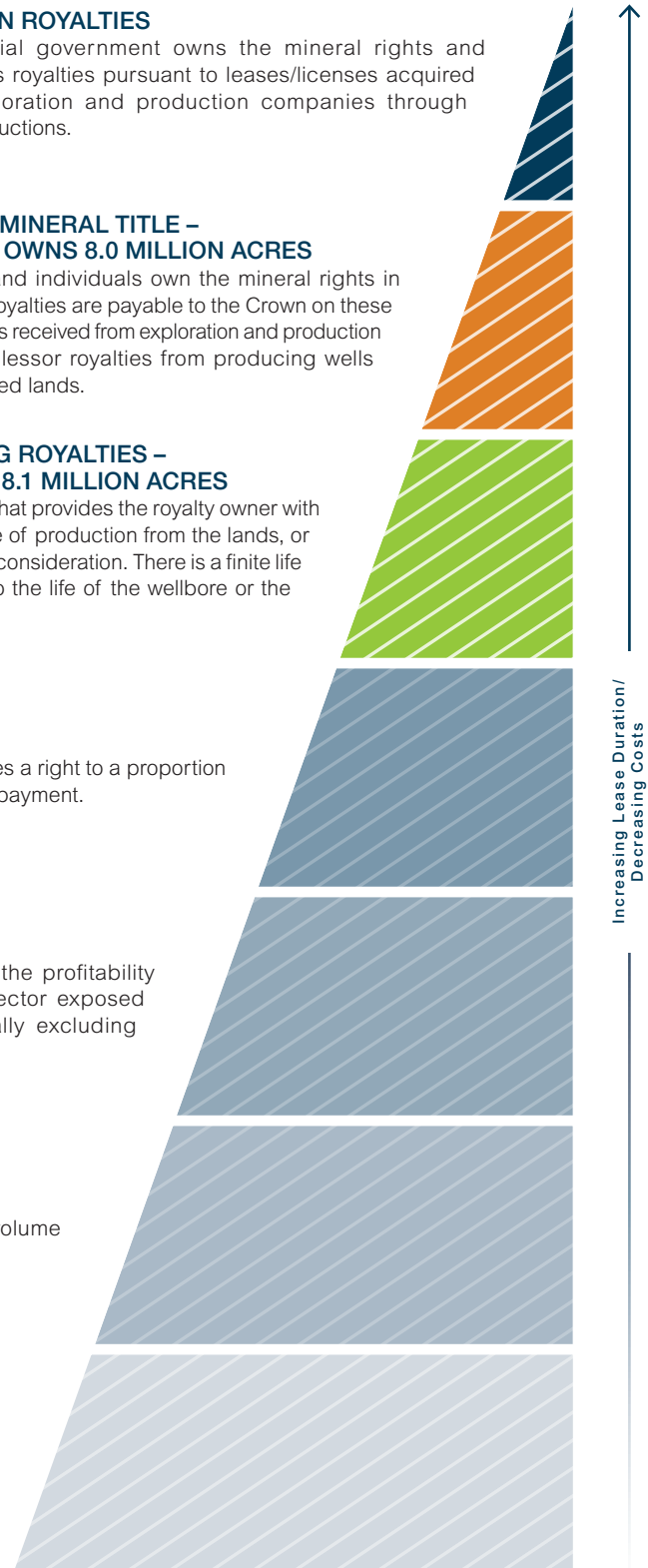
**3 GROSS OVERRIDING ROYALTIES – PRAIRIESKY OWNS 8.1 MILLION ACRES**  
Contractual agreement that provides the royalty owner with an entitlement to a share of production from the lands, or corresponding financial consideration. There is a finite life to these royalties, tied to the life of the wellbore or the term of the lease.

**4 STREAMS**  
Contractual agreement that provides a right to a proportion of future production for an upfront payment.

**5 NET PROFIT INTEREST**  
Royalty payments are made based on the profitability of a defined area with the royalty collector exposed to operating and capital costs, typically excluding environmental liabilities.

**6 VOLUMETRIC PRODUCTION PAYMENT**  
Structured investment that relates to a specific volume of production for a pre-determined amount of time.

**7 WORKING INTEREST**  
Acreage is leased from either the Crown or a fee simple mineral title holder. Working interest parties are responsible for capital costs, operating costs, royalties and environmental and abandonment liabilities.



*No fee simple mineral title has been created in Canada since 1886.*

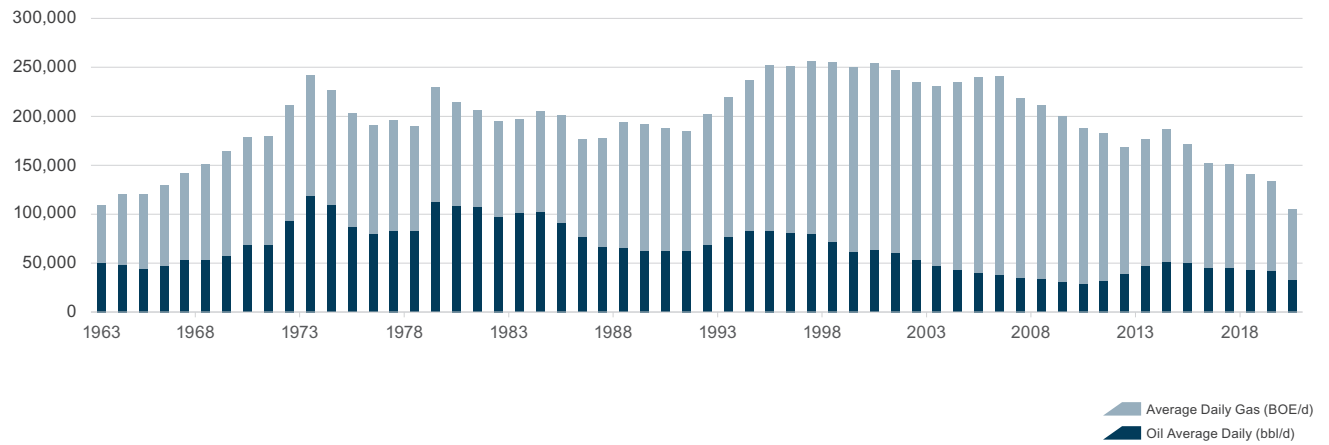


# Production History on PrairieSky Fee Lands

PrairieSky's Royalty Properties have a long history of generating free cash flow and provide shareholders with diverse exposure to plays across Western Canada. PrairieSky's Fee Lands have experienced continued third-party investment which is shown on the graph below.

Gross production history is available from 1963, the earliest record of annual public data. Cumulative production from PrairieSky's Fee Lands from the earliest record of public data to December 31, 2020 totals 4.5 billion BOE.

## Historical Gross Production on PrairieSky Fee Lands



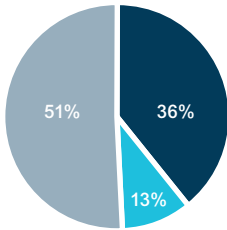
# Financial Highlights

## 2020

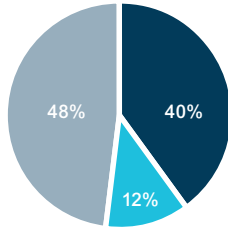
## 2019

## 2018

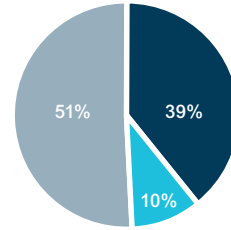
### Royalty Production



19,712 BOE/d

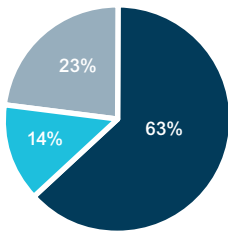


21,757 BOE/d

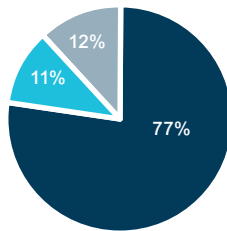


23,358 BOE/d

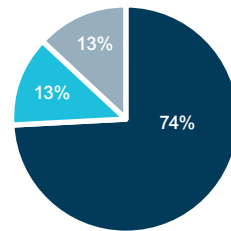
### Royalty Revenue (By Product Type)



\$156.2 million

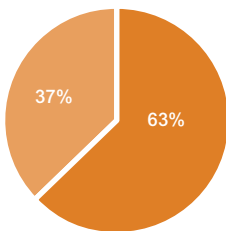


\$244.9 million

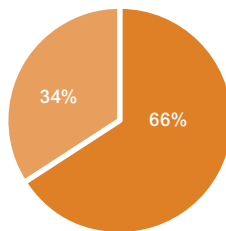


\$248.0 million

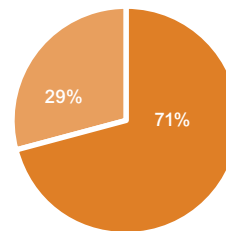
### Royalty Revenue (By Royalty Type)



\$156.2 million



\$244.9 million



\$248.0 million

Oil NGL Gas Fee GORR

## Financial Highlights continued

The following charts outline PrairieSky's audited financial information as reported under IFRS.

### FINANCIAL

(millions, except per share data or as otherwise noted)

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Royalty Production Revenue	\$ 156.2	\$ 244.9	\$ 248.0
Other Revenue	15.2	23.5	25.8
<b>Total Revenues</b>	<b>\$ 171.4</b>	<b>\$ 268.4</b>	<b>\$ 273.8</b>
Funds from Operations	\$ 146.8	\$ 220.4	\$ 229.7
Per Share – basic & diluted <sup>(1)</sup>	\$ 0.64	\$ 0.94	\$ 0.98
Net Earnings	\$ 31.7	\$ 111.4	\$ 79.4
Per Share – basic & diluted <sup>(1)</sup>	\$ 0.14	\$ 0.48	\$ 0.34
Dividends declared	\$ 86.1	\$ 182.1	\$ 182.1
Per Share	\$ 0.3750	\$ 0.7800	\$ 0.7750
Common share repurchases	\$ 90.9	\$ 19.0	\$ 45.7
Acquisitions, including non-cash consideration	\$ 9.4	\$ 11.2	\$ 58.6
Working Capital (Deficiency) at year end	\$ (42.0)	\$ (3.1)	\$ (10.4)
Shares outstanding			
Shares outstanding at year end	223.3	233.1	234.2
Weighted average - basic	229.6	233.6	235.1
Weighted average - diluted	230.1	234.0	235.4

### OPERATIONAL

#### Royalty Production Volumes

Crude Oil (bbls/d)	7,124	8,633	9,004
NGL (bbls/d)	2,571	2,607	2,463
Natural Gas (MMcf/d)	60.1	63.1	71.3

<b>Royalty Production (BOE/d)<sup>(3)</sup></b>	<b>19,712</b>	<b>21,757</b>	<b>23,358</b>
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#### Realized Pricing

Crude Oil (\$/bbl)	38.05	59.88	56.18
NGL (\$/bbl)	22.93	28.02	34.75
Natural Gas (\$/Mcf)	1.61	1.28	1.23

<b>Total (\$/BOE)</b>	<b>21.65</b>	<b>30.84</b>	<b>29.09</b>
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Operating Netback (\$/BOE) <sup>(2)</sup>	18.81	27.58	25.39
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Funds from Operations (\$/BOE)	20.35	27.75	26.94
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#### Oil Price Benchmarks

West Texas Intermediate (WTI) (US\$/bbl)	39.40	57.03	64.98
Edmonton Light Sweet (\$/bbl)	45.34	69.22	69.35
Western Canadian Select (WCS) crude oil differential to WTI (US\$/bbl)	(12.60)	(12.76)	(26.29)

#### Natural Gas Price Benchmarks

AECO monthly index (\$/Mcf)	2.24	1.62	1.52
AECO daily index (\$/Mcf)	2.23	1.76	1.51
Foreign Exchange (US\$/CAD\$)	0.7468	0.7537	0.7715

Notes:

<sup>(1)</sup> Net Earnings and Funds from Operations per Share are calculated using the weighted average number of basic and diluted common shares outstanding.

<sup>(2)</sup> Operating Netback per BOE is defined under the Non-GAAP Measures section of this Royalty Playbook.

<sup>(3)</sup> See Abbreviations & Conversions in this Royalty Playbook.



## ROYALTY REVENUE

PrairieSky receives royalty production volumes and revenue as crude oil, NGL and natural gas are produced from its Royalty Properties. Royalty production is recorded in the period in which production occurs.

## OTHER REVENUE

In addition to royalty production revenue, PrairieSky collects lease rental income, bonus consideration and other income.

- › Lease rental income is a per hectare amount paid by the lessee to PrairieSky for holding a lease on the Fee Lands.

- › Bonus consideration is an upfront payment from the lessee to PrairieSky for executing a petroleum, natural gas, or mineral lease on the Fee Lands. Bonus consideration will vary by lease based on competitive activity in the area, term of the lease and any upfront capital commitments made by the lessee.

- › Other income is made up of a number of different sources, which include non-performance fees paid when a lessee does not meet its capital commitments, sulphur revenue for the sale of sulphur production, and pipeline gathering income which is a tariff collected on a natural gas pipeline.

Other revenue can provide a significant source of cash flow on an annual basis.

## REVENUE

(millions)

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Royalty Production Revenue</b>			
Crude Oil	\$ 99.2	\$ 188.7	\$ 184.7
NGL	21.6	26.7	31.2
Natural Gas	35.4	29.5	32.1
<b>Total Royalty Production Revenue</b>	<b>156.2</b>	<b>244.9</b>	<b>248.0</b>
<b>Other Revenue</b>			
Lease Rental Income	5.9	7.2	7.9
Bonus Consideration	5.8	12.1	16.5
Other Income	3.5	4.2	1.4
<b>Total Other Revenue</b>	<b>15.2</b>	<b>23.5</b>	<b>25.8</b>
<b>Total Revenues</b>	<b>\$ 171.4</b>	<b>\$ 268.4</b>	<b>\$ 273.8</b>
<b>Royalty Production Revenue</b>			
Lessor Interests on Fee Lands	\$ 98.5	\$ 162.0	\$ 177.2
GORR Interests	57.7	82.9	70.8
Royalty Production Revenue	156.2	244.9	248.0
Other Revenue	15.2	23.5	25.8
<b>Total Revenues</b>	<b>\$ 171.4</b>	<b>\$ 268.4</b>	<b>\$ 273.8</b>

# Reserves Data

As of December 31, 2020 – Forecast Prices and Costs<sup>(1)</sup>

The following tables set forth a summary of PrairieSky's crude oil, NGL and natural gas reserves and the value of future net revenue as at December 31, 2020. Reserves data has been evaluated by GLJ as set forth in the GLJ Report, using forecast prices and costs. PrairieSky does not book undeveloped reserves.

PrairieSky provides full details of its crude oil and natural gas reserves in its AIF which is filed on SEDAR under PrairieSky's profile at [www.sedar.com](http://www.sedar.com). The AIF can also be found on the Company's website at [www.prairiesky.com](http://www.prairiesky.com).

## Summary of Reserves

Reserves Category	Light & Medium Crude Oil		Heavy Crude Oil		Tight Oil		Bitumen		Conventional Natural Gas	
	Gross (2)(4)	Net (3)(4)	Gross (2)(4)	Net (3)(4)	Gross (2)(4)	Net (3)(4)	Gross (2)(4)	Net (3)(4)	Gross (2)(4)	Net (3)(4)
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcft)	(MMcft)
Proved										
Developed Producing	-	7,720	-	1,721	-	555	-	645	-	76,951
Developed Non-Producing	-	888	-	175	-	38	-	-	-	908
Undeveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	-	8,608	-	1,896	-	593	-	645	-	77,858
Total Probable	-	2,786	-	596	-	196	-	172	-	21,008
Total Proved Plus Probable	-	11,394	-	2,492	-	789	-	817	-	98,867

Reserves Category	Shale Gas		Coal Bed Methane		Natural Gas Liquids		Total Oil Equivalent	
	Gross (2)(4)	Net (3)(4)	Gross (2)(4)	Net (3)(4)	Gross (2)(4)	Net (3)(4)	Gross (2)(4)	Net (3)(4)
	(MMcft)	(MMcft)	(MMcft)	(MMcft)	(Mbbbl)	(Mbbbl)	(MBOE)	(MBOE)
Proved								
Developed Producing	-	13,743	-	31,351	-	5,057	-	36,039
Developed Non-Producing	-	230	-	-	-	31	-	1,321
Undeveloped	-	-	-	-	-	-	-	-
Total Proved	-	13,973	-	31,351	-	5,088	-	37,360
Total Probable	-	4,202	-	7,935	-	1,555	-	10,829
Total Proved Plus Probable	-	18,175	-	39,286	-	6,643	-	48,189

\*Numbers may not add due to rounding

Notes:

<sup>(1)</sup> Future net revenue estimates were calculated using the pricing assumptions set forth in the AIF under the heading "Pricing Assumptions — Forecast Prices and Costs".

<sup>(2)</sup> Gross reserves represent the Company's interest in reserves before deduction of royalties and without including any royalty interests.

<sup>(3)</sup> Net reserves represent the Company's interest in reserves after deduction of royalty obligations plus the Company's royalty interests in reserves.

<sup>(4)</sup> The Company differs from typical crude oil and natural gas producers in that all of its interests in reserves are royalty interests with no associated working interests. As a result, there are no gross reserves associated with the Royalty Properties, which may hinder comparison of the Company's reserves with others in the crude oil and natural gas industry.

## Summary of Net Present Values of Future Net Revenue

Reserves Category	Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year) <sup>(1)</sup>					Unit Value Before Income Tax Discounted at 10%/year <sup>(2)</sup>	
	0%	5%	10%	15%	20%	\$/BOE	\$/Mcf
	\$M	\$M	\$M	\$M	\$M		
Proved							
Developed Producing	1,034,297	783,668	639,116	544,820	478,168	17.73	2.96
Developed Non-Producing	73,033	58,884	49,141	42,054	36,689	37.20	6.20
Undeveloped	-	-	-	-	-	-	-
Total Proved	1,107,330	842,552	688,258	586,874	514,858	18.42	3.07
Total Probable	437,741	233,434	150,955	109,117	84,539	13.94	2.32
Total Proved Plus Probable	1,545,071	1,075,986	839,213	695,991	599,397	17.42	2.90

\*Numbers may not add due to rounding

Reserves Category	Net Present Values Of Future Net Revenue After Income Taxes Discounted At (%/year) <sup>(1)</sup>				
	0%	5%	10%	15%	20%
	\$M	\$M	\$M	\$M	\$M
Proved					
Developed Producing		1,013,211	763,928	620,537	527,251
Developed Non-Producing		62,763	49,692	40,841	34,499
Undeveloped		-	-	-	-
Total Proved		1,075,974	813,619	661,378	561,750
Total Probable		377,066	195,757	123,750	87,858
Total Proved Plus Probable		1,453,040	1,009,377	785,127	649,608

\*Numbers may not add due to rounding

Notes:

<sup>(1)</sup> Future net revenue estimates were calculated using the pricing assumptions set forth in the AIF under the heading "Pricing Assumptions — Forecast Prices and Costs".

<sup>(2)</sup> Unit values are based on Company net reserves.



# History of Fee Lands

---

1676

King Charles II of England grants 948 million acres of land (five times the size of France) to the Hudson's Bay Company. This land, named Rupert's Land, made up a large portion of modern Canada.

1868

This land is transferred from the Hudson's Bay Company to the Dominion of Canada, in the Rupert's Land Act, in exchange for payment of £300,000 (or \$1,500,000) and the retention of 5% of the most arable land in the territory.

1871

The government began construction on the Intercontinental Railway to unite Canada east to west and encourage settlement in the west.

1881

Canadian Pacific Railways (CPR) began construction of the railway from Winnipeg to British Columbia. In exchange for building the railroad, CPR was granted 25 million acres of land. These lands included the petroleum and natural gas rights.

1882

CPR was able to select lands from the odd numbered sections in a belt of land 24 miles wide on each side of the CPR railway rights. This created a checkerboard pattern, still widely used in the industry today to describe the lands. Where lands were deemed unfit for settlement, CPR negotiated for other lands that were often far from railway construction.

1883

CPR began drilling for water in hope of improving the land's suitability for settlement. While drilling for water, Alberta's first natural gas was discovered, Langevin No.1.

1886

CPR sold five million acres of land to various land syndicates and returned seven million acres to the federal government as part of a loan settlement. Starting in 1887, the Dominion of Canada no longer granted mines and mineral rights as part of land sales.

1905

Irrigation projects were initiated to improve the habitability of lands between Swift Current and Calgary. The checkerboard selection was abandoned in exchange for building a large irrigation system.

1912

The CPR began reserving all mines and mineral rights and established its Department of Natural Resources in Calgary.

1958

CPR creates Canadian Pacific Oil and Gas Limited and passes all of the mineral title lands to them.

1971

PanCanadian Petroleum Limited is created with the amalgamation of Canadian Pacific Oil and Gas Limited and Central Del Rio Oils Limited. They focus on engaging in smaller deals, reducing risk and retaining owned land.

2002

Encana is created through the merger of PanCanadian and Alberta Energy Company.

2014

PrairieSky Royalty acquires fee simple mineral title lands from Encana and completes its IPO.

PrairieSky successfully completes the acquisition of Range Royalty in December 2014, a best-in-class private royalty business with exposure to the Viking light oil play in Western Saskatchewan acquiring over 3.5 million acres of royalty lands.

2015

PrairieSky acquires a substantial portion of CNRL's royalty assets, gaining unparalleled fee simple mineral title exposure in the Viking light oil play in Western Saskatchewan and royalty interests in multiple resource plays in the Deep Basin of Alberta and British Columbia.

2021

PrairieSky completes a 640,000 acre royalty acquisition which includes 170,000 acres of fee simple mineral title, with royalties primarily in the Deep Basin of Alberta.

Present

**PrairieSky is the largest fee simple mineral title land owner in Western Canada, owning approximately 8.0 million acres of Fee Lands with rights to petroleum, natural gas and other minerals and interests in 8.1 million acres of GORR Lands.**

# Land Overview

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## FEE LANDS

There is a long and extensive history associated with fee simple mineral title ownership in Canada, dating back to as early as 1676 when King Charles II of England granted 948 million acres of land to the Hudson's Bay Company. The Hudson's Bay Company ceded the land to the Dominion of Canada, which then granted lands to companies and settlers in order to build a railroad and encourage settlement in the west. As railway construction proceeded across the country and people moved west to settle new towns and cities, drilling began, which laid the groundwork for the modern oil and natural gas industry. The majority of the Fee Lands were granted in 1881 to Canadian Pacific Railway, by the Dominion of Canada, in consideration for completing the national railway from Winnipeg, through the then North-West Territories, to British Columbia. The land grants included, with certain exceptions, all mines and mineral rights from odd numbered sections in a belt of land 24 miles wide on each side of the CPR rights of way in a checkerboard pattern, in addition to a land grant totaling 25 million acres. The requirement for CPR to select lands in a checkerboard fashion was later abandoned in exchange for CPR constructing a comprehensive irrigation system east of Calgary. CPR selected a large block of land bordered by the Bow River to the south and Red Deer River to the north, which formed a contiguous land position east of Calgary. In 1912, CPR acquired Alberta Railway and Irrigation Company and gained ownership of a contiguous land position in the Lethbridge area. In 1958, CPR became an active participant in the petroleum industry and created the Canadian Pacific Oil and Gas Company ("CPOG") to which it conveyed all mineral titles (including the Fee Lands). During this period, CPOG was still under direct control of CPR and, in addition to leasing out its own fee simple mineral title lands, began to move its focus to increased exploration on its own fee simple mineral title lands, as well as acquiring lands that it had previously leased out to third parties. Through successive transactions, the Fee Lands passed from CPOG to PanCanadian Petroleum Limited, then to Encana via amalgamation and finally to PrairieSky.

PrairieSky continues the long history of managing mineral titles, leasing out mineral rights and leasing lands to third parties for exploration and development. From the original lease issued in 1922 from CPR to Royalties Oil Company Limited (which is still in existence today) to the Company's most recently issued

leases, the Fee Lands and the Company's predecessors have played a significant role in the history of the development of the Canadian oil and natural gas industry.

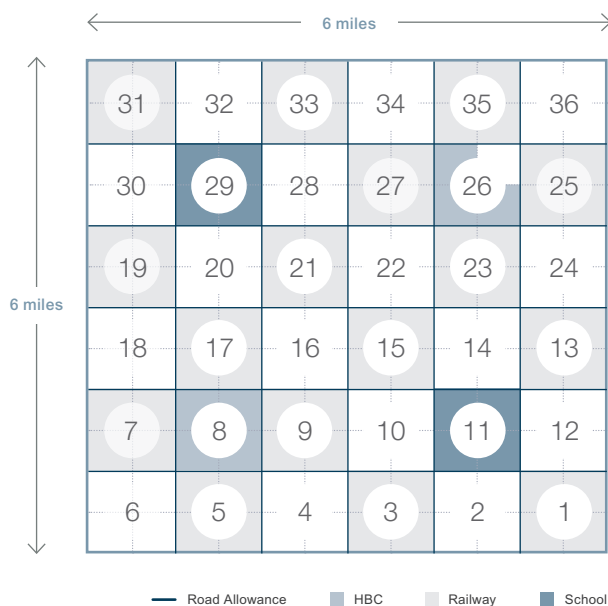
Fee simple mineral title held by corporations and individuals is relatively uncommon in Canada. In Alberta, where the Fee Lands are predominantly located, fee simple mineral title ownership is currently broken down as follows: (i) approximately 81% held by the Provincial Crown (Province of Alberta); (ii) approximately 9% held by the Federal Crown (Federal government, national parks, First Nation reserves and Veteran Affairs); (iii) approximately 9% held by public and private corporations; and (iv) approximately 1% held by individual landowners. Fee simple mineral title ownership is unique from other forms of oil and gas interests, including leases, as it is the largest bundle of rights in relation to land. This ownership structure means there are no royalties payable to the Crown on these lands, only production and mineral tax associated with production on the lands that is levied annually on the value of such production, or is levied pursuant to the amount of non-Crown acres held. Additionally, fee simple mineral title and its associated mineral rights are held in perpetuity and do not expire, unlike leases granted by the Crown. The significant advantage afforded to owners of fee simple mineral title is the ability to grant petroleum and/or natural gas leases to third parties while reserving back a lessor royalty. Lease terms and royalty rates are negotiated between fee simple mineral title owners and third parties, and leases granted can be specific to substance and stratigraphic formation. The leases issued by the fee simple mineral title owner also specify the royalty rates payable (based on a percentage of production) and the primary term of the lease, upon which the lessee is afforded the right of quiet enjoyment of the lands. As a result, through substance and/or stratigraphic-specific leasing arrangements, fee simple mineral title owners are able to lease and re-lease the same section of land to various lessees, allowing such lessees the right to drill and explore for, and ultimately produce in different stratigraphic formations as outlined in the particulars of their lease (a practice typically applicable to established resource plays). Generally, at the end of the primary term, the lease will specify that stratigraphic formations that are not producing would revert back to the fee simple mineral title owner, and such formations can then be re-leased by the fee simple mineral title owner to other third parties.

## GORR INTERESTS

The GORR Lands are governed by contractual arrangements whereby the GORR Interests have been reserved to the Company, typically on lands where the Company does not have fee simple mineral title ownership. GORR Interests expire upon the termination of the underlying leases. A GORR Interest can be created under many transaction scenarios, including as a result of: (i) a company farming out working interest rights to another company in exchange for retaining a GORR Interest on future production from lands under the farmout agreement; (ii) a company providing capital in exchange for granting of a GORR Interest or converting a participating interest in a joint venture relationship into a GORR Interest; (iii) a company, as owner of certain Fee Lands that are in a checkerboard fashion, receiving a GORR Interest on offsetting Crown acreage, achieved in exchange for allowing drilling by third parties of longer horizontal wells across sections that include portions of the Fee Lands or in certain cases where a third party has reviewed the Company's seismic data and acquired a lease or license on the adjacent Crown acreage; or (iv) various other contractual arrangements.

## DOMINION LAND SURVEY

The Canadian government used a grid system called the Dominion Land Survey to survey lands in Western Canada. The Dominion Land Survey started in 1882 and was designed primarily for agricultural purposes. It was performed to prepare for the arrival of homesteading settlers and divided the land into six mile square townships. A township is further divided into one square mile or 640 acre sections. A section can be further subdivided into four quarters or 16 legal subdivisions.



## TORRENS SYSTEM

The Torrens System of Land Registration has been used in Alberta since 1887 and is used across Western Canada. Under this system, no claim of title to land or claim against the title to land is valid unless it is duly registered with the provincial government registry. Historically, it was necessary to track the chain of title through various transfers back to the original grant from the Crown. In the registry, each piece of land is identified by a unique number and title. Each title has a description of the dimensions and boundaries of the land. The title shows the names of the registered owners and any legal interests that have been applied against the title and could affect ownership.

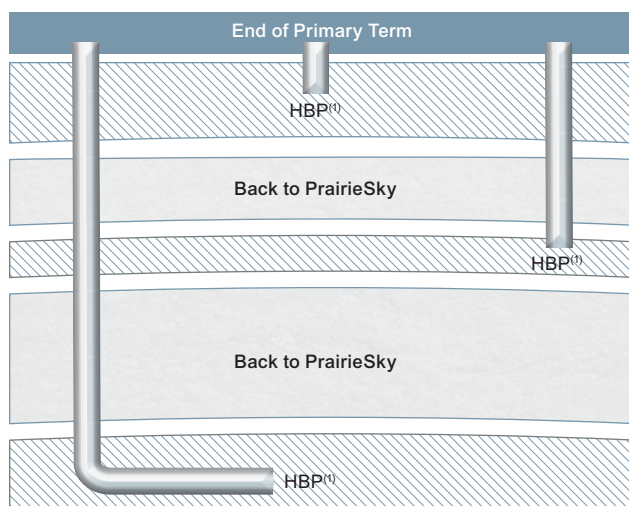
The Torrens System works under three principles:

- ▶ Mirror Principle means that the registered title will accurately and completely reflect the current facts about the title.
- ▶ Curtain Principle means that the current certificate of title contains all of the information about the title.
- ▶ Insurance Principle means that an insurance fund is in place to compensate anyone who suffers a loss as a result of a mistake being made about the validity or accuracy of title. The concept behind the Torrens System is that the registry guarantees the accuracy of every title of land.

The Torrens System provides for an accurate and complete land registry.

## RECYCLING THE LAND BASE

The perpetual nature of Fee Lands allows PrairieSky to continually recycle lands and grow its revenue base. At the end of the primary lease term, any lands or zonal rights not held by production typically revert back to PrairieSky. PrairieSky can re-lease such lands to third parties who plan to exploit, explore and/or develop these opportunities.



<sup>(1)</sup> Held by Production

## COMPETITIVE ADVANTAGE

PrairieSky offers competitive advantages over leasing on Crown lands. PrairieSky works with lessees to determine the appropriate leasing arrangement and has discretion on term, royalty and development covenants. This allows PrairieSky and its lessees to enter into mutually beneficial arrangements. PrairieSky is able to enter into leases on an expedited basis through a private process rather than going to public auction. This provides lessees with certainty around their development schedules. PrairieSky offers access to our technical expertise which has extensive experience on historic PrairieSky lands, including access to drilling prospects PrairieSky has generated internally.

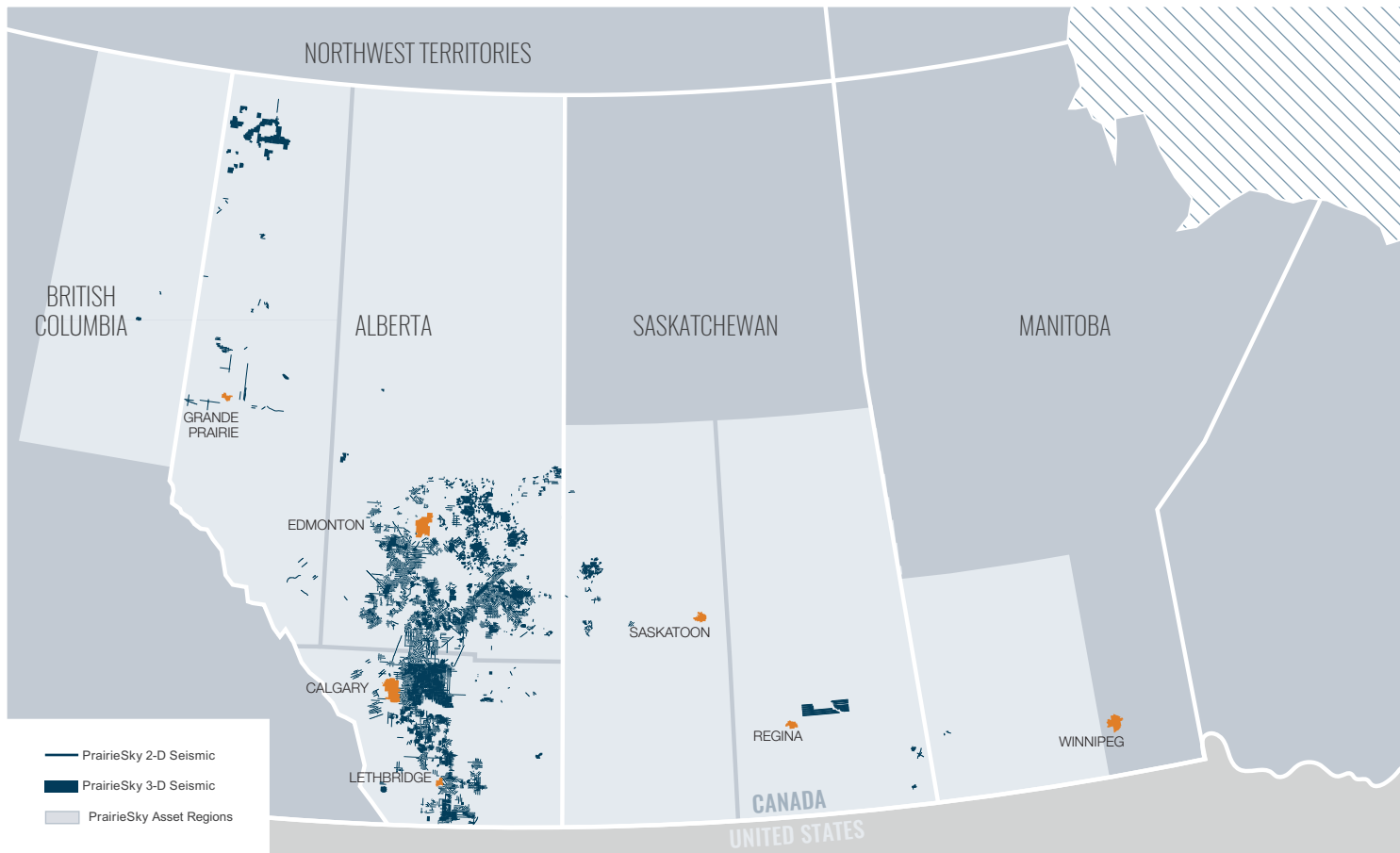
PrairieSky has seismic data available over much of our extensive land base which we provide to lessees. This improves drilling results and reduces lead time to drill wells. Below is a summary map of PrairieSky's seismic data.

## SEISMIC DATA

PrairieSky actively markets its Royalty Properties to encourage third-party development through various arrangements including lease issuances, farmouts, drilling commitments and seismic option agreements, with fit-for-purpose terms. Offering seismic across much of PrairieSky's lands provides a significant advantage for lessees. PrairieSky has a seismic licence to certain proprietary seismic data held by a third party, as well as seismic data acquired pursuant to multiple acquisitions, together encompassing approximately 49,200 kilometers of 2-D seismic and approximately 16,700 square kilometers of 3-D seismic.

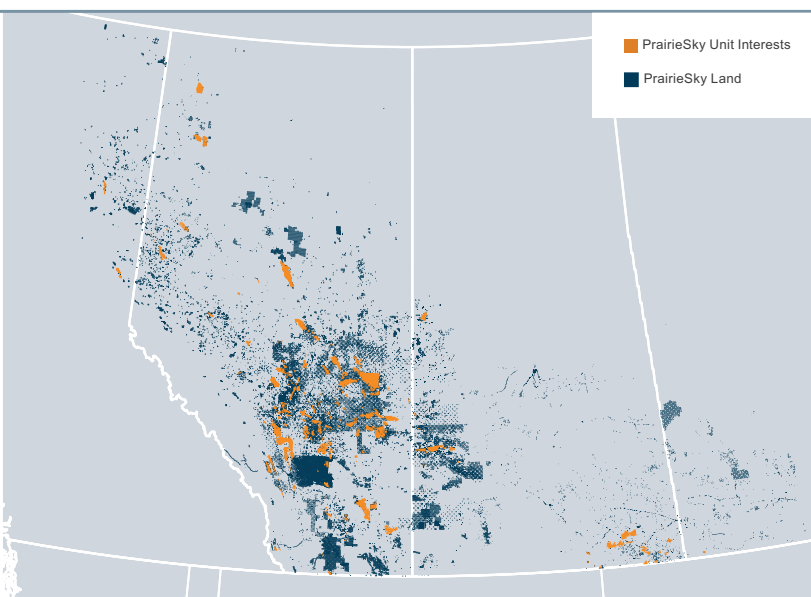
## LAND FUNDS

PrairieSky has agreements in place with certain oil and gas producers to fund purchases of Crown lands in exchange for a gross overriding royalty over the acquired lands. These arrangements allow PrairieSky shareholders to access oil plays at competitive parts of the cost curve.



# Unitization and Pooling Agreements

## PrairieSky Unit Interests

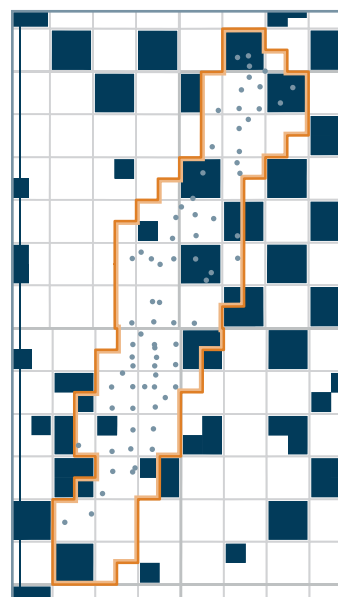


PrairieSky received royalty revenues from 236 units accounting for approximately 10% of total product revenue in 2020. The unitization of productive oil and gas pools generally occurs to eliminate harmful competition between offsetting operators of the same pool, and to promote the efficient recovery of hydrocarbons through reservoir management and optimization by a single operator. The effect of unitization is that each land owner receives a lower average royalty in a greater number of wells across a larger unitized area.

For purposes of this Royalty Playbook, units are disclosed in certain cases as a separate type of ownership from PrairieSky Fee Lands and GORR Lands. In fact, PrairieSky's unit interests may be Lessor Interests or GORR Interests or a combination of both. Units contain wells and lands without direct ownership that must be taken into account for royalty calculations and compliance purposes.

Units further extend the reach of PrairieSky's broad land base. Large reserves in place are often associated with units, which can provide access to a stable production base, a large number of producing wells, pooled resources of lessees, and combined efforts on waterflood or enhanced oil recovery initiatives.

## Unit Example



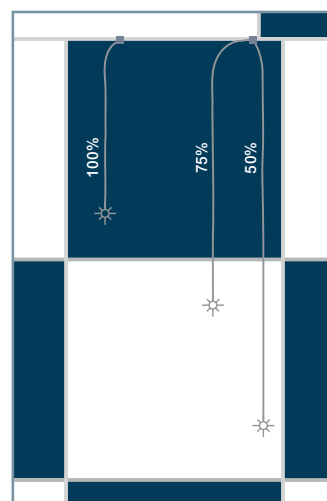
This illustration shows a typical oil unit. It covers an area of 29.25 sections (75 square kilometers), contains over 70 wells, and has an active waterflood. PrairieSky has an underlying interest in only 7.75 sections, but benefits from the stable production of the entire unit and the additional oil recoveries from a successful waterflood project.

● Unit Well  
 □ Unit Boundary  
 ■ PrairieSky Land

There are several circumstances when an agreement is needed to combine the interest of two or more adjacent leases. The drilling of horizontal wells is a common example. When a horizontal well is drilled across a lease boundary, a pooling agreement is created to allocate the production from the well to each lessee and the royalty payable to each lessor.

The implications for PrairieSky are the same for pooling agreements as for unitization except usually on a smaller scale. The Company's exposure to new wells and production increases and the average royalty interest decreases.

## Production Allocation (PA)



This illustration shows production allocations for horizontal wells based on the percentage of each lease in the productive part of the well. In determining royalty volumes receivable, PrairieSky would be allocated 100% of the production for wells drilled entirely on PrairieSky lands, and the proportionate amount of production for wells extending across lease boundaries.

★ Producing Well  
 ■ PrairieSky Land

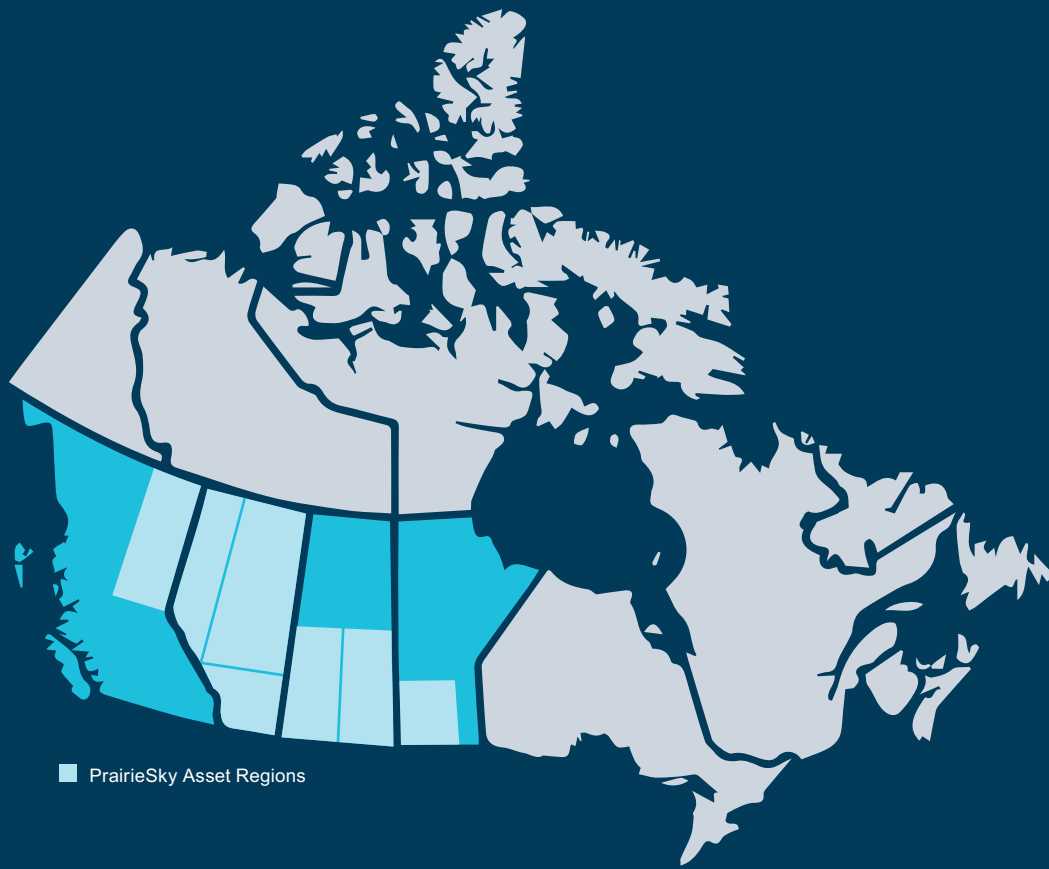




# Asset Summary & Methodology

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■ PrairieSky Asset Regions

PrairieSky's Royalty Properties span 16.1 million acres, approximately half the size of England.

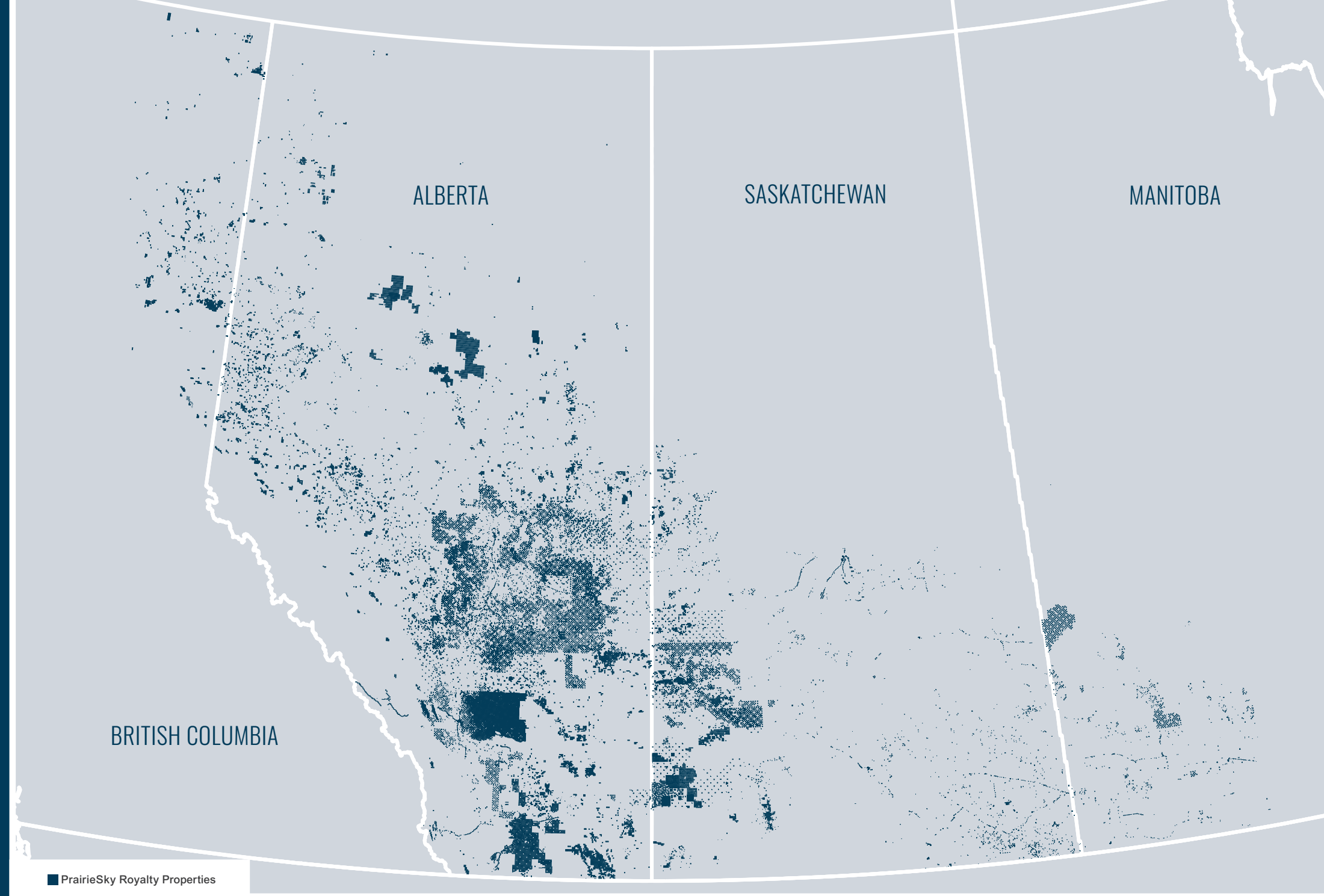


# Royalty Asset Summary

PrairieSky has prepared this Royalty Playbook using five separate asset regions, as summarized below. The areas were determined geographically for ease of use. Within each of the asset regions, PrairieSky has identified plays where current production and industry activity is taking place. Given the size of PrairieSky's land base, the stage of development and/or play type, not all plays are described with the same level of detail. Please refer to Acreage & Future Value Methodology and Assumptions & Terminology on page 44 and 45, respectively, of this Royalty Playbook for important information that should be read in conjunction with this Royalty Asset Summary.

Acreage in the table below is on an areal basis and does not consider the multi-zone potential of many of PrairieSky's plays. As a result, the sum of the acreage from each play will not total the Royalty Asset Summary or regional totals. PrairieSky's large land position offers a diverse opportunity set. PrairieSky has lands in the vast majority of active plays and exposure to new discoveries and future optionality.

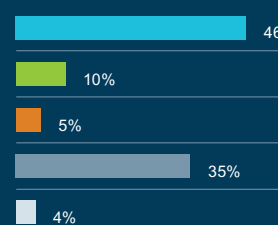
Region	Fee Acres	GORR Acres	Total Acres
CENTRAL ALBERTA	3.6	2.5	6.1
SOUTHERN ALBERTA	2.7	1.2	3.9
NW AB & NE BC	0.1	2.6	2.7
WESTERN SASK	1.1	1.6	2.7
SE SASK & MB	0.5	0.1	0.6
OTHER	0.0	0.1	0.1
<b>TOTAL</b>	<b>8.0</b>	<b>8.1</b>	<b>16.1</b>



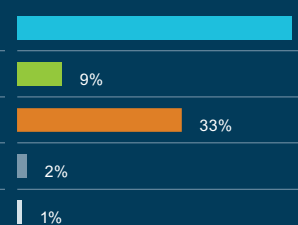
Region	2020 Royalty Production (BOE/d)	Liquids%
CENTRAL ALBERTA	8,107	57%
SOUTHERN ALBERTA	3,553	25%
NW AB & NE BC	4,144	28%
WESTERN SASK	3,197	79%
SE SASK & MB	350	90%
OTHER	361	50%
<b>TOTAL</b>	<b>19,712</b>	<b>49%</b>

2020 royalty production on a production month basis. Please see Assumptions & Terminology for additional information.

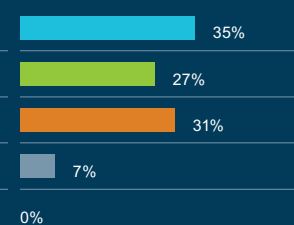
2020 Net Oil Production by Region



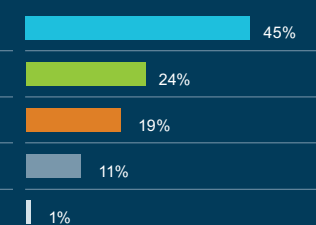
2020 Net NGL Production by Region



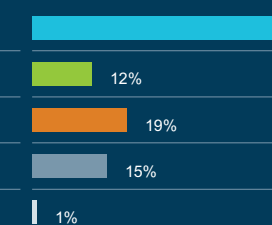
2020 Net Gas Production by Region



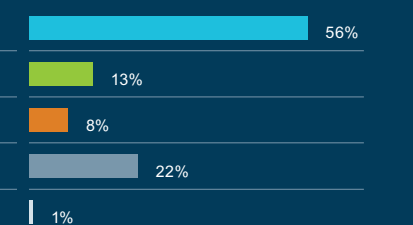
Booked Reserves (MBOE) by Region



Total Volume (MBOE) by Region



Undiscounted Total Value (\$MM) by Region



■ CENTRAL ALBERTA   
 ■ SOUTHERN ALBERTA   
 ■ NORTHWEST ALBERTA & NORTHEAST BRITISH COLUMBIA   
 ■ WESTERN SASKATCHEWAN   
 ■ SOUTHEAST SASKATCHEWAN & MANITOBA

## Royalty Asset Valuation Summary

	Booked Reserves (MBOE)	Undiscounted Booked Value (SMM)	Future Fee Locations	Future GORR Locations	Future Potential (MBOE)	Undiscounted Future Potential (SMM)	Total Volume (MBOE)	Undiscounted Total Value (SMM)
<b>CENTRAL ALBERTA</b>	<b>22,205</b>	<b>\$661</b>	<b>6,560</b>	<b>4,320</b>	<b>217,529</b>	<b>\$7,969</b>	<b>239,734</b>	<b>\$8,630</b>
Shallow Gas	2,514	\$25	0	0	0	\$0	2,514	\$25
Belly River Oil	253	\$13	40	20	738	\$37	991	\$50
Cardium Oil	1,029	\$29	1,070	680	24,159	\$927	25,188	\$956
Viking Oil	1,188	\$57	2,330	1,340	23,026	\$1,172	24,214	\$1,229
Mannville Gas	7,149	\$139	860	360	68,805	\$1,397	75,954	\$1,536
Mannville Light Oil	1,437	\$51	510	140	21,201	\$663	22,638	\$714
Mannville Heavy Oil	2,699	\$119	500	480	25,917	\$1,147	28,616	\$1,266
Clearwater Oil	428	\$18	0	1,050	8,978	\$389	9,406	\$407
Mississippian Oil	526	\$17	50	10	1,904	\$67	2,430	\$84
Nisku Oil	1,093	\$57	50	10	2,226	\$103	3,319	\$160
Devonian Oil	731	\$38	30	20	637	\$34	1,368	\$72
Duvernay	606	\$32	1,120	210	39,938	\$2,033	40,544	\$2,065
Other Plays	2,552	\$66	0	0	0	\$0	2,552	\$66
<b>SOUTHERN ALBERTA</b>	<b>12,109</b>	<b>\$255</b>	<b>1,285</b>	<b>170</b>	<b>40,524</b>	<b>\$1,779</b>	<b>52,633</b>	<b>\$2,034</b>
Shallow Gas	5,159	\$65	0	0	0	\$0	5,159	\$65
Cardium Oil	662	\$23	85	10	3,011	\$115	3,673	\$138
Mannville Gas	990	\$15	210	20	6,178	\$97	7,168	\$112
Mannville Oil	1,826	\$75	860	140	28,046	\$1,375	29,872	\$1,450
Bakken Oil	243	\$14	130	0	3,289	\$192	3,532	\$206
Other Plays	3,229	\$63	0	0	0	\$0	3,229	\$63
<b>NW AB &amp; NE BC</b>	<b>9,307</b>	<b>\$159</b>	<b>0</b>	<b>3,130</b>	<b>78,927</b>	<b>\$1,109</b>	<b>88,234</b>	<b>\$1,268</b>
Cardium Gas	263	\$4	0	470	6,309	\$68	6,572	\$72
Cardium Oil	323	\$9	0	220	1,434	\$59	1,757	\$68
Dunvegan Oil	238	\$7	0	200	2,170	\$70	2,408	\$77
Spirit River Gas	2,373	\$26	0	840	27,967	\$280	30,340	\$306
Montney Gas	3,790	\$57	0	1,070	34,609	\$424	38,399	\$481
Montney Oil	822	\$20	0	330	6,438	\$208	7,260	\$228
Other Plays	1,498	\$36	0	0	0	\$0	1,498	\$36
<b>WESTERN SASKATCHEWAN</b>	<b>5,692</b>	<b>\$259</b>	<b>4,930</b>	<b>2,020</b>	<b>61,412</b>	<b>\$3,201</b>	<b>67,104</b>	<b>\$3,460</b>
Shallow Gas	510	\$6	0	0	0	\$0	510	\$6
Viking Oil	2,481	\$129	4,500	1,900	49,519	\$2,666	52,000	\$2,795
Mannville Oil	2,054	\$95	260	100	9,025	\$415	11,079	\$510
Bakken Oil	548	\$26	170	20	2,868	\$120	3,416	\$146
Other Plays	99	\$3	0	0	0	\$0	99	\$3
<b>SE SASK &amp; MANITOBA</b>	<b>633</b>	<b>\$34</b>	<b>170</b>	<b>90</b>	<b>3,216</b>	<b>\$173</b>	<b>3,849</b>	<b>\$207</b>
Bakken Oil	226	\$12	110	40	2,228	\$119	2,454	\$131
Mississippian Oil	345	\$19	60	50	988	\$54	1,333	\$73
Other Plays	62	\$3	0	0	0	\$0	62	\$3
<b>TOTAL</b>	<b>49,946</b>	<b>\$1,368</b>	<b>12,945</b>	<b>9,730</b>	<b>401,608</b>	<b>\$14,231</b>	<b>451,554</b>	<b>\$15,599</b>

See Assumptions & Terminology on page 45 for discussion on the categories used in the tables on pages 24 and 25.

## Summary of Changes

The table below summarizes changes between the 2021 Royalty Playbook and the 2019 Royalty Playbook.

	Future Fee Locations	Future GORR Locations	Future Potential (MBOE)	Undiscounted Future Potential (SMM)	Total Volume (MBOE)	Undiscounted Total Value (SMM)	Total Value Price Sensitivity (SMM) <sup>(1)</sup>
<b>CENTRAL ALBERTA</b>	<b>130</b>	<b>355</b>	<b>34,803</b>	<b>\$511</b>	<b>36,240</b>	<b>\$498</b>	<b>-\$746</b>
Shallow Gas	0	0	0	\$0	381	\$10	\$11
Belly River Oil	0	0	-42	-\$7	-185	-\$18	-\$6
Cardium Oil	70	30	6,802	\$150	6,874	\$148	-\$83
Viking Oil	30	-10	-5,269	-\$309	-5,062	-\$309	-\$153
Mannville Gas	20	20	11,148	\$284	11,720	\$300	\$46
Mannville Light Oil	40	-10	9,651	\$108	9,767	\$101	-\$33
Mannville Heavy Oil	0	30	4,635	\$141	4,448	\$115	-\$176
Clearwater Oil	0	325	5,400	\$175	5,785	\$191	-\$58
Mississippian Oil	0	0	397	\$11	246	\$3	-\$6
Nisku Oil	0	0	729	\$17	954	\$18	-\$19
Devonian Oil	0	10	-45	-\$5	-115	-\$15	-\$10
Duvernay	-30	-40	1,396	-\$54	1,631	-\$47	-\$258
Other Plays	0	0	0	\$0	-204	-\$1	-\$1
<b>SOUTHERN ALBERTA</b>	<b>30</b>	<b>-40</b>	<b>-247</b>	<b>-\$189</b>	<b>1,355</b>	<b>-\$130</b>	<b>-\$162</b>
Shallow Gas	0	0	0	\$0	450	\$27	\$23
Cardium Oil	-15	-10	527	\$8	922	\$20	-\$11
Mannville Gas	10	-10	619	\$33	446	\$35	\$24
Mannville Oil	35	-20	1,006	-\$64	898	-\$73	-\$174
Bakken Oil	0	0	-2,400	-\$166	-2,374	-\$166	-\$29
Other Plays	0	0	0	\$0	1,013	\$27	\$6
<b>NW AB &amp; NE BC</b>	<b>0</b>	<b>-70</b>	<b>6,308</b>	<b>\$304</b>	<b>6,392</b>	<b>\$343</b>	<b>\$219</b>
Cardium Gas	0	60	-248	\$10	-300	\$9	\$21
Cardium Oil	0	10	410	\$19	486	\$20	-\$6
Dunvegan Oil	0	0	35	\$4	13	\$3	-\$6
Spirit River Gas	0	-160	-125	\$80	-949	\$78	\$103
Montney Gas	0	-30	4,793	\$169	5,062	\$191	\$117
Montney Oil	0	50	1,443	\$22	1,986	\$32	-\$11
Other Plays	0	0	0	\$0	93	\$10	\$1
<b>WESTERN SASKATCHEWAN</b>	<b>540</b>	<b>-10</b>	<b>5,651</b>	<b>-\$172</b>	<b>4,941</b>	<b>-\$226</b>	<b>-\$460</b>
Shallow Gas	0	0	0	\$0	-318	\$0	\$2
Viking Oil	500	0	4,668	-\$183	4,275	-\$235	-\$373
Mannville Oil	40	-10	975	\$17	1,066	\$19	-\$72
Bakken Oil	0	0	8	-\$6	-16	-\$7	-\$18
Other Plays	0	0	0	\$0	-67	-\$3	\$0
<b>SE SASK &amp; MANITOBA</b>	<b>0</b>	<b>-10</b>	<b>-22</b>	<b>-\$41</b>	<b>32</b>	<b>-\$43</b>	<b>-\$27</b>
Bakken Oil	0	0	237	-\$12	311	-\$8	-\$17
Mississippian Oil	0	-10	-260	-\$29	-268	-\$34	-\$10
Other Plays	0	0	0	\$0	-11	-\$1	\$0
<b>TOTAL</b>	<b>700</b>	<b>225</b>	<b>46,493</b>	<b>\$413</b>	<b>48,959</b>	<b>\$441</b>	<b>-\$1,176</b>

<sup>(1)</sup>Total Value Price Sensitivity uses 2021 Royalty Playbook inputs with 2019 Royalty Playbook pricing assumptions. The Undiscounted Total Value of the 2021 Royalty Playbook inputs using 2019 pricing assumptions is \$16,775MM.

Numbers may not add due to rounding.

12%

INCREASE IN  
TOTAL VOLUMES

3%

GROWTH IN  
UNDISCOUNTED  
TOTAL VALUE

4%

GROWTH IN  
FUTURE  
LOCATIONS

915

NEW WELLS  
ON PSK LANDS

MAINTAINED OVER  
100%

OF BOOKED RESERVES VOLUMES WHILE  
RETURNING \$378.1 MILLION SINCE  
2019 ROYALTY PLAYBOOK<sup>(1)</sup>



## PRICING ASSUMPTIONS

The following flat pricing assumptions were used in preparing the Undiscounted Booked Value<sup>(2)</sup> and Undiscounted Future Potential included in the Royalty Asset Summary and play reviews throughout this Royalty PlayBook:

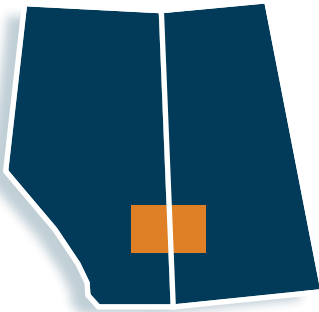
Benchmark	2021 Royalty Playbook	2019 Royalty Playbook
West Texas Intermediate (\$US/bbl)	55.00	60.00
Edmonton Light Sweet (\$/bbl)	64.74	74.00
AECO (\$/Mcf)	2.25	1.50
Foreign Exchange (\$USD/\$CAD)	0.78	0.75

<sup>(1)</sup>Returns from January 1, 2019 to December 31, 2020.

<sup>(2)</sup>The Undiscounted Booked Value does not agree to the year-end GLJ Report as the GLJ Report was prepared using the pricing assumptions disclosed in PrairieSky's AIF under the heading "Pricing Assumptions – Forecast Prices and Costs" and it includes the Undiscounted Booked Value related to the Deep Basin Acquisition.



# Viking Oil



The extensive Viking fairway is productive over much of Central Alberta and West Central Saskatchewan and remains a key play for many producers. The Viking provides low risk development opportunities, low capital requirements, superior economic returns

and short cycle times. Pool extensions over the past two years have added to PrairieSky's inventory of future locations. With a large inventory of locations on PrairieSky lands, future development is sustainable for many years to come.

Viking oil production in Alberta and Saskatchewan dates back to the 1940-1950s. Conventional oil pools were developed up to 16 vertical wells per section, and some of the first waterflooded pools in Canada were in the Viking. The Viking has also proven to be amenable to tertiary recovery schemes, like CO<sub>2</sub> injection in Joffre, still active after almost 40 years. PrairieSky has a small royalty interest in the Joffre unit.

## ALBERTA VIKING

Industry has continued to invest capital in the Alberta Viking with over 240 new drills on production in the last two years, and 72% of this recent drilling has been on PrairieSky land. Over the same period, 35% of all Viking activity on PrairieSky lands was in Alberta. Expansion of the play through drilling has allowed for a small increase in future locations assigned to the play.

Advancements in horizontal technology have contributed to the resurgence in the Alberta Viking in recent years. Drilling activity in the Provost Veteran Viking C Unit is a good example of the successful implementation of horizontal technology while leveraging existing recovery schemes. In addition to utilizing monobore drilling to reduce costs, horizontal well performance is benefiting from the pressure support of historical waterflooding. Numerous waterflood initiatives are currently underway across PrairieSky's land base that will extend the duration of this already long-life asset.

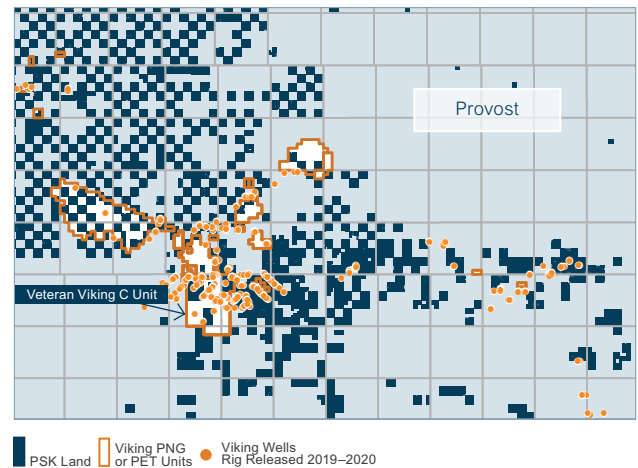
### PLAY HIGHLIGHTS

- Quick payouts allow operators to reinvest capital into the play over a shorter time period
- Low risk infill drilling occurring at up to 30 wells/section, PrairieSky's location inventory averages only 12 wells per section
- Drilling activity has contributed production adds and growth in future location inventory

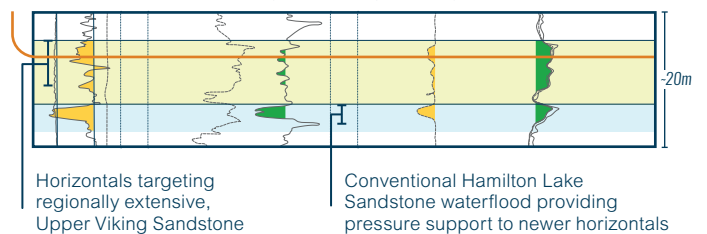
### Future Opportunities

- Expansion of Productive Trends
- Improvements in Drilling & Completions
- Waterflooding
- Other Tertiary EOR Schemes

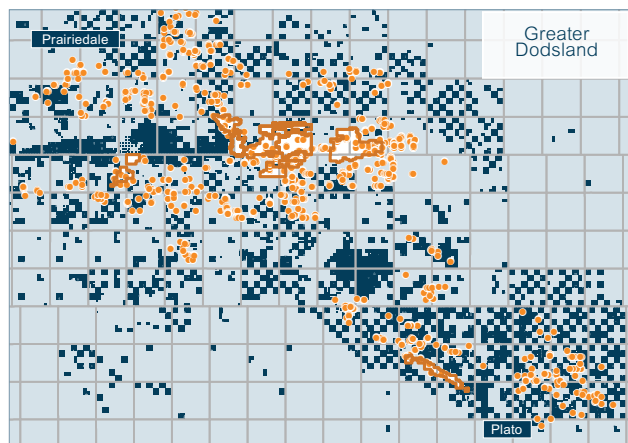
### Greater Provost Recent Activity



### Provost Veteran Viking C Unit Type Log



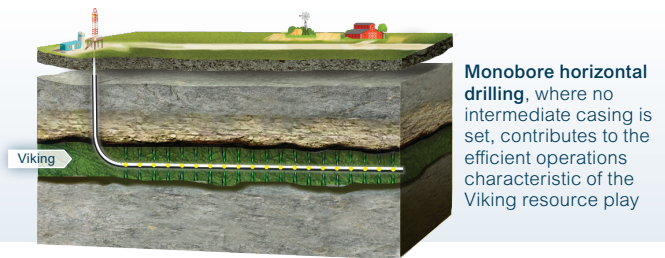
### Greater Dodsland Recent Activity



PSK Land Viking PNG or PET Units Viking Wells Rig Released 2019-2020

### SASKATCHEWAN VIKING

Drilling activity has remained strong in the play over the last two years, with over 1,100 new drills on production. On PrairieSky lands, activity has been spread out across the area, providing an indication of how prolific the Viking resource is in Saskatchewan. As operators have continued to extend development on or adjacent to PrairieSky’s extensive land base (70% Fee Land), it has resulted in growth of PrairieSky’s future drillable inventory from the 2019 Royalty Playbook. New waterflood initiations are planned on some of the higher permeability reservoirs discovered in the last five years.



### MONOBORE DRILLING

Low drilling and completion costs typically under \$1MM contribute to the robust economics of the Viking resource play. The use of monobore drilling, where a single-diameter hole is drilled from the surface casing to total depth, reduces rig time and drill costs. Viking horizontals mostly range from 0.5 miles to 1 mile in lateral length. Once the well is drilled, frac sleeves are run in the hole along with production casing. After the wells have been fracture stimulated, they are equipped at surface and placed on production. The operations are highly efficient; spud to on production timing can be as short as 20-30 days.

### Average Reservoir Characteristics – Viking

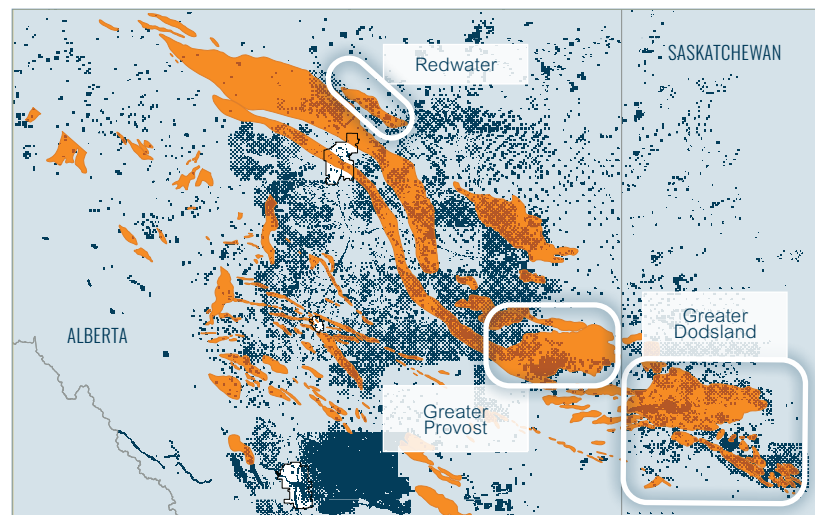
	Alberta Viking (Provost)	Saskatchewan Viking
Depth (m)	800 – 900	700 – 750
Thickness (m)	5 – 15	10
Porosity (%)	20 – 26	23
Permeability (mD)	1-100	1-100
Oil Saturation (%)	60	65
Water Saturation (%)	40	35
Temperature (°C)	32	30
Pressure (kPa)	5,000	6,500
Oil Gravity (°API)	32	36
Resource in Place /Section (MMBOE)	5 – 10	10

### Viking Properties

- Low Risk Light Oil Targets
- Growth in Future Location Inventory
- Extensive Land Base
- Large OOIP with Low Recovery Factors
- Low Capital Costs with Quick Payouts

### PrairieSky has an extensive Viking Fee and GORR position in Western Canada

While current Viking activity and future value is focused in the greater Provost and Dodsland areas, the formation is also prospective for oil and gas development over a large portion of PrairieSky’s land base.



Viking Regional Hydrocarbon Trends PSK Land

# Clearwater Oil



The Clearwater oil play in North Central Alberta holds significant growth potential within PrairieSky's portfolio. With over 1 million acres of land in the play, it is providing shareholders early exposure to an emerging resource play with extensive growth opportunities in the short, medium and long term.

The North Central Alberta area has been historically explored for conventional Mannville and Devonian reservoirs, with drilling and well log data obtained through the Clearwater section on the way down to deeper targets. While the Clearwater has historically had some hydrocarbon-bearing shows throughout the region, lower apparent reservoir quality combined with heavier oil viscosities resulted in the Clearwater oil reservoirs being largely unexploitable with conventional drilling and completion technology.

With the advancement of modern drilling and completion techniques, in particular multilateral horizontal drilling, the hydrocarbon potential of the Clearwater is being actively targeted by industry. While the rock quality is not conducive to conventional vertical development, the porosity and permeability are high enough that production can be obtained from open-hole multilateral horizontal wells without requiring fracture stimulation, significantly reducing per well capital costs. The multilaterals being drilled typically have six to

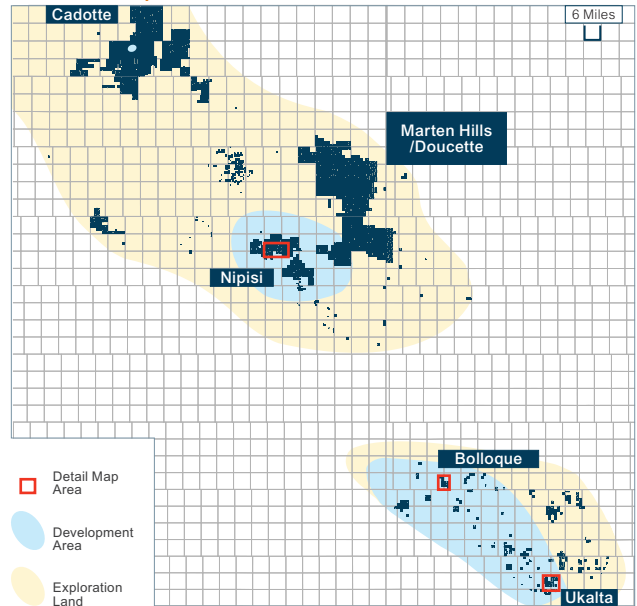
## PLAY HIGHLIGHTS

- Over 1 million acres of royalty land in an emerging oil resource play
- Liquids growth opportunity in the short, medium, and long-term
- Low cost play with stacked reservoirs and significant OOIP
- 1,050 locations in inventory, significant room for increasing inventory as play matures

## Future Opportunities

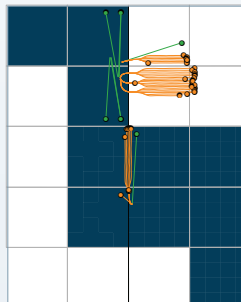
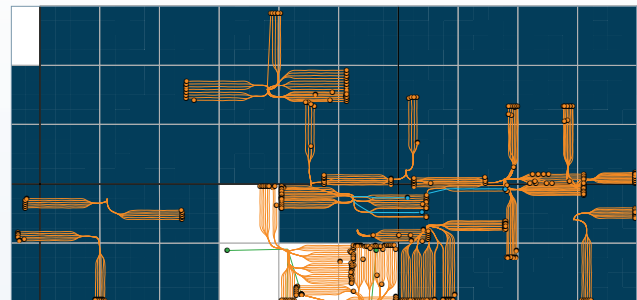
- Expansion of Productive Trends
- Stacked Horizontal Development
- Improvements in Drilling and Completions
- New Pool Discoveries
- Waterflood
- EOR

### Overview Map



### Nipisi Detail Map

This map over a portion of PrairieSky's development lands in Nipisi shows the extensive development to date that has occurred in the last five years. Less than 3% of PrairieSky's total Clearwater acreage is shown on this map.

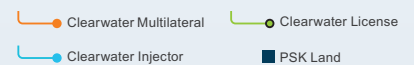
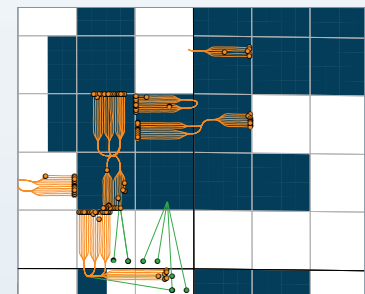


### Bolloque Detail Map

Recent licensed locations on PrairieSky's GORR acreage in the Bolloque field are expected to see near-term development.

### Ukalta Detail Map

Continued development of the Ukalta field is expected in the near term.



eight horizontal legs, exposing exponentially more reservoir to drainage than was possible with vertical development. For example, one six-leg multilateral can have over 7,000 metres of reservoir rock drilled. The highly consolidated nature of the reservoir also eliminates the need for liners to be placed in the horizontal section, further reducing well costs. With no horizontal liners or fracture stimulation required, the Clearwater play has significant cost savings in comparison to other horizontal drilling applications.

PrairieSky's land position offers near and long-term growth opportunities. Development is underway in the Nipisi and Marten Hills areas, and further evaluation of exploration lands is also ongoing. PrairieSky's future location inventory of 1,050 locations has been expanded since the previous Royalty Playbook to include development areas in Nipisi, Cadotte, and various fields within the productive south Clearwater trend. PrairieSky has taken a very conservative approach, as we do with all assets, when estimating future locations. Investors should expect material growth in inventory over the next two years. The continued delineation of exploration lands along the extensive Clearwater fairway is anticipated to contribute

### Average Reservoir Characteristics – Clearwater

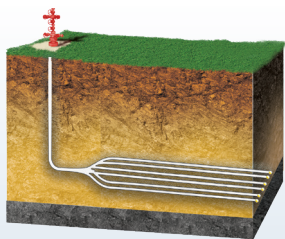
Depth (m)	<400 – 700
Thickness (m)	100 – 200
Average Net Pay (m)	5 – 15
Porosity (%)	20 – 26
Permeability (mD)	10 – 200
Oil Saturation (%)	50 – 60
Water Saturation (%)	40 – 50
Temperature (°C)	17 – 25
Pressure (kPa)	2,000 – 7,000
Oil Gravity (°API) (limited data to the North)	13 – 21
Viscosity (cP)	250 – 6,000
OOIP/Section (MMbbl)	20 – 35

significantly to further growth potential on PrairieSky lands. As the play matures and new productive areas are confirmed, the pace of development and associated production adds could also greatly increase in comparison to the rate of activity to date.

Even with the productivity gains through multilateral drilling technology, low recovery factors make the Clearwater a good candidate for enhanced oil recovery schemes, including waterfloods and polymer floods. Testing of secondary recovery schemes are already underway, which could further extend the low decline, long reserve life potential of the Clearwater.

### Clearwater Properties

- Emerging Oil Resource Play
- Low Cost, High Capital Efficiencies
- 15-Year Oil Sands Leases
- Multizone Potential
- Scalability
- Large OOIP

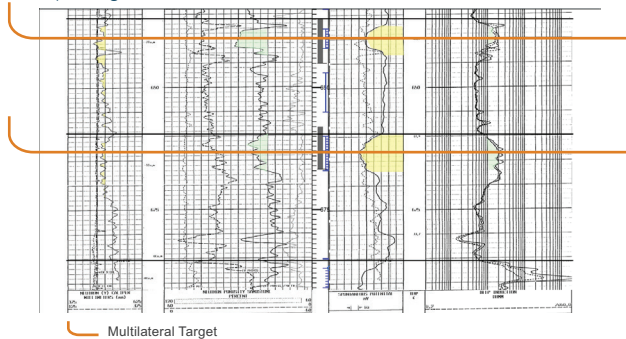


#### Multilateral Drilling Technology

Multilateral drilling technology exposes more reservoir to drainage. The in-situ porosity and permeability are high enough that multistage fracturing is not required for wells to produce in economic quantities.

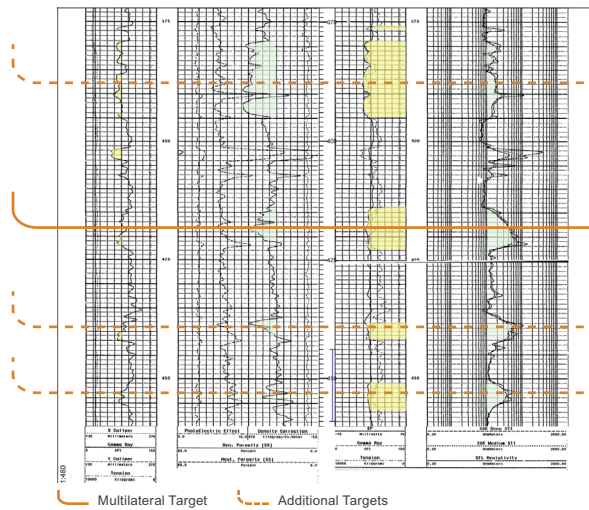
### Nipisi Example Well Log

Existing development in the Nipisi field has focused on two Clearwater sand packages.



### Exploration Lands Example Log

Exploration lands within the fairway can have up to four stacked Clearwater sands. No future value has been placed on exploration lands in this Royalty Playbook.





# Montney



The Montney formation remains one of the most actively drilled plays in the Western Canadian Sedimentary Basin. PrairieSky’s royalty lands within the Montney fairway provide future growth potential without the capital expenditures, operating

costs or wellbore liabilities borne by operators. The thickness of the Montney siltstone package often provides multiple stacked horizontal drilling locations over a single parcel of land.

The Lower Triassic Montney formation is an aerially extensive clastic wedge up to 320 meters thick that covers approximately 130,000 km<sup>2</sup> from Northeast BC into Northwest Alberta. It has been a target of oil and gas exploration since the 1950s. Early advances in multi-stage hydraulic fracturing in the 2000s initially targeted the unconventional dry gas window of the fairway, which until that time remained too tight to exploit using conventional vertical drilling and completion technology.

As further advances have been made in horizontal drilling and multi-stage hydraulic fracturing, such as the move to longer laterals, higher frac tonnages and tighter frac spacing, operators have successfully targeted the liquids-rich gas and oil windows of the Montney fairway. At the same time,

advances have been made in Montney “Cube” or “Stack” type developments, where horizontal development targeting multiple Montney siltstones occurs from one surface pad which improves drilling, operational, and cost efficiencies.

PrairieSky’s Montney royalty lands provide exposure to the oil, liquids-rich gas and dry gas windows along the Montney fairway. Two consolidated royalty land positions in the Altares field and Two Rivers field in Northeast BC provide significant future growth potential in the Montney.

## ALTARES – ONGOING DEVELOPMENT DRILLING

The Altares field borders the Montney liquids-rich gas window. Currently, PrairieSky collects royalties from approximately 90 wells in this field. With the recent return to a stronger natural gas pricing environment, the operator has again been active in the area with 12 wells rig released on royalty lands since the start of 2020. The operator has targeted at least 3 different stacked Montney sands on royalty lands and there is significant room for continued development potential in the future.

### PLAY HIGHLIGHTS

~70,000 acres GORR Land prospective for light oil and liquids-rich gas in Two Rivers

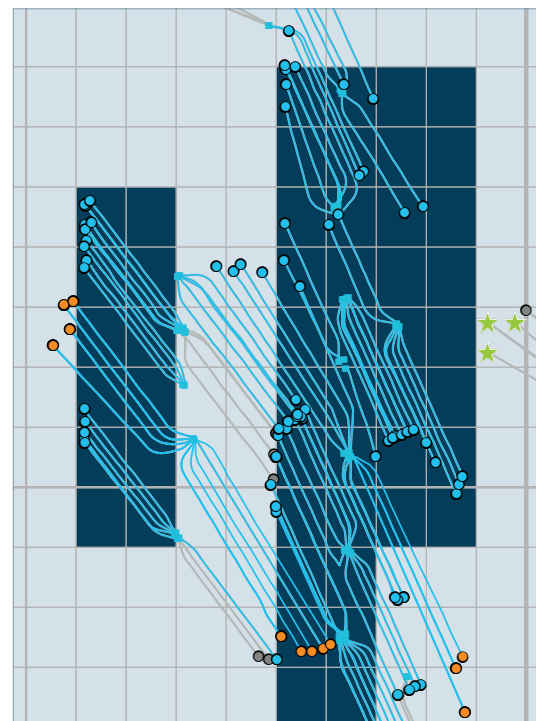
Operators moving towards “Cube” or “Stacked” horizontal development in many areas, not fully captured in future value

Exposure to significant upside with no capital commitments

Partnered with experienced operators on Royalty Properties

### Future Opportunities

- Expansion of Productive Trends
- Stacked Horizontal Development
- New Pool Discoveries
- Improvements in Drilling and Completions

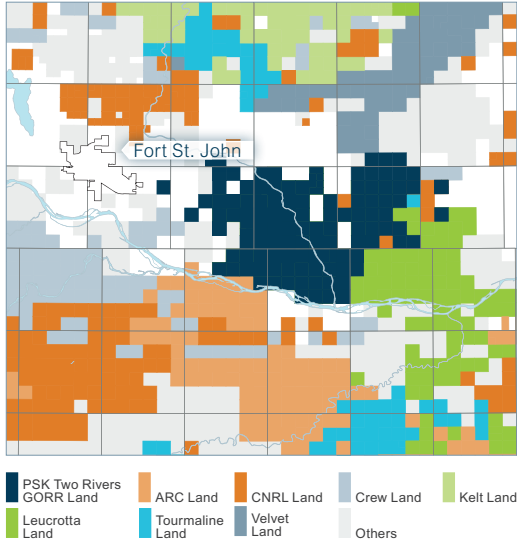


● PSK Royalty Interest Well    ● PSK Royalty Interest RR 2019–April 2021  
 ● Industry Well    ★ Recent Licenses    ■ PSK Land

Note: Certain bottom hole locations have been shifted slightly so stacked horizontals can be seen in map view.

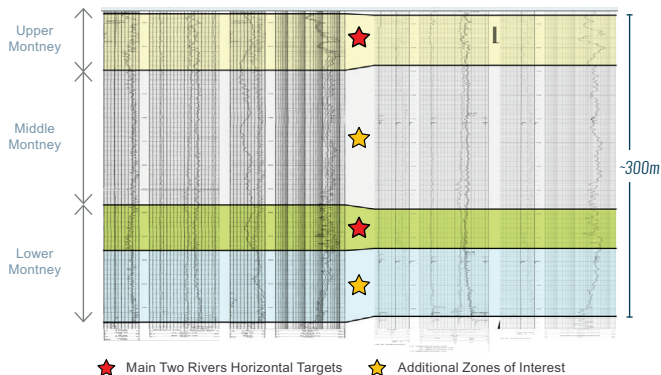


## TWO RIVERS – EARLY STAGE GROWTH OPPORTUNITY



PrairieSky also has a sizeable consolidated Montney GORR Land position in the Two Rivers area of Northeast BC. The lands are prospective for Montney oil and liquids-rich gas. Two main target horizons have been drilled within the 300 meter thick Montney package, with two additional zones of interest that may be tested as the field matures. It is expected that initial development will focus on the Upper Montney light oil potential in the area, where the first horizontal has already produced over 60,000 barrels of oil to date. The first horizontal drilled into the Lower Montney horizon in Two Rivers was also placed on production in 2020. The 100 locations currently in inventory assume Upper Montney development over half of the GORR acreage, with an additional horizon of Lower Montney development on less than 10% of the acreage. This provides opportunities for further growth potential as delineation drilling advances in the area.

### Two Rivers Stacked Montney Potential



### Average Reservoir Characteristics – Montney

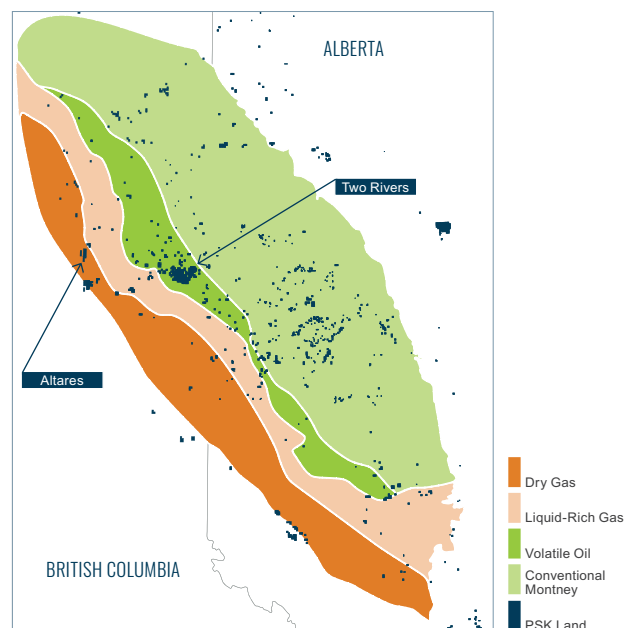
Depth (m)	~1,600 – 3,800
Thickness (m)	280 – 300
Net to Gross Pay (%)	Variable ~75%
Porosity (%)	2 – 10%
Permeability (mD)	<.01-0.3
Hydrocarbon Saturation (%)	~70
Water Saturation (%)	~30
Temperature (°C)	60 – 100
Pressure (kPa)	16,000 – 48,000
Oil Gravity (°API)	~40
Resource in Place /Section (MMBOE)	Variable, ~20 – 40/target horizon

### Montney Properties

- Light Oil, Liquids-Rich Gas and Dry Gas Targets
- Contiguous Land Base (Two Rivers, Altares)
- High Deliverability and Large Resource in Place
- Stacked Potential, up to Four Montney Target Horizons

### Montney Hydrocarbon Fairway

PrairieSky's Royalty Properties provide exposure to the oil, liquids-rich gas and dry gas windows along the Montney fairway.



Note: Hydrocarbon outlines are approximations only, and are based on a number of corporate presentations and internal mapping.

# Duvernay



With an extensive land base of Fee Lands in the emerging Duvernay resource play, PrairieSky is well positioned for future growth from this immense resource. The play boasts large resource in place, high netbacks, significant drilling inventory, and good access to infrastructure. PrairieSky's current evaluation of future potential leaves considerable room for incremental growth as the play matures.

Numerous operators continue to progress the evaluation of the Duvernay shale in Central Alberta. Over the past two years, industry activity across PrairieSky lands in Central Alberta has further extended the proven productive boundaries of the play. New core, well log and test data has been obtained by operators, further advancing the technical understanding of the Duvernay. Operators have drilled wells with tighter inter-well spacing, longer lateral lengths, higher frac stages and higher tonnages of proppant per well. In some areas, operators also continued with developing stacked zones within the Duvernay.

While this Playbook does capture \$2.1 billion in Undiscounted Total Value from the Duvernay, there is significant room for incremental growth beyond this evaluation. Factors with potential to contribute to further growth include tighter inter-well spacing, stacked horizontal development, and the proportion of PrairieSky lands that are ultimately developed.

## PLAY HIGHLIGHTS

- 950,000 acres of royalty lands in an emerging shale resource play
- Significant Original Oil in Place
- Continued growth in royalty production
- Incremental leasing bonus consideration as undrilled Fee Lands return to inventory

## Future Opportunities

- Expansion of Productive Trends
- Stacked Horizontal Development
- Improvements in Drilling & Completions
- EOR

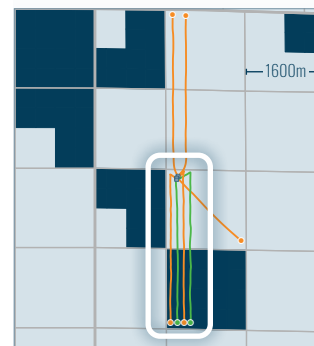
## INTER-WELL SPACING & STACKED POTENTIAL

PrairieSky has assumed two-mile extended reach horizontals drilled at 400 meter inter-well spacing in its estimates of future drilling locations, equivalent to four wells for every two sections. In comparison, industry has implemented 250 meter inter-well spacing, or six wells for every two sections in a number of areas. As inter-well spacing has decreased, lateral lengths have also increased to two miles long, with minimal incremental drilling costs as efficiencies improve.

Further, a number of operators have proven that the Duvernay is productive from at least two distinct zones over some lands in the East Shale Basin. PrairieSky has continued to use only one zone of development in identifying future drilling locations.

The combined impacts of these advancements to future location inventory can be substantial. Examples from existing development targeting two zones at 250 meter inter-well spacing per zone implies future development of up to 12 horizontals over two sections of land. In comparison, PrairieSky's current valuation captures only four wells over two sections of lands for future development.

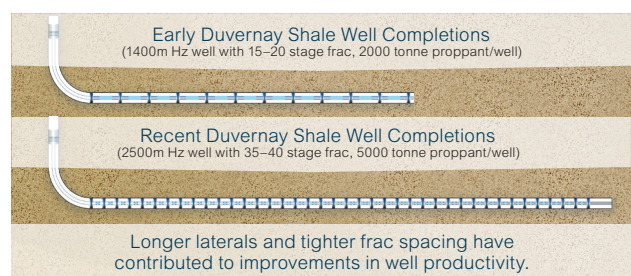
### Inter-well Spacing and Lateral Length



This example shows an alternating well pattern, where two different Duvernay zones have been targeted horizontally. While full development of these two zones would require 12 wells per two sections, PrairieSky has used a conservative well density of only four wells per two sections for future development.

- Upper Duvernay Target
- Lower Duvernay Target

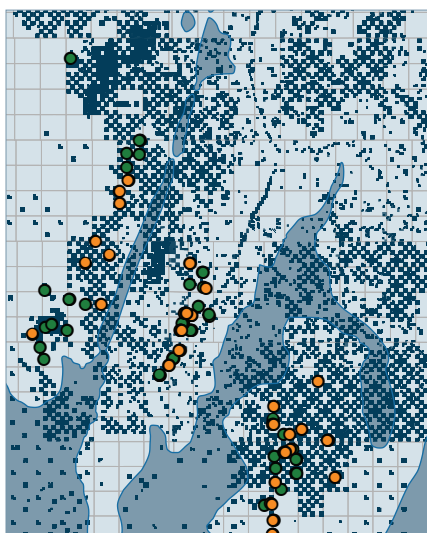
### Evolution of Frac Spacing and Tonnage



## PROSPECTIVE ACREAGE

PrairieSky has attributed future development to half of its prospective Duvernay land acreage at this time. As development progresses, it is possible that a higher proportion of lands will be included in future development plans. Further, if development of the play is accelerated in a stronger pricing environment or with continued advancements in technology, PrairieSky's existing land base would provide extensive growth opportunities in the Duvernay.

### PrairieSky Duvernay Royalty Wells



Activity to date has been spread out across PrairieSky lands, indicative of the vast resource in place. Future locations have been assigned to only 50% of PrairieSky's prospective acreage.

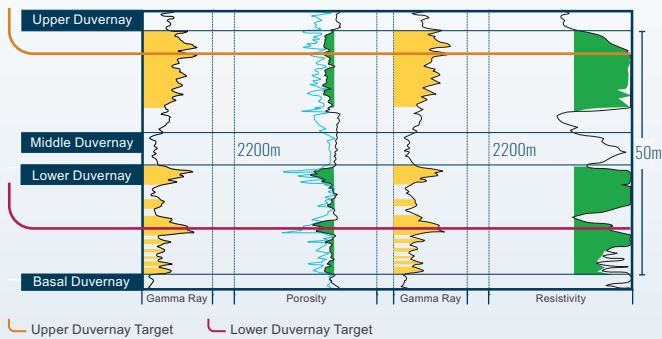
- On Production 2019-2020
- On Production 2014-2018
- PSK Land

## Duvernay Properties

- Oil And Liquids-Rich Gas Targets
- Organic-Rich Shale (3% TOC)
- Overpressured
- Regionally Extensive Deposition
- Shallower depths than West Shale Basin Kaybob area

### Ongoing Assessment of Stacked Duvernay Horizontal Potential

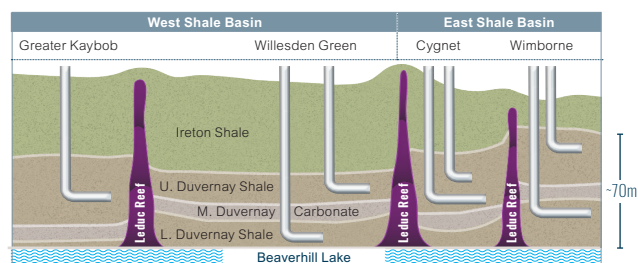
Horizontal development targeting different horizons within the Duvernay is present on PrairieSky lands. Incremental drilling locations targeting separate stacked horizons have not been captured as future potential.



## Average Reservoir Characteristics – Duvernay

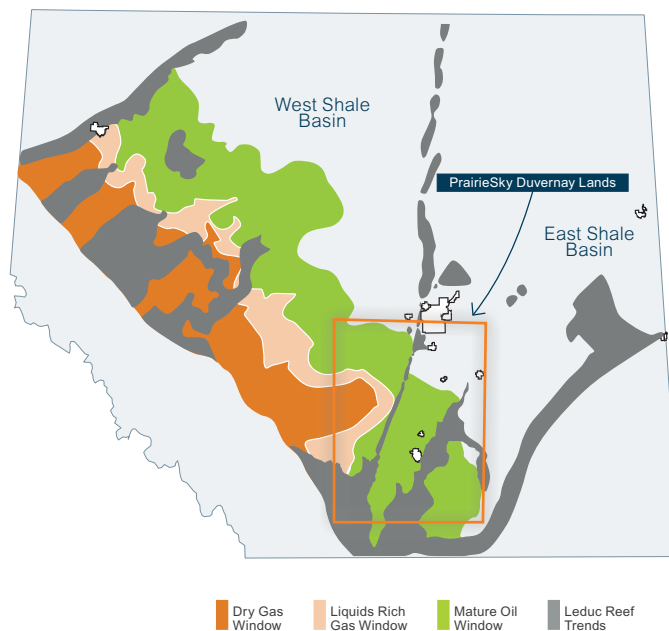
	West Shale Basin Ferrier/Willesden Green	East Shale Basin Cygnets/Wimborne
Depth (m)	2,200 – 3,600	2,000 – 3,000
Hydrocarbon	Oil, Liquids-Rich Gas	Oil
Net Pay (m)	20 – 30	15 – 30
TOC	3%	3%
Average Porosity	4 – 6%	4 – 6%
Average Permeability (mD)	300	300
Pressure (MPa)	40 – 60	30 – 40
Pressure Regime	Overpressured	Overpressured
Resource in Place /Section (MMBOE)	15 – 25	10 – 25

### Duvernay Resource Play Schematic

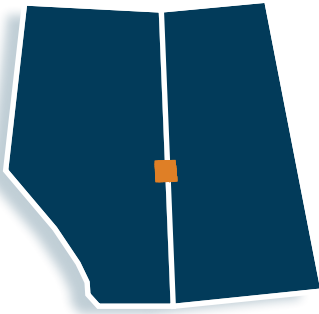


### Duvernay Hydrocarbon Trends

PrairieSky's Central Alberta Duvernay Land primarily falls within the Mature Oil window.



# Mannville SAGD



PrairieSky's producing SAGD assets are focused in two core areas, Lindbergh and Onion Lake. Both areas are characterized by thick, high quality reservoir sands with large oil resource in place. The two SAGD projects provide long-term stable production, with low-risk growth opportunities.

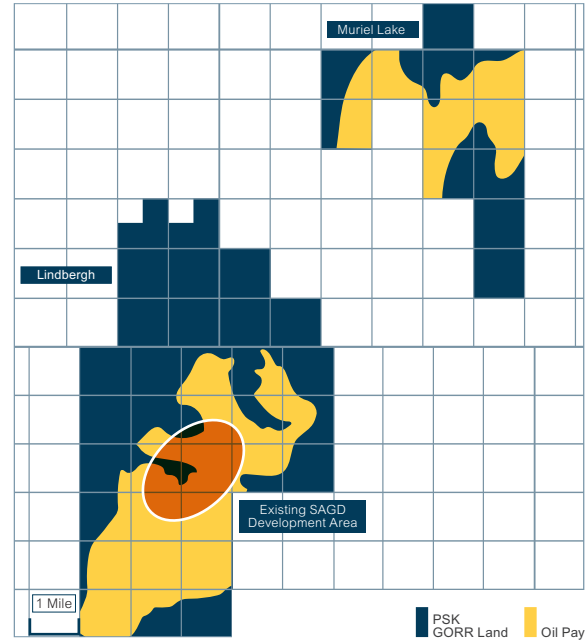
## LINDBERGH

The Lindbergh field is located in Northeast Alberta and was originally discovered in the 1960s. Cyclic Steam Stimulation (CSS) technology was utilized for production from the 1970s - 2000s, resulting in a recovery factor of only 5%-6% of OOIP.

In 2011, a two-well pilot SAGD project was implemented. These two wells continue to produce at a combined rate of 400 bbl/d, and have recovered 4 MMbbl of oil to date, significantly above type curve expectations used in the Royalty Playbook. Phase 1 SAGD development followed in 2014-2015, and current gross production of the asset is approximately 16,000 bbl/d. In 2020, there was renewed activity in the field with 8 infill SAGD horizontals drilled on royalty land.

As a result of SAGD technology, the recovery factor is now expected to be ~50%. With an estimated 680 MMbbl of OOIP in Lindbergh, even a small incremental increase in recovery factor through advancements in technology or other methods can have a significant impact on the pool's ultimate oil recovery.

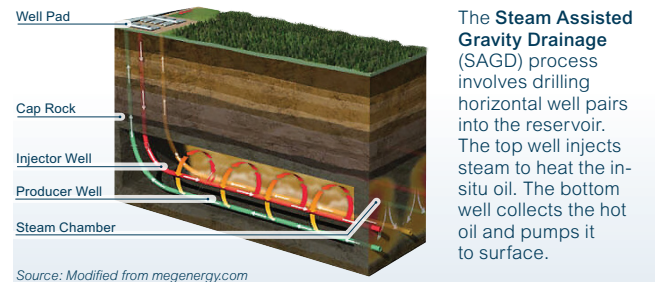
## Lindbergh Lloydminster Sandstone



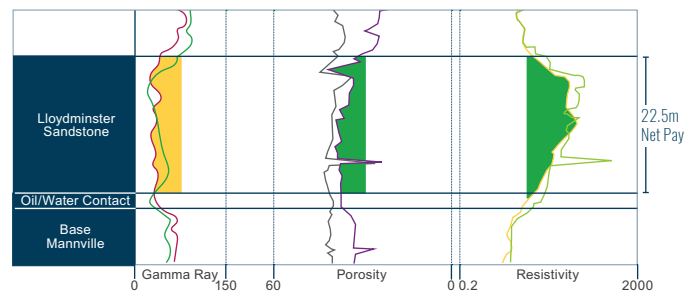
Royalty lands to the Northeast in Muriel Lake also hold an additional 67 MMbbl OOIP, which has been mapped by existing vertical well control and 3-D seismic data. While no future locations have yet been assigned to this standalone SAGD project, Muriel Lake is expected to receive capital investment once the Lindbergh area matures further. Phase 1 development in Muriel Lake could add an additional 10,000 bbl/d of gross oil production.

### PLAY HIGHLIGHTS

- Low decline, long life producing assets
- Low risk growth potential, including stand alone future SAGD project in Muriel Lake
- Acceleration of development possible in higher oil price environment



## Lloydminster Sandstone Type Log



### Future Opportunities

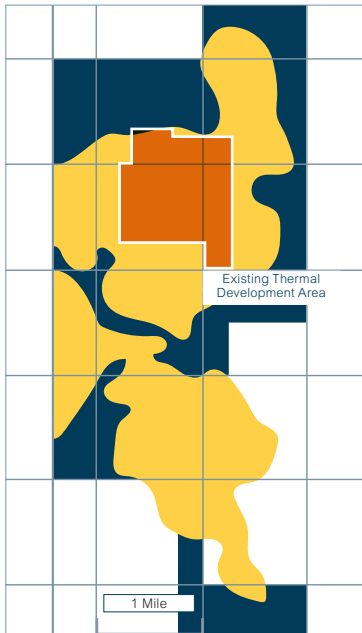
- Expansion of Productive Trends
- Improvements in Drilling & Completions
- Solvent SAGD

## ONION LAKE

The Onion Lake field is located along the Alberta/Saskatchewan provincial border, approximately 55 km north of Lloydminster. While the field was discovered in the late 1960s, vertical development mostly took place between 2004 and 2014, recovering 4%-8% of the OOIP.

Implementation of the Onion Lake SAGD Project began in 2014, in the Lower Cummings Sandstone reservoir. Since then, production grew to a peak rate in 2019 when an additional seven-well pad was put on production and has remained relatively flat at approximately 10,000 bbl/d. Further, a six-well pad drilled in 2020 has not commenced production yet. The Onion Lake SAGD Project is utilizing the existing vertical wells as steam injectors, with production obtained from offsetting horizontals. Recovery factors are estimated to be between 40%-60%, and OOIP in the Lower Cummings is approximately 230 MMbbl.

### Onion Lake Cummings Sandstone



In addition to further phase expansions, the Upper Cummings and “halo” areas of thinner Lower Cummings also add to the long-term growth potential of the asset. These can either be developed utilizing conventional methods with lower recoveries, or with technology improvements that can expand SAGD potential into areas with thinner oil pay that does not meet current cutoffs.

PSK GORR Land Oil Pay

## THERMAL LEASING ACTIVITY

Potential for future SAGD opportunities have been identified elsewhere on PrairieSky Fee Lands, and new leasing targeting SAGD opportunities has occurred since the previous Royalty Playbook. Leasing activity is typically a precursor to new drilling on these long-lead time projects. There is considerable potential for additional SAGD developments on PrairieSky lands not currently captured in this Royalty Playbook.

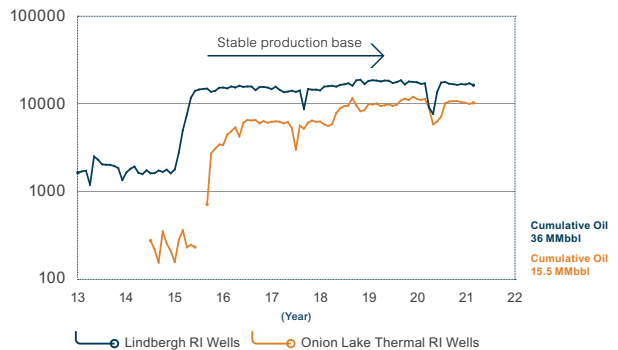
## Average Reservoir Characteristics

	Lindbergh Lloydminster	Onion Lake Lower Cummings
Depth (m)	540	625
Thickness (m)	17	18
Porosity (%)	36	33
Permeability (mD)	3,500	5,000
Oil Saturation (%)	65	80
Water Saturation (%)	35	20
Temperature (°C)	20	16
Oil Gravity (°API)	9.5 – 11.0	10.5
Viscosity (20°C, cP)	<100,000	<40,000
OOIP/Section (MMbbl)	20 – 60	40

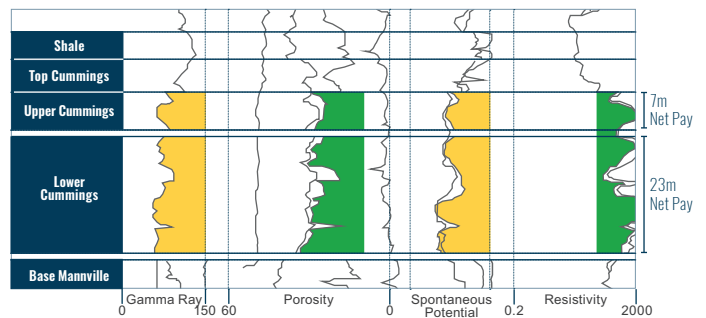
## SAGD Properties

- Low Risk Growth Potential
- High Quality Reservoirs
- Large OOIP
- Proven Technology
- Opportunity for Production Efficiencies

## Gross Production from PSK GORR Lands



## Cummings Type Log





# Carbon Capture, Utilization & Storage (CCUS)

Positive Impacts on both the Environment and Enhanced Oil Recovery (EOR)

## WHAT IS CCUS?

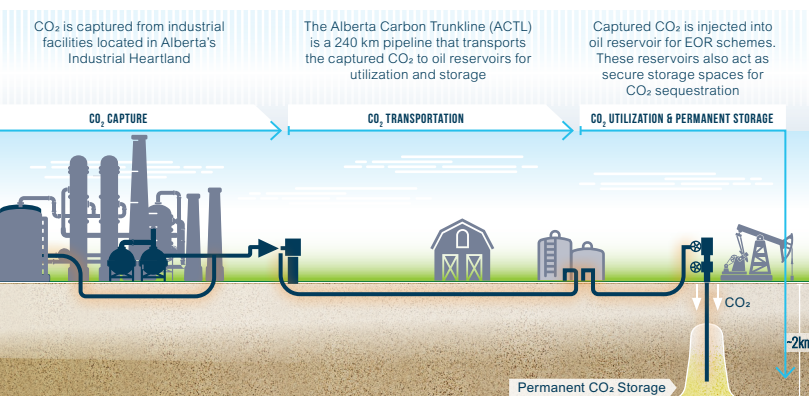
Carbon capture, utilization and storage (CCUS) is a process of sequestering and recycling CO<sub>2</sub> from emission sources and the atmosphere. There are four stages in CCUS: capture, transport, utilization and storage of carbon dioxide.

**Capture** Removal of carbon from the point source is the first step in CCUS. Carbon dioxide emissions (flue gas) from industrial plants is an example of a point source.

**Transport** Carbon dioxide is compressed (turned into liquid form) and transported to storage sites. Pipeline transport is the dominant method of transport but other methods may be employed.

**Utilization** This stage aims to make the most of this captured CO<sub>2</sub> by looking at opportunities like recovering untapped oil, also known as enhanced oil recovery (EOR). Other utilization opportunities include conversion into other useful chemicals.

**Storage** Carbon dioxide is permanently stored underground by injecting it into rock formations several kilometers below the surface. The storage reservoirs are chosen based on reservoir characteristics and the ability to measure and verify the sequestration underground. The CO<sub>2</sub> injected will fill the voidage between these rocks and is kept there by an impermeable layer trapping it from the overlying rock formations. This process is almost identical to how oil and gas is naturally stored underground.



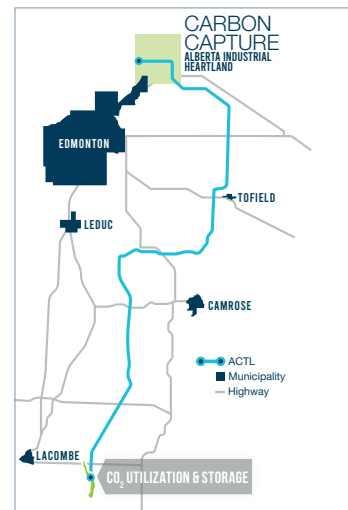
## Multifaceted Benefits of CCUS

- Reduces Greenhouse Gas Emissions
- Provides path towards achieving Carbon-Neutral and Carbon-Negative targets
- Re-energize depleted oil & gas pools
- Increase in ultimate oil recoveries ranging from 5% to over 20%

## RECENT ADVANCEMENTS IN ALBERTA

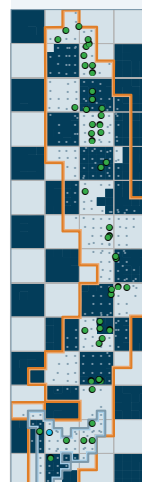
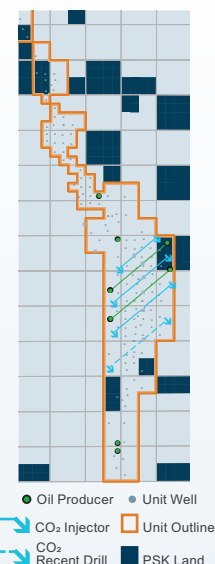
### The ACTL System

The Alberta Carbon Trunk Line (ACTL) system, which became fully operational in June 2020, captures industrial emissions from Alberta's Industrial Heartland just northeast of Edmonton and currently transports the CO<sub>2</sub> to a mature oil reservoir just east of Lacombe for use in EOR and permanent storage of the captured CO<sub>2</sub>. The ACTL is capable of transporting up to 14.6 million tonnes of CO<sub>2</sub> per year and has significant capacity to deliver CO<sub>2</sub> from emitters to suitable reservoirs throughout Central Alberta.



### Clive Leduc Unit

Carbon dioxide from the ACTL is currently being injected into the Clive Leduc D-3A unit. This reservoir holds approximately 80 MMbbl OOIP and has recovered approximately 60% of the oil to date. Early results from the CO<sub>2</sub> flooding have been exceptional, with production from the unit going from approximately 30 bbl/d in 2019 to over 700 bbl/d in March 2021, a 23-fold increase in what was previously considered an old conventional reservoir with no future upside. PrairieSky has a small royalty unit interest in Clive and is benefiting from the advancements to date in CCUS technology.



### Fenn-Big Valley Nisku Pool

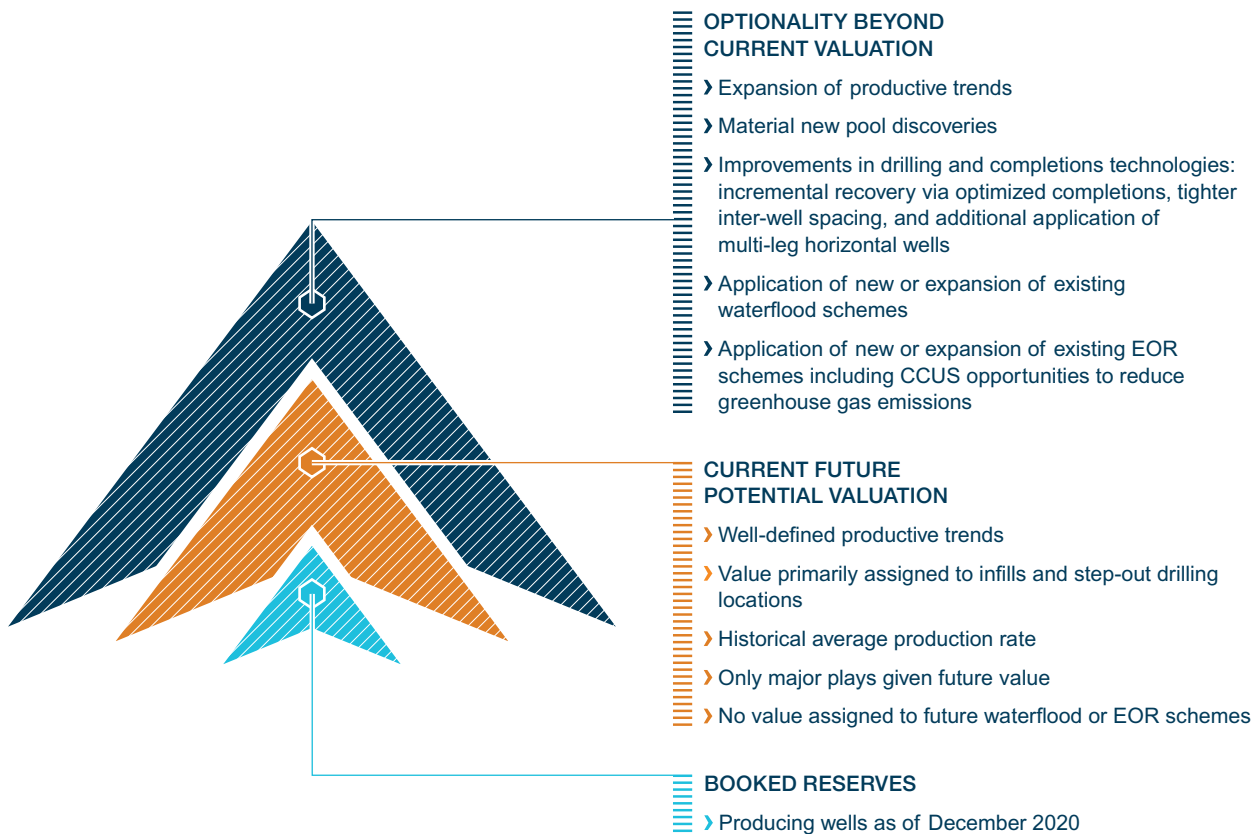
The Fenn-Big Valley Nisku pool is an example of further untapped CCUS potential on PrairieSky lands. This pool holds over 500 MMbbl OOIP and has recovered approximately 60% of the oil to date. The southern portion of the pool has been unitized, and it is anticipated that this entire pool will be unitized prior to any CCUS being implemented. The proximity of this field to the existing ACTL system makes it an ideal candidate for future expansion of the pipeline. Approximately 40% of the land within the pool is PrairieSky Fee Land.

# Future Optionality

A significant advantage to royalty ownership is benefiting from technological advancements in oil and gas exploration and development without any requirement to deploy and risk capital resources. In identifying future potential on PrairieSky's Royalty Properties, the method used in this Royalty Playbook recognizes only pools and zones which are presently known, and applies only currently accepted drilling and development practices when determining the number and productivity of future locations.

New innovations in drilling and development technologies and applications in the industry over the last 10 years show several trends including the exploitation of tight formations such as shale, the exploitation of deeper and previously overlooked zones, higher drilling densities and increases in rates and recoveries through drilling and completion optimization. The application of EOR schemes provide increased recovery factors and opportunities for CCUS.

Advancements in horizontal drilling, multi-stage fracturing and SAGD are technologies that continue to change the face of oil and natural gas development. The next new plays to be drilled or the next new technique to be developed are not known today, but PrairieSky is well positioned to benefit from future advances.



*The following pages (39-43) highlight examples of several technical concepts and how advancements in drilling and extraction technologies have and should continue to positively impact PrairieSky.*

## Multi-Zone Potential

Across all regions, PrairieSky's Royalty Properties provide exposure to stacked conventional and unconventional reservoirs. A section with royalty interests may include the rights to a single zone, a range of zones or the entire stratigraphic column, as is the case with most Fee Lands. Plays overlap in many areas strengthening the value of royalty lands, and individual plays may have multi-zone potential.

Area with Multiple Plays (Exhibit A)

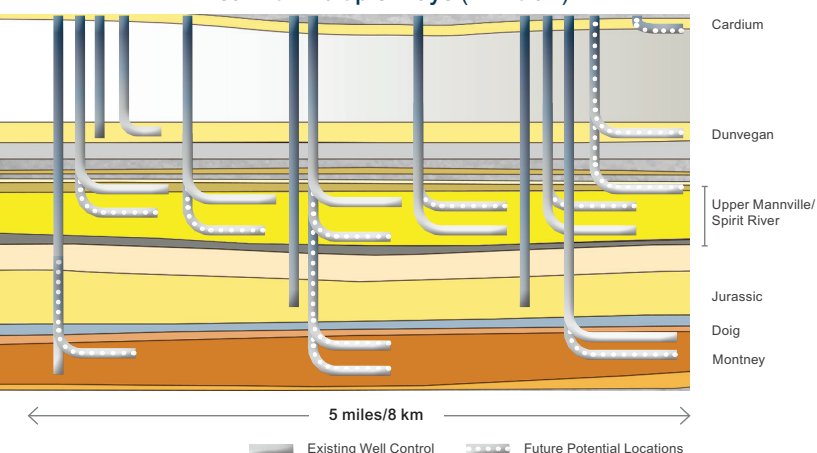


Exhibit A illustrates an area with stacked plays located in Northwestern Alberta. Thousands of vertical wells have been drilled since the late 1970s to produce natural gas from multiple sandstone reservoirs in the same well. During this period, up to five zones were completed separately and the gas was produced in a single wellbore. These zones span two to four plays as set out in this Royalty Playbook. Starting in approximately 2009, horizontal drilling began unlocking the potential of individual sands, and each has now become a distinct play with improvements in production rates and recoveries per well compared to the vertical wells. Techniques are constantly improving, and horizontal development is considered in its early stages. In the future value analysis, only PrairieSky acreage adjacent to recently drilled wells are assigned future potential, leaving opportunities for growth beyond the current valuation.

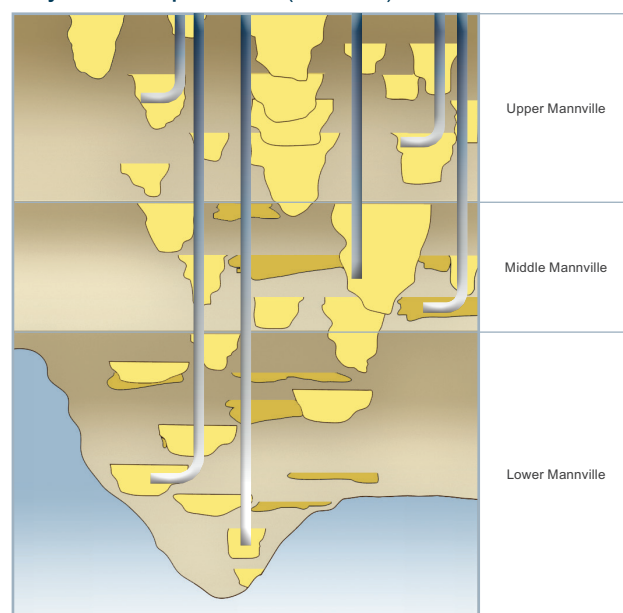
Some plays included in this Royalty Playbook are a single reservoir type, and others have multiple stratified producing and potential horizons. The Mannville group is a good example of a play that has many potential exploration and development

targets. The illustration Exhibit B, shows different types of sandstone reservoirs in the plays that are limited in size laterally and deposited in layered sequences. The vertical wells drilled historically produced oil and gas from the highest permeability reservoirs mostly located in the deeper half of the Mannville section. New horizontal drilling has begun to test the sand bodies that were previously not commercial using vertical wells and this development is in its early stages. The Mannville Group ranges in thickness from 150 meters to 350 meters and occurs in all regions. Most of the future value of the multi-zone nature of this play has not been recognized in this Royalty Playbook.

### FEE LAND ADVANTAGE

The Fee Lands are owned by PrairieSky in perpetuity, and in substantially all cases, include the rights to hydrocarbons in all zones. When leases are issued, rights are granted for a specific zone or zones with the condition that after the primary term, the rights to all non-producing zones return to PrairieSky. These reversionary zones can then be re-leased. The ability to lease individual zones in a play is an important aspect to capturing the full benefit of Fee Land ownership.

Play with Multiple Zones (Exhibit B)



The illustration shows the stacked sequence of sandstone reservoirs of different types within the Mannville play in Alberta.

# New Pool Discoveries

New pool discoveries can be a prolific source of new royalty production and revenue. Several large oil pools have been discovered on PrairieSky lands in the past 10 years, and we expect new pools will likely be found in the future. Fee Land ownership provides PrairieSky with the ability to lease only a small fraction of the stratigraphic column and improve the chances of new discoveries by re-leasing lands not held by current production to different operators in some cases with specialized technical or geological expertise.

The Elnora Nisku B oil pool (Exhibit A) is an example of a pool that was discovered in 2011 using conventional vertical drilling and completion techniques. The pool was developed quickly and by 2015, oil production had reached 5,000 bbl/d. The ultimate oil recovery from this pool is estimated to be 16 MMbbl and approximately 50% of the pool area is on PrairieSky lands.

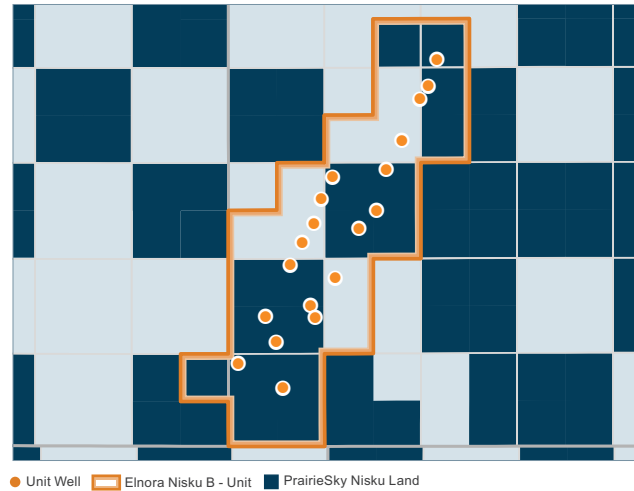
In Southern Alberta, the Ferguson Bakken pool (Exhibit B) was discovered in 2012 using horizontal drilling. To date, 80 wells have been drilled to delineate the pool and almost 8 MMbbl of oil has been recovered of an estimated 290 MMbbl OOIP. The operator is employing extended-reach horizontals with lateral lengths of over two miles. PrairieSky has Fee Lands and other royalty interests that cover 68% of the pool area.

In the Leduc-Woodbend field, where Leduc oil was first discovered over 70 years ago, a recent discovery has been made in the uphole Upper Mannville Rex Formation (Exhibit C). The first horizontal discovery well was drilled in 2016, and 18 horizontal wells have been drilled to date, recovering over 900 Mbbbl of oil. Using an average net pay of six meters, the pool is estimated to contain over 600 MMbbl of OOIP over 95 sections, and approximately 20% of the pool area is on PrairieSky lands. As the play is in early stages of development, PrairieSky will benefit from continued drilling and delineation of this extensive resource opportunity.

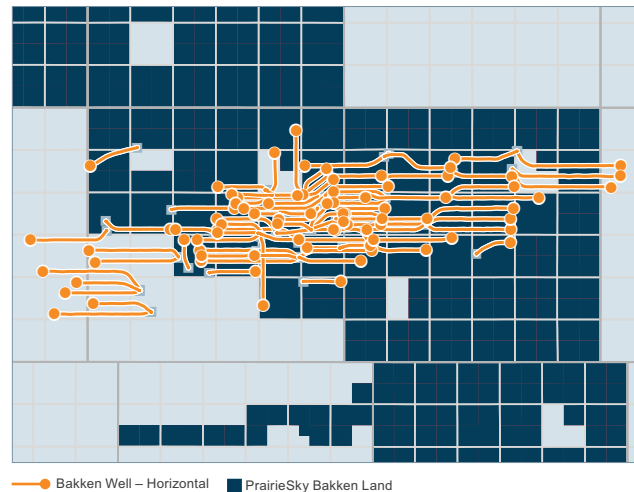
## SEISMIC ADVANTAGE

PrairieSky's extensive 2-D and 3-D seismic database is valuable to lessees who are exploring for new discoveries. Most of the progress in seismic analysis in the last 20 years has come from the re-processing of existing seismic data, where new techniques to re-process the data can reveal subtle details in the subsurface that can lead to new pool discoveries. The seismic also provides a valuable tool when applying horizontal development wells to existing pools.

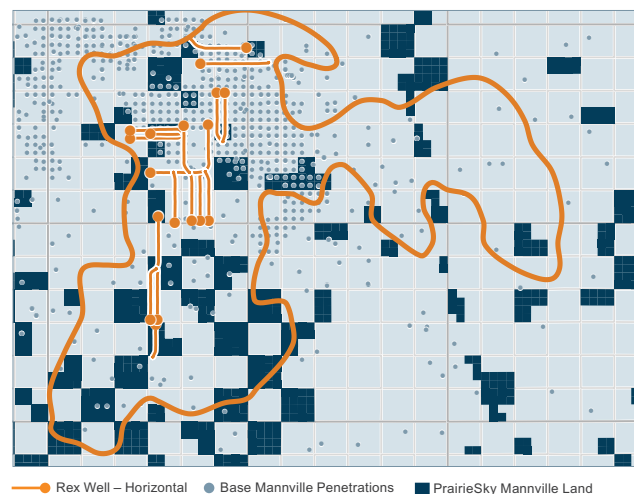
Elnora Nisku Pool, 2011 Discovery (Exhibit A)



Ferguson Bakken Pool, 2012 Discovery (Exhibit B)



Leduc - Woodbend Rex Pool, 2016 Discovery (Exhibit C)



# Horizontal Drilling & Completions

The growth of horizontal drilling and completions in Western Canada since 2009 has led to innovation in the field and PrairieSky has benefited from this experimentation and improvement. The majority of all wells drilled in Western Canada in 2019 and 2020 were horizontal wells. Horizontal technologies are used to develop new tight oil and gas fields, extend the boundaries of old pools and improve hydrocarbon recovery factors. Three examples are provided to illustrate how horizontal drilling is treated in this Royalty Playbook.

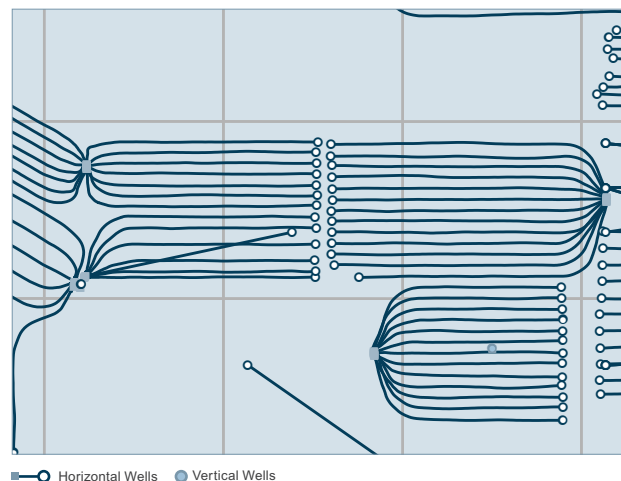
In Northwest Alberta and Northeast BC, the Montney formation is drilled using multiple wells from a single surface location (Exhibit A). More than one productive zone within the Montney often occurs. In the example, three zones at different depths are being drilled from one pad. This Royalty Playbook includes future value for multiple zones in some select plays but it is expected that full development will, in time, produce many additional locations.

The Viking formation in Western Saskatchewan is an example where tightly spaced horizontal drilling is used to extract additional reserves (Exhibit B). In the example, the old vertical pool is being re-drilled with horizontal wells up to 16 wells per section (one square mile) and the pool boundary has been extended. Horizontal infill densities assigned in this Royalty Playbook reflect activity to date adjacent to past drilling. Additional future infill locations are expected as the boundary for each play is tested.

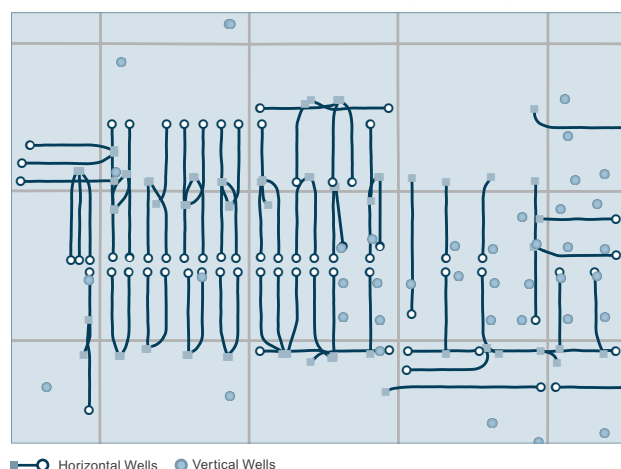
The third example shows multi-leg horizontals targeting Mannville heavy oil in Central Alberta (Exhibit C). From a single wellbore, several parallel lateral legs are subsequently drilled to efficiently drain the oil. Oil recovery factors are traditionally low in medium-heavy oil reservoirs and even small improvements in recovery factors can produce large additional recoverable volumes.

The advancement of completion technology is a central factor in the success of horizontal drilling in tight reservoirs. New innovations in multistage fracturing and other completion techniques continue to produce higher well rates and increase hydrocarbon recoveries, and new procedures and materials have the potential to reduce costs. The future value assignments in this Royalty Playbook are typically based on historical activity only. As more horizontal wells are drilled and specific techniques are developed for each play, additional hydrocarbons are expected to be recovered.

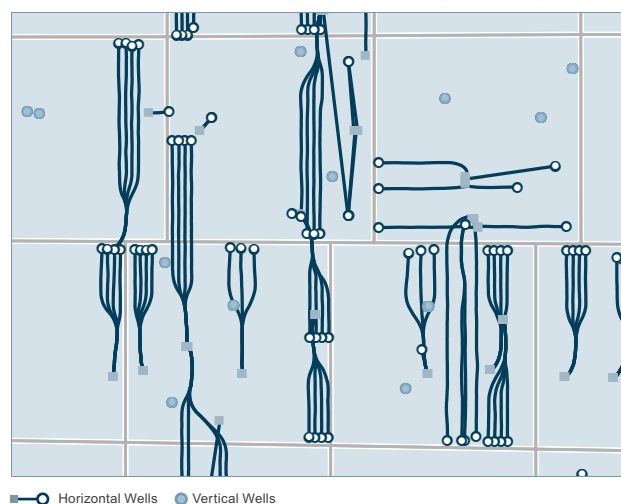
**Montney Multi-Well and Multi-Zone Horizontal Drilling (Exhibit A)**



**Viking High Density Horizontal Infill (Exhibit B)**



**Mannville Multi-Leg Horizontal Drilling (Exhibit C)**





# Waterfloods

PrairieSky has royalty interests in many oil pools with active waterflood schemes. Waterfloods are also known as secondary recovery schemes and are designed to extend pool life and increase oil recoveries. Maintaining reservoir pressure and mitigating oil rate decline are the goals of this process. Water is pumped into the formation to increase reservoir pressure and to sweep oil to the producing wells. This practice has been used since the early days of the industry in Western Canada and is applicable to a variety of reservoir types.

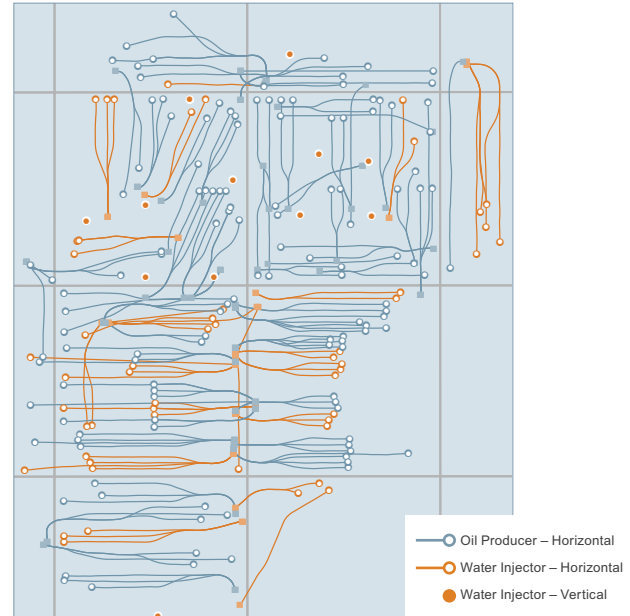
Recovery factor is an important concept in waterflood technology which refers to the percentage of the oil in place in the reservoir that is recovered at the surface. Small incremental percentages in recovery factor can result in large additional volumes of oil. The operator and working interest parties incur the capital costs associated with these projects, with PrairieSky benefitting from any incremental recoveries at no cost. Exhibit A is an example of a waterflood that began water injection in 2008. PrairieSky has a royalty interest in this innovative project that combines vertical and multi-leg horizontal water injectors. Located in the Mannville heavy oil play in Central Alberta, this oil pool was not productive using vertical drilling and completion techniques. The operator began delineating the pool in 2005 using horizontal wells with two to four lateral legs per well. Subsequently, multi-leg water injection wells were drilled adjacent to the producers. Exhibit B is a rate versus time plot that illustrates the positive oil production response to water injection. This successful waterflood has potential application to other similar oil pools in the play as well as to future discoveries. Even with pilot projects and waterflood candidates in PrairieSky's portfolio, no value was assigned to future waterflood projects in this Royalty Playbook.

## WATERFLOODS AND RESOURCE PLAYS

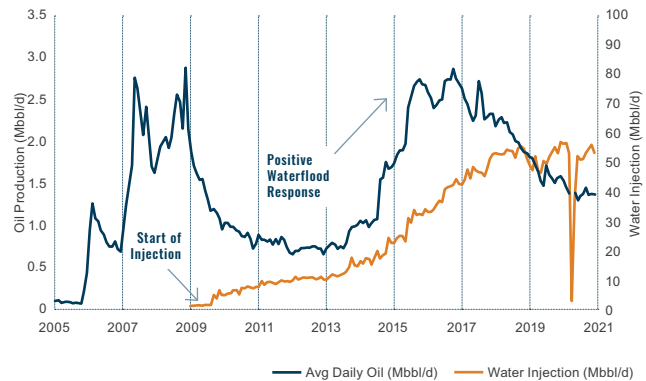
Pilot waterflood projects are underway testing new techniques which may become scalable to large oil field developments. Several large oil fields have been developed with horizontal wells over the last 10 years and pressure maintenance will be required to extend pool life. The Cardium in Central Alberta, the Viking in Western Saskatchewan, and the Bakken in Eastern Saskatchewan are examples of these fields. Pilot horizontal waterfloods are underway and more will follow to discover the best method to maximize oil recovery. The returns to PrairieSky could be significant if these new technologies prove to be

scalable. Exhibit C is a map that shows current horizontal waterflood pilots in the Viking in Western Saskatchewan.

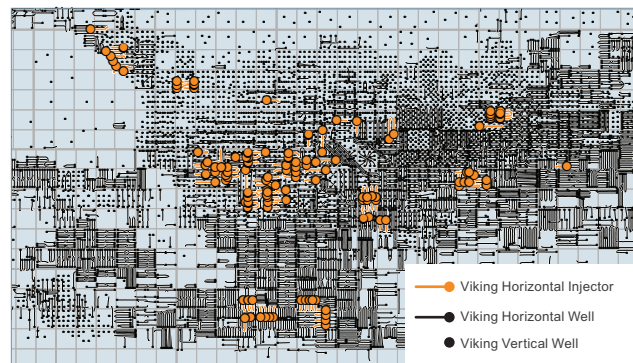
**Recent Mannville Waterflood (Exhibit A)**



**Mannville Waterflood Response (Exhibit B)**



**Viking Horizontal Waterflood (Exhibit C)**



# Enhanced Oil Recovery

A variety of techniques other than waterfloods can be used to recover additional oil reserves. Chemical floods, solvent floods and thermal recovery are examples of enhanced oil recovery methods used in addition to conventional waterfloods. PrairieSky has royalty interests in oil pools with active EOR projects and will continue to benefit from innovations and increased performance in EOR technologies.

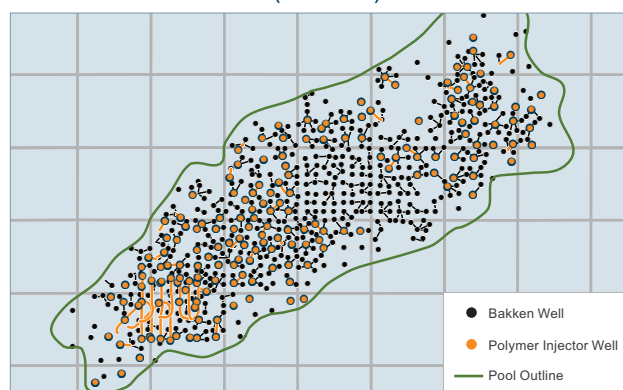
## CHEMICAL AND SOLVENT FLOODS

Large volumes of oil remain in place even after a successful waterflood. Chemical floods work with existing waterfloods, whereby chemicals are added to the injected water to enhance the fluid's ability to sweep oil from the reservoir. Exhibit A is a map of a Bakken oil pool which started injecting chemical polymers in 2013 after 25 years of active water injection. Exhibit B shows the increase in oil rate from wells in the EOR area after polymer injection began. PrairieSky owns royalty interests in the pool and there may be opportunities for further expansion of polymer injection in this area. PrairieSky has also identified numerous pools on its acreage that would be excellent polymer flood candidates.

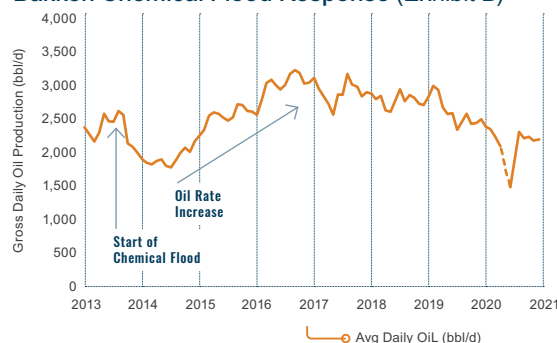
Solvent floods are projects designed to increase the pressure in the reservoir and reduce the viscosity of the oil, allowing the oil to flow more easily. Miscible fluids such as carbon dioxide, enriched natural gas, and nitrogen are injected into the formation and may be accompanied by water injection.

As EOR technologies continue to advance, PrairieSky will be positioned to capitalize on these developments. At this time, no future potential value was assigned to future chemical or solvent flood projects in this Royalty Playbook. Projects currently in operation have been included in the Total Booked Reserves value.

Bakken Chemical Flood (Exhibit A)



Bakken Chemical Flood Response (Exhibit B)



## THERMAL RECOVERY

PrairieSky owns a royalty interest in two thermal recovery projects employing steam assisted gravity drainage or SAGD. In a SAGD operation, two horizontal wells are drilled, one directly above the other. Steam is injected into the top well and oil is produced from the lower well. Applying heat to the reservoir reduces the viscosity of the heavy oil and allows it to flow into the wellbore. Cyclical steam stimulation and in-situ combustion are other examples of thermal recovery techniques.

# Acreage & Future Value Methodology

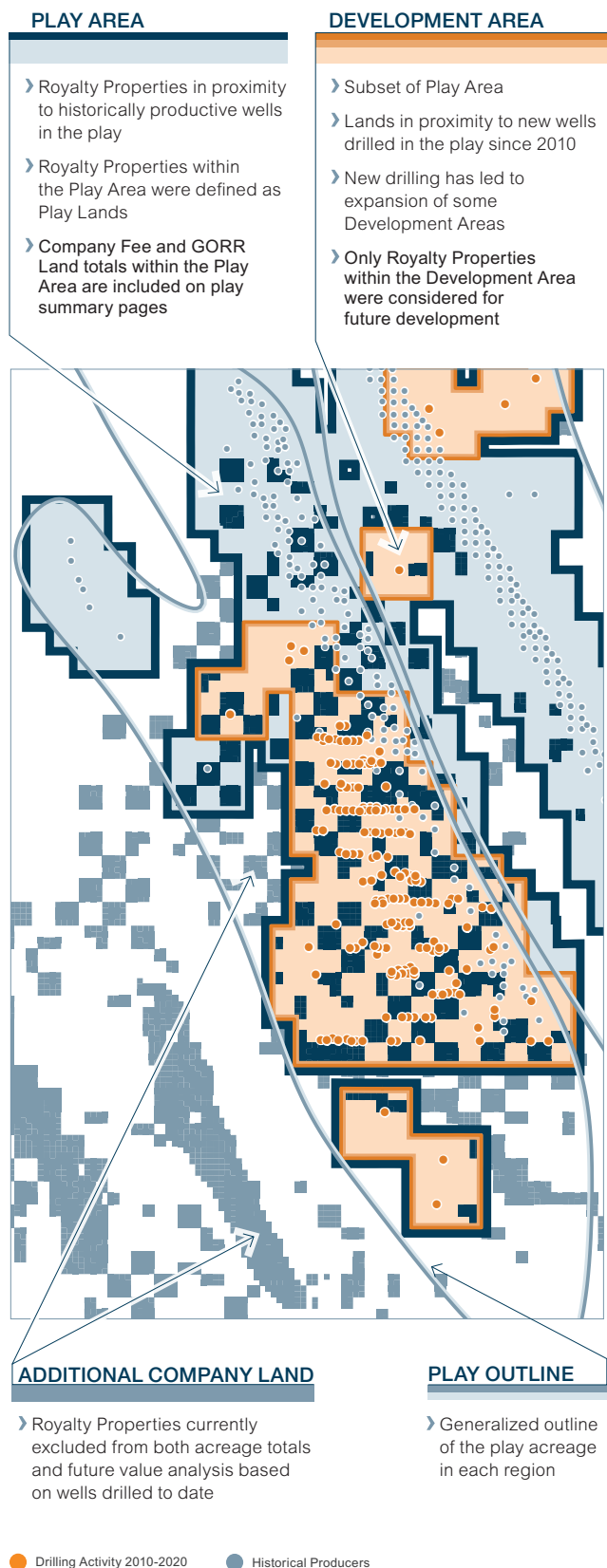
A consistent methodology was used to determine the acreage and future potential volume (MBOE) and value (\$MM) for the majority of Royalty Properties. First, the play area was defined by identifying all the productive wells in the play and the lands in proximity to these wells. All Company lands with the appropriate zone and product rights within this framework were defined as play lands and tallied to produce the Fee Land and GORR Land totals on the play summary pages.

Next, recent drilling was identified in the play well dataset, typically for the years 2010 to 2020, and these wells were the basis for defining development lands in proximity to the wells. Horizontal wells were used to define development lands if this was anticipated to be the type of drilling in the future. Future drilling locations were then assigned to the development lands based on well densities observed in the play. In most plays and for the majority of wells that were assigned, only infill and stepout locations were included. For some plays where new pools are anticipated, a risk factor was applied.

This methodology excludes both Company lands outside the development area and outside the play area which may be prospective in the future.

Type curves were created for each play using the five-year statistical performance of wells in the development area well dataset. The average was typically used even if recent performance was higher. Based on the drilling pattern of wells observed in the development area dataset, well densities and well counts were then assigned to each major asset. Future potential royalty revenues were determined using estimated sales volumes and the pricing assumptions on page 26 of this Royalty Playbook adjusted for product quality and realized average transportation and processing deductions, if any, specific to each play.

Average royalty percentages for existing leases on Fee Lands and contracts on GORR Lands were used for each play. In the case of Fee Lands, new leases will be negotiated for many future locations and this was considered when assigning future royalty rates. In the case of GORR Lands, only existing GORR contracts were considered.



## Assumptions & Terminology

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The financial data provided throughout the play summaries of this Royalty Playbook is provided on a production month basis. Net Revenue is not prepared in accordance with IFRS and does not represent PrairieSky's annual revenues which are disclosed in the Financial Highlights on page 12 of this Royalty Playbook. It is provided to allow investors to compare year over year trends on the Fee Lands and GORR Lands and recognizes actual production by eliminating the effects of compliance activity and accrual accounting. This data is provided for information purposes only and may not be indicative of future performance. PrairieSky's corporate results on an annual basis, prepared in accordance with IFRS, are included in the Financial Highlights section on page 12 of this Royalty Playbook. Further financial information can be found under PrairieSky's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.com).

### TERMS USED IN THE ROYALTY ASSET VALUATION SUMMARY AND PLAY SUMMARIES

The following terms are used in the Royalty Asset Valuation Summary (page 24), Summary of Changes (page 25) and play summaries pages (48–123).

**Gross Capital** represents the estimated capital investment made by oil and natural gas producers on the Royalty Properties for the drilling, completion and tie-in of wells. PrairieSky does not make, nor is it responsible for making, any capital investment in the drilling, completing or tie-in of wells.

**Net Production** represents the net royalty production per day on a production month basis.

**Net Revenue** represents the net royalty revenue for the sale of net royalty production on a production month basis.

**Netback Price** represents the price received on a per BOE basis by dividing net revenue by net production on an annualized basis. Net production and net revenue used in the calculation of netback price are on a production month basis.

**Number (#) of Wells Rig Released** represents the number of wells that oil and natural gas producers have drilled on the Royalty Properties.

**PSK Royalty Interest (RI) Producing Wells** represents the number of producing wells, excluding unit wells, in which PrairieSky had a royalty interest and collected net revenue in the corresponding year.

**PSK Royalty Interest (RI) Producing Units** represents the number of producing units in which PrairieSky had a royalty interest and collected net revenue in the corresponding year.

### TOTAL VOLUME (MBOE) AND UNDISCOUNTED TOTAL VALUE (\$MM) HAVE BEEN PREPARED USING THE FOLLOWING METHODOLOGY:

**Booked Reserves (MBOE)** represents the reserve volumes included in the GLJ Report. Incremental volumes related to the Deep Basin Acquisition were added to the reserve volumes included in the GLJ Report.

**Undiscounted Booked Value (\$MM)** represents the value of the reserve volumes included in the GLJ Report and from the Deep Basin Acquisition using the pricing assumptions disclosed on page 26. In addition to the incremental volumes, the Undiscounted Booked Value does not agree to the year-end GLJ Report as the GLJ Report was prepared using the pricing assumptions disclosed in PrairieSky's AIF under the heading "Pricing Assumptions – Forecast Prices and Costs".

**Future Fee Locations** were determined using the methodology outlined in the Acreage & Future Value Methodology on page 44 of this Royalty Playbook.

**Future GORR Locations** were determined using the methodology outlined in the Acreage & Future Value Methodology on page 44 of this Royalty Playbook.

**Future Potential (MBOE)** represents the future total crude oil, natural gas and NGL volumes associated with the Future Fee Locations and the Future GORR Locations. See Acreage & Future Value Methodology on page 44 of the Royalty Playbook.

**Undiscounted Future Potential (\$MM)** represents the value of Future Potential (MBOE) using the pricing assumptions disclosed on page 26 and the Acreage & Future Value Methodology disclosed on page 44 of this Royalty Playbook.

**Total Volume (MBOE)** is the sum of the Total Booked Reserves and the Future Potential (MBOE) and represents the total volumes associated with the play without considering future optionality as described on page 38.

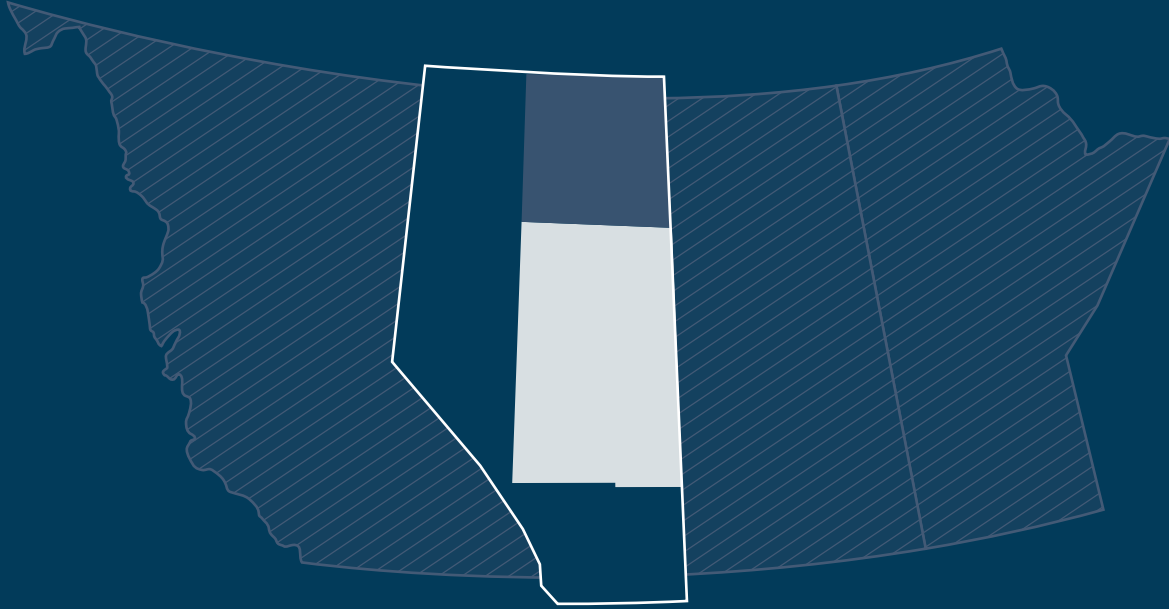
**Undiscounted Total Value (\$MM)** is sum of the Undiscounted Booked Value (\$MM) and the Undiscounted Future Potential (\$MM) and represents the total value associated with the play without considering future optionality as described on page 38.



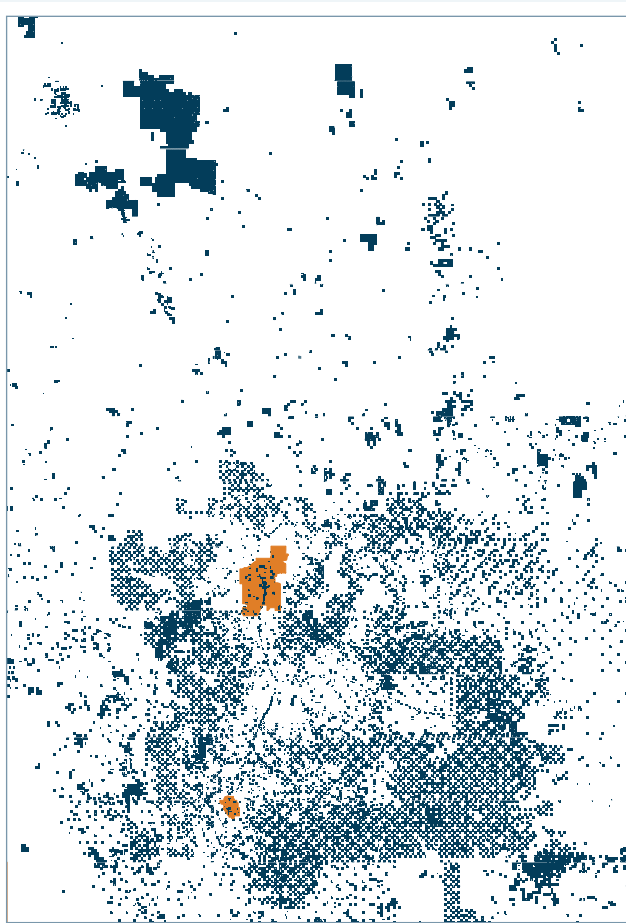
# Central Alberta

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# Central Alberta

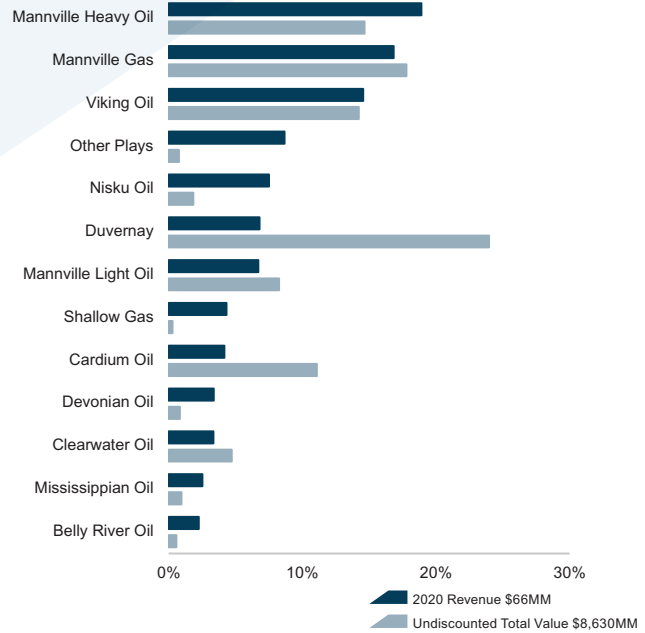


PSK Central Alberta Royalty Interest Lands

The Central Alberta region represents 45% of PrairieSky's total Fee Land position with 3.6 million acres. In addition, PrairieSky has 2.5 million acres of GORR Lands for a total land position of 6.1 million acres in the region. The top revenue-generating plays are Mannville heavy oil, Mannville natural gas, Viking oil and Nisku oil. Key plays where PrairieSky has exposure to future development potential include the Duvernay and the Clearwater.

Over 40% of PrairieSky's royalty revenue is generated in Central Alberta. In 2020, production from the region totaled 8,107 BOE/d for a total of \$66 million in net revenue. Over half of PrairieSky's NGL volumes are produced in this region with a large portion coming from the liquids-rich Mannville Gas play.

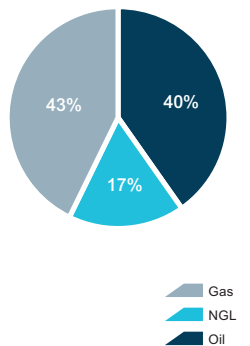
In the last two years, over 1,340 wells were drilled in the Central Alberta region, with 27% of these wells on PrairieSky lands. Approximately half of the new wells on PrairieSky lands were drilled in the Viking oil play.



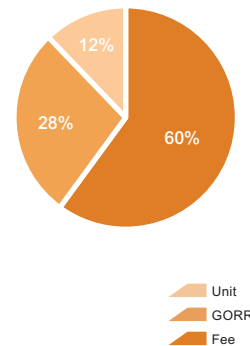
Central Alberta Land Summary	Acres (Thousands)	Sections
Fee	3,621	5,658
GORR	2,491	3,893
<b>Total Lands</b>	<b>6,112</b>	<b>9,551</b>

Production and Revenue	2018	2019	2020
Net Production (BOE/d)	9,928	9,357	8,107
Net Revenue (\$MM)	\$108.7	\$108.1	\$66.1
Netback Price (\$/BOE)	\$30.00	\$31.65	\$22.28

2020 Net Production by Product



2020 Net Production by Royalty Type



SHALLOW GAS  
 BELLY RIVER  
 CRETACEOUS  
 CARDIUM  
 VIKING  
 JURASSIC  
 MANNVILLE  
 TRIASSIC  
 MISSISSIPPIAN  
 MISSISSIPPIAN  
 MISKU  
 DEVONIAN  
 OTHER  
 DUVERNAY

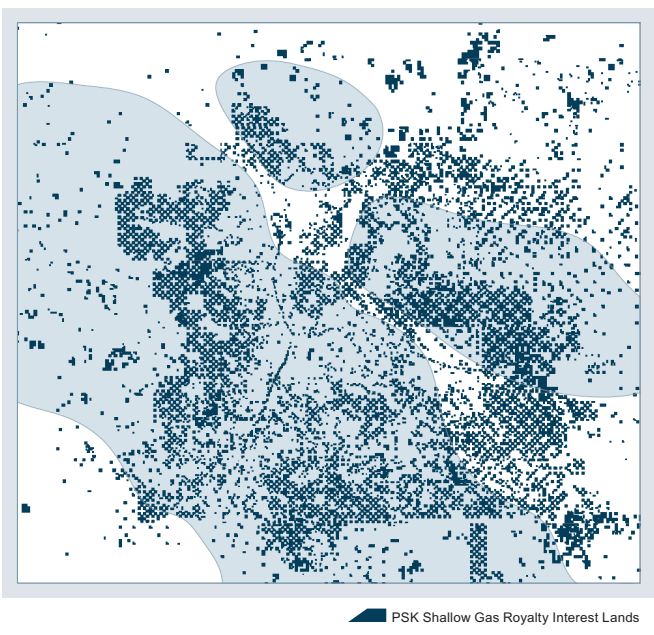
# SHALLOW GAS Central Alberta



Shallow natural gas reservoirs are common across Central Alberta with over 17,000 wells drilled to date. Historical development has occurred in the southern part of the play where both sands and coal beds are completed at an average depth 400 to 700 meters. The Colorado Shale is a second development area in East Central Alberta with potential for horizontal development. Shallow natural gas reservoirs will be an additional source of revenue growth with a return to higher gas prices.

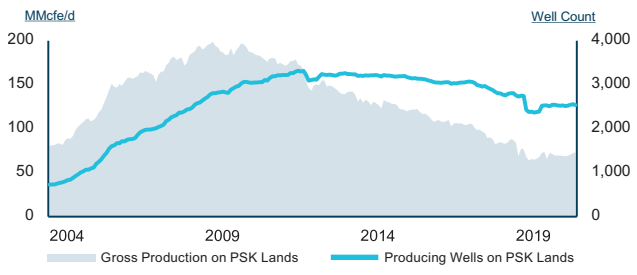
PrairieSky received revenue from over 2,400 wells and two units in 2020. Annual decline rates for this play are low at approximately 9%. Average royalties on Fee Land and GORR Land are 6%-8% and 3%-4%, respectively.

The main development area is a multi-zone play. Over 10 contributing zones may be completed in each wellbore which include conventional and unconventional sands and coals. The zones are co-mingled in the wellbore and produced as a single stream. Over 5 Tcf has been produced to date from shallow gas zones in the region.



Shallow Gas Land Summary	Acres (Thousands)	Sections
Fee	1,488	2,326
GORR	567	885
<b>Total Lands</b>	<b>2,055</b>	<b>3,211</b>

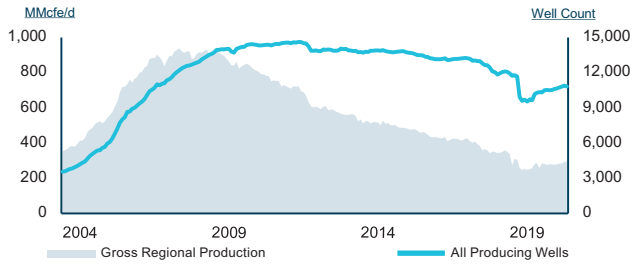
### PrairieSky Royalty Lands Central Alberta Shallow Gas



### PLAY HIGHLIGHTS

- Over 2 million acres of royalty lands in a multi-zone natural gas play
- Low decline asset with long reserves life
- 5,600 infill and step-out locations on PrairieSky lands with improved natural gas pricing
- New wells are low cost, offset existing development

### Total Region Central Alberta Shallow Gas



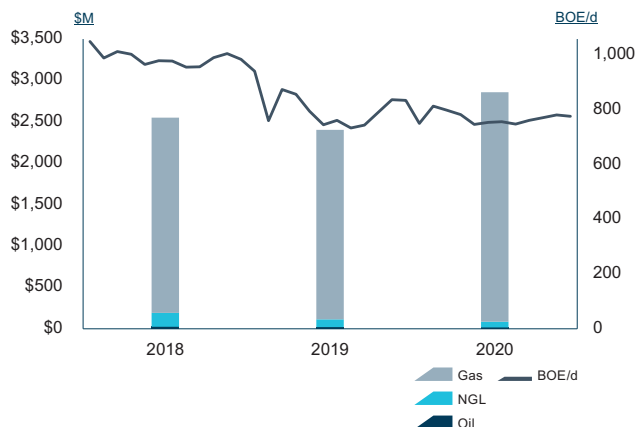
Shallow Gas	2018	2019	2020
PSK RI Producing Wells	2,809	2,618	2,455
PSK RI Producing Units	3	2	2
# Wells Rig Released	0	0	0
Gross Capital (\$MM)	\$0	\$0	\$0
Net Oil Production (bbl/d)	1	1	1
Net NGL Production (bbl/d)	13	11	10
Net Gas Production (MMcf/d)	5.9	4.8	4.6
<b>Net Production (BOE/d)</b>	<b>997</b>	<b>812</b>	<b>778</b>
Net Oil Revenue (\$M)	\$24	\$20	\$15
Net NGL Revenue (\$M)	\$169	\$96	\$69
Net Gas Revenue (\$M)	\$2,358	\$2,285	\$2,775
<b>Net Revenue (\$M)</b>	<b>\$2,551</b>	<b>\$2,401</b>	<b>\$2,859</b>
Netback Price (\$/BOE)	\$7.01	\$8.10	\$10.04

In the last two years, no new wells have been drilled in this play. Operators have focused on recompleting existing zones, adding new zones to old wells, and cleaning out wellbores to optimize production. These actions help maintain the low annual decline rates associated with the play.

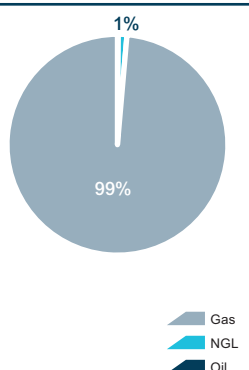
PrairieSky has identified 5,600 future shallow natural gas locations to complete drilling to eight wells per section in the CBM area, and four wells per section in the Colorado Shale area. These locations were not included in the Royalty Playbook as the natural gas pricing assumption makes drilling these wells uneconomic.

This is a play with low capital requirements due to shallow depths, existing infrastructure, and year-round access. Continued improvements in natural gas pricing, combined with a new phase of innovation could result in the return of capital to this play on PrairieSky lands.

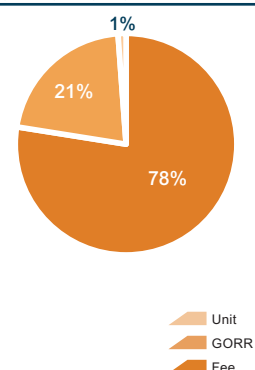
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Shallow Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	2,514
Undiscounted Booked Value (\$MM)	\$25
Future Fee Locations	0
Future GORR Locations	0
Future Potential (MBOE)	0
Undiscounted Future Potential (\$MM)	\$0
<b>Total Volume (MBOE)</b>	<b>2,514</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$25</b>

# BELLY RIVER OIL

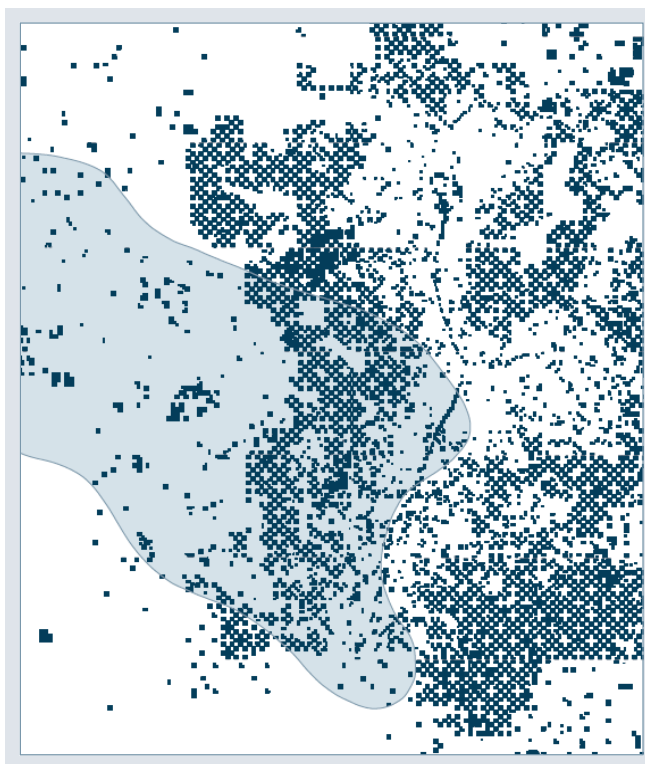
## Central Alberta



The Belly River oil play is a multizone play overlying the large Pembina Cardium field in the southwestern part of the region. The average reservoir depth in the play is 1,000 meters. This play continues to attract investment for infill horizontal drilling and testing of new zones.

PrairieSky received revenue from 75 wells and 11 units in 2020. Light oil is the primary product along with associated natural gas and NGL. Most producing wells are mature wells with low annual decline rates. Average Fee Land and GORR Land royalties are 15% and 5%-8%, respectively.

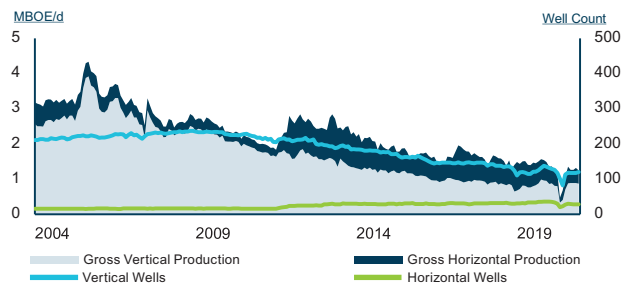
The play was discovered in the 1950s during development of the Cardium zone. Extensive development was undertaken in the 1970s and 1980s when many Belly River pools were unitized to permit infill drilling and the implementation of waterfloods. Horizontal drilling began in the 1990s with a second wave of activity starting in 2011.



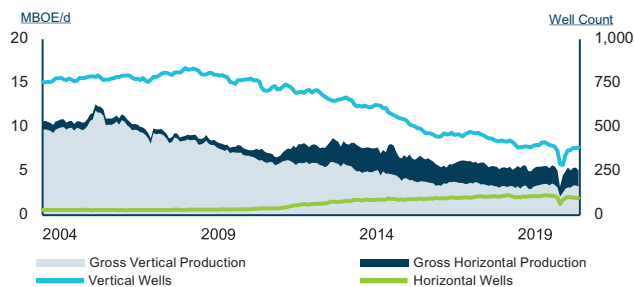
PSK Belly River Oil Royalty Interest Lands

Belly River Oil Land Summary	Acres (Thousands)	Sections
Fee	164	256
GORR	87	135
<b>Total Lands</b>	<b>251</b>	<b>391</b>

### PrairieSky Royalty Lands Central Alberta Belly River Oil



### Total Region Central Alberta Belly River Oil



### PLAY HIGHLIGHTS

- Over 250,000 acres of land in a light oil play
- Low decline base production
- Multi-zone horizontal play
- Extensive infrastructure in place



Belly River Oil	2018	2019	2020
PSK RI Producing Wells	84	80	75
PSK RI Producing Units	11	11	11
# Wells Rig Released	4	4	1
Gross Capital (\$MM)	\$11	\$6	\$4
Net Oil Production (bbl/d)	133	125	88
Net NGL Production (bbl/d)	14	12	9
Net Gas Production (MMcf/d)	0.1	0.1	0.1
<b>Net Production (BOE/d)</b>	<b>164</b>	<b>154</b>	<b>114</b>
Net Oil Revenue (\$M)	\$3,202	\$2,986	\$1,389
Net NGL Revenue (\$M)	\$190	\$92	\$61
Net Gas Revenue (\$M)	\$41	\$48	\$47
<b>Net Revenue (\$M)</b>	<b>\$3,433</b>	<b>\$3,126</b>	<b>\$1,497</b>
Netback Price (\$/BOE)	\$57.35	\$55.61	\$35.88

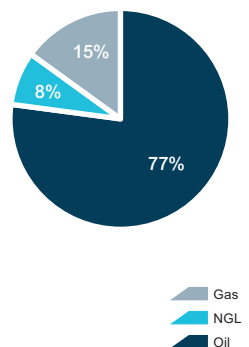
In the last two years, 8 wells were drilled in this play, 5 of these wells were on PrairieSky land. Horizontal drilling is commonly used to test low permeability zones in the Middle and Upper Belly River, in addition to infill drilling of existing pools predominantly in the Basal Belly River. Future locations were assigned using four wells per section for infill wells in proximity to existing horizontal wells.

The Belly River formation in this region is a sequence of sandstone reservoirs with a total thickness of approximately 350 meters. Many of the zones of interest can be considered unconventional exploration targets. Pool sizes in the future may be moderate in size, but the number of new pools could be extensive with the creation of new repeatable techniques to detect oil and complete horizontal wells.

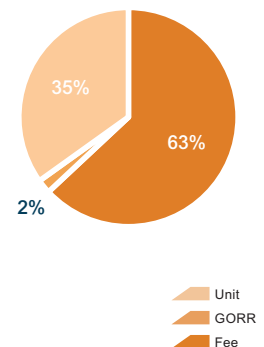
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Belly River Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	253
Undiscounted Booked Value (\$MM)	\$13
Future Fee Locations	40
Future GORR Locations	20
Future Potential (MBOE)	738
Undiscounted Future Potential (\$MM)	\$37
<b>Total Volume (MBOE)</b>	<b>991</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$50</b>

# CARDIUM OIL

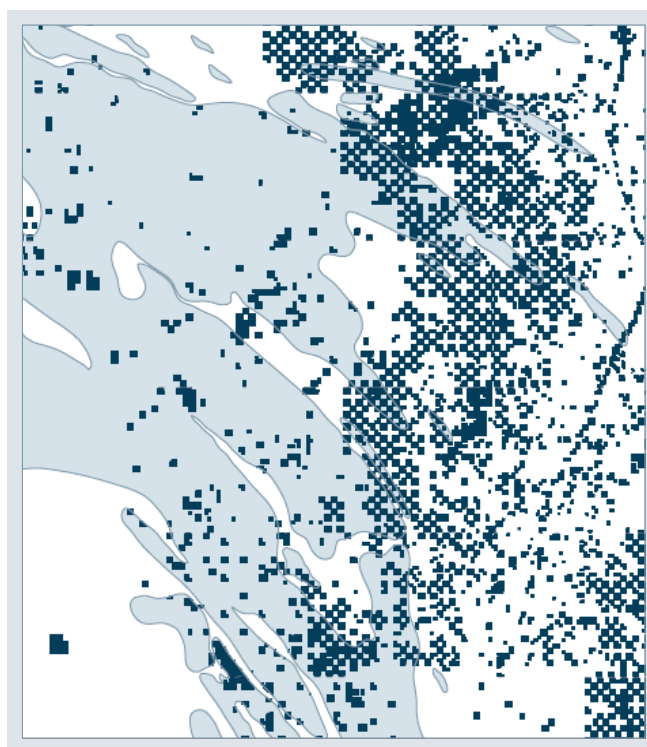
## Central Alberta



Oil and gas development in the Cardium formation covers an area 220 kilometers by 130 kilometers across the region and encompasses the large Pembina, Ferrier and Willesden Green fields. More than 12,000 wells have been drilled since the 1950s, and average depth of the play is 1,500 meters. PrairieSky has a substantial Fee Land position in this active light oil play.

PrairieSky received revenues from 294 wells and nine units in 2020. Light oil is the primary product with additional revenue generated by natural gas and NGL produced in association with the oil. Average royalties are 10%-12.5% on Fee Land and typically range between 4%-5% on GORR Land.

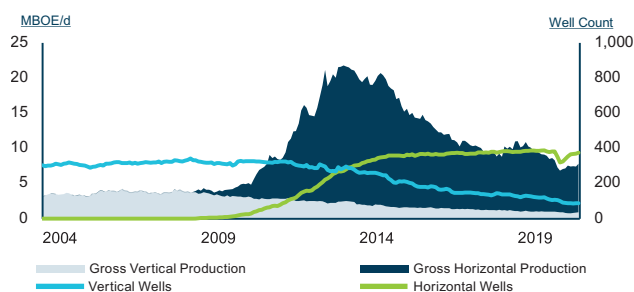
The pattern of historical Cardium development was to drill vertical wells at eight wells per section. Many of the pools were unitized and subsequently put under waterflood to enhance recovery in the 1970s and 1980s. Three decades of stabilized production followed with low decline rates commonly around 5% to 7% per year. Horizontal drilling was introduced to the



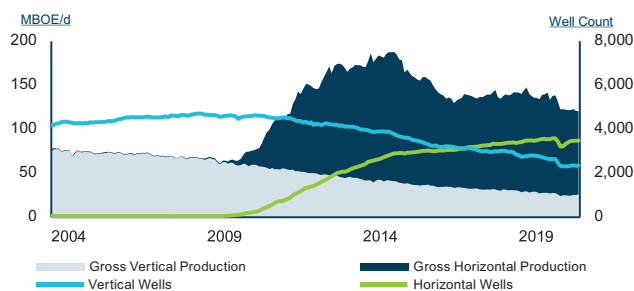
PSK Cardium Oil Royalty Interest Lands

Cardium Oil Land Summary	Acres (Thousands)	Sections
Fee	265	415
GORR	138	215
<b>Total Lands</b>	<b>403</b>	<b>630</b>

### PrairieSky Royalty Lands Central Alberta Cardium Oil



### Total Region Central Alberta Cardium Oil



### PLAY HIGHLIGHTS

- Over 400,000 acres of royalty lands in an established horizontal oil play
- 1,750 light oil locations identified on royalty lands
- Revenue from light oil, natural gas, and natural gas liquids
- Potential future value from new enhanced oil recovery techniques

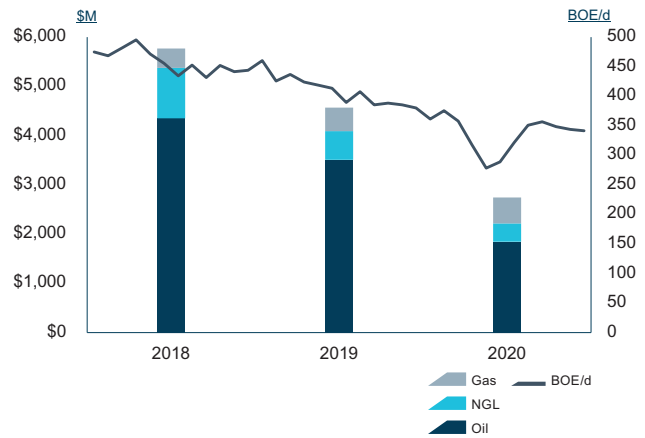
Cardium Oil	2018	2019	2020
PSK RI Producing Wells	297	296	294
PSK RI Producing Units	9	9	9
# Wells Rig Released	16	5	7
Gross Capital (\$MM)	\$51	\$17	\$23
Net Oil Production (bbl/d)	181	149	118
Net NGL Production (bbl/d)	73	67	57
Net Gas Production (MMcf/d)	1.2	1.2	1.0
<b>Net Production (BOE/d)</b>	<b>454</b>	<b>416</b>	<b>342</b>
Net Oil Revenue (\$M)	\$4,353	\$3,509	\$1,842
Net NGL Revenue (\$M)	\$1,025	\$584	\$378
Net Gas Revenue (\$M)	\$392	\$477	\$527
<b>Net Revenue (\$M)</b>	<b>\$5,770</b>	<b>\$4,570</b>	<b>\$2,747</b>
Netback Price (\$/BOE)	\$34.82	\$30.10	\$21.95

region in 2009 and over 3,900 wells have been drilled to date infilling old vertical pools and laterally extending the pool boundaries.

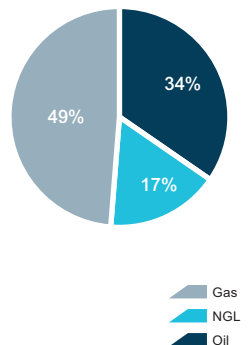
In the last two years, over 230 new horizontal wells have drilled in the play with 5% of these located on PrairieSky royalty acreage. In the first quarter of 2021, third party operators were drilling three wells on PrairieSky lands. Operators are experimenting with longer, two- to three-mile horizontal laterals, new completion techniques, and are also targeting low-permeability Cardium zones.

The Royalty Playbook includes 1,750 future infill and step-out horizontal locations on PrairieSky's lands. These wells are in areas with known oil trends and in proximity to recent horizontal drilling. Infill density is assumed at eight wells per section although it is possible that this density will be increased in the future. Additional volumes that could result from enhanced recovery have not been considered in the analysis of future potential.

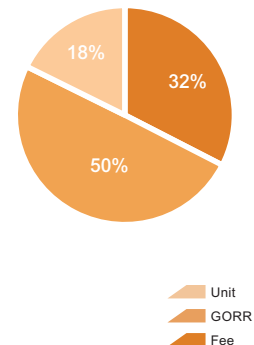
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Cardium Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	1,029
Undiscounted Booked Value (\$MM)	\$29
Future Fee Locations	1,070
Future GORR Locations	680
Future Potential (MBOE)	24,159
Undiscounted Future Potential (\$MM)	\$927
<b>Total Volume (MBOE)</b>	<b>25,188</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$956</b>

# VIKING OIL

## Central Alberta



The Viking oil fairway stretches across this region encompassing the large Provost, Redwater and Pembina fields. This formation has a long history of development. The first Viking oil pools in Central Alberta were discovered in the 1940s and were among the first pools in Canada where waterfloods were employed to enhance oil recovery. Active drilling in the last two years continues to expand the inventory of future locations in this light oil play.

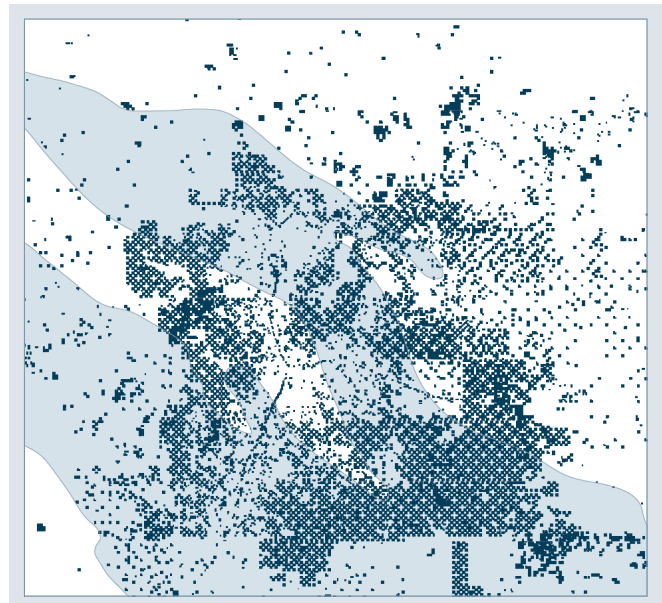
PrairieSky received royalty revenues from light oil, natural gas and NGL from over 600 wells and 21 Viking units in 2020. The unit production is from mature pools and forms a stable production base which has low annual declines. Average royalties for Fee Land are 15%-17.5% and royalties typically range between 6%-8% on GORR Land.

The development of the Viking oil play in this region has been advanced significantly by horizontal drilling technology. Completion methods are improving, and costs have decreased. Horizontal drilling is now used to develop previously non-commercial vertical pools, extend the boundaries of these pools, and access oil in areas where only gas was recovered previously.

Viking Oil Land Summary	Acres (Thousands)	Sections
Fee	527	824
GORR	246	385
<b>Total Lands</b>	<b>773</b>	<b>1,209</b>

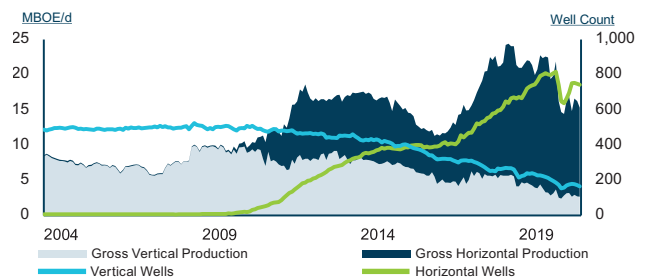
### PLAY HIGHLIGHTS

- Over 770,000 acres of royalty lands in resource-style light oil play
- 3,670 development locations at eight wells per section density
- Additional potential for reduced spacing and play extensions
- High average royalty on Fee and GORR Lands

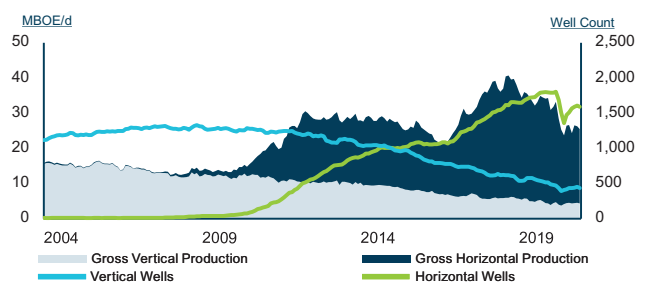


PSK Viking Oil Royalty Interest Lands

### PrairieSky Royalty Lands Central Alberta Viking Oil



### Total Region Central Alberta Viking Oil

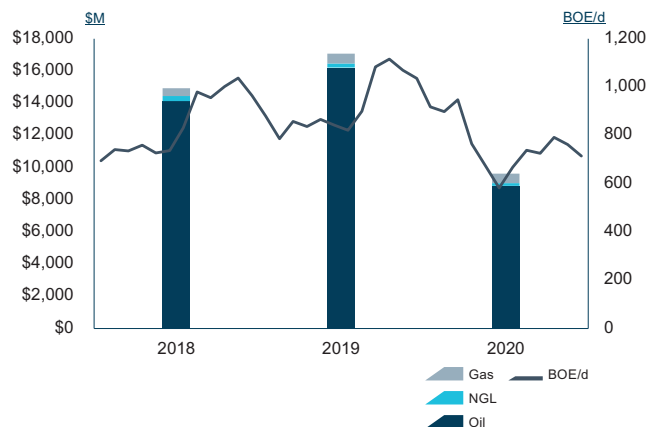


Viking Oil	2018	2019	2020
PSK RI Producing Wells	625	666	644
PSK RI Producing Units	24	23	21
# Wells Rig Released	171	133	41
Gross Capital (\$MM)	\$136	\$123	\$41
Net Oil Production (bbl/d)	635	700	588
Net NGL Production (bbl/d)	18	20	20
Net Gas Production (MMcf/d)	1.2	1.2	0.9
<b>Net Production (BOE/d)</b>	<b>853</b>	<b>920</b>	<b>758</b>
Net Oil Revenue (\$M)	\$14,130	\$16,207	\$8,858
Net NGL Revenue (\$M)	\$320	\$256	\$180
Net Gas Revenue (\$M)	\$473	\$605	\$577
<b>Net Revenue (\$M)</b>	<b>\$14,923</b>	<b>\$17,068</b>	<b>\$9,615</b>
Netback Price (\$/BOE)	\$47.93	\$50.83	\$34.66

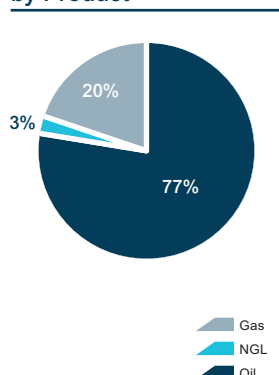
In the last two years, over 240 new horizontal wells have been drilled in the play, 72% of these were located on PrairieSky lands. New drilling has increased the PrairieSky development acreage during this period, adding new royalty locations to inventory.

Operators have typically drilled one-mile long horizontal wells with a density of eight wells per section. New patterns of long and short reach horizontals are now being drilled at higher densities. Continued activity, along with technology advancements and cost reductions, are expected to extend development of this resource-style play and PrairieSky is well positioned to benefit from this trend.

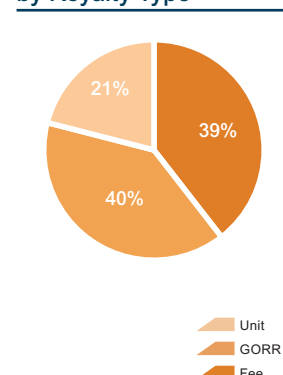
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Viking Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	1,188
Undiscounted Booked Value (\$MM)	\$57
Future Fee Locations	2,330
Future GORR Locations	1,340
Future Potential (MBOE)	23,026
Undiscounted Future Potential (\$MM)	\$1,172
<b>Total Volume (MBOE)</b>	<b>24,214</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$1,229</b>





# MANNVILLE GAS

## Central Alberta



Natural gas reservoirs occur in the Mannville Group across most of the Central Alberta region. The reservoir depths range from 500 meters to over 2,000 meters from east to west. The play is 200 meters thick on average and contains multiple zones, all of which may be gas-bearing. This is an active, liquids-rich natural gas play where PrairieSky has a large Fee Land position.

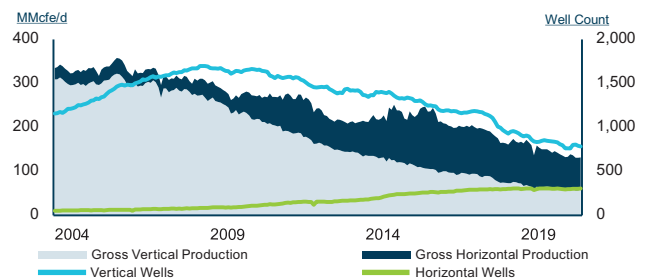
PrairieSky received royalties from over 950 wells and 18 units in 2020. This play is the largest contributor to the Company's total NGL volumes. Liquids yields depend on reservoir characteristics and plant specifications but can exceed 100 bbl/MMcf. Fee Land and GORR Land royalties typically range between 10%-15% and 3%-4%, respectively.

Mannville natural gas has been developed vertically for over 50 years in the region. Many of these mature pools were unitized and have low annual decline rates. These wells form the production base for this play. Horizontal drilling and completions have been used since 2010 and these methods have changed the landscape allowing economic rates to be produced from low permeability sandstone reservoirs.

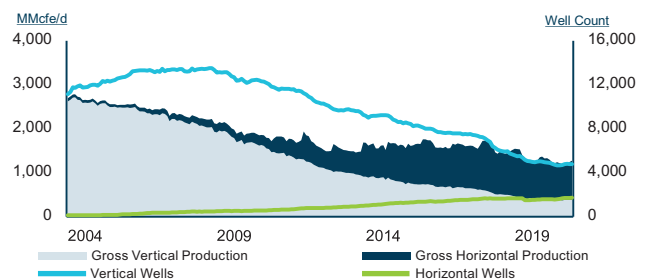


PSK Mannville Gas Royalty Interest Lands

### PrairieSky Royalty Lands Central Alberta Mannville Gas



### Total Region Central Alberta Mannville Gas



Mannville Gas Land Summary	Acres (Thousands)	Sections
Fee	2,537	3,965
GORR	1,018	1,591
<b>Total Lands</b>	<b>3,555</b>	<b>5,556</b>

### PLAY HIGHLIGHTS

3.6 million acres of royalty lands in a multizone liquids-rich natural gas play

1,220 development locations in a liquids-rich resource-style play

Additional future potential in higher drilling densities and new zone development

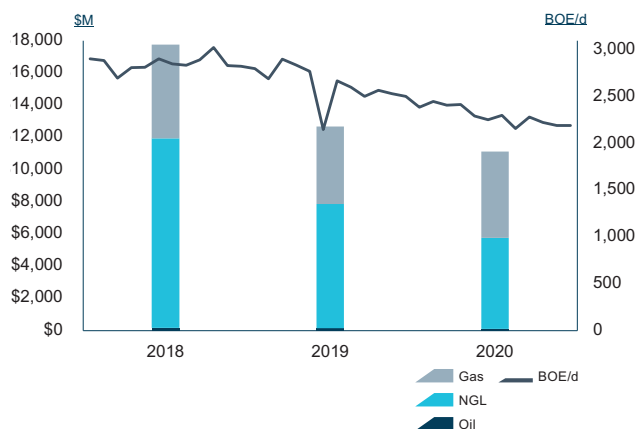
Leveraged to improvements in horizontal drilling and completions technology

Mannville Gas	2018	2019	2020
PSK RI Producing Wells	1,154	1,028	952
PSK RI Producing Units	22	19	18
# Wells Rig Released	8	7	3
Gross Capital (\$MM)	\$25	\$25	\$11
Net Oil Production (bbl/d)	8	7	7
Net NGL Production (bbl/d)	994	989	903
Net Gas Production (MMcf/d)	11.1	9.8	8.3
<b>Net Production (BOE/d)</b>	<b>2,852</b>	<b>2,629</b>	<b>2,293</b>
Net Oil Revenue (\$M)	\$181	\$155	\$111
Net NGL Revenue (\$M)	\$11,768	\$7,710	\$5,660
Net Gas Revenue (\$M)	\$5,801	\$4,801	\$5,349
<b>Net Revenue (\$M)</b>	<b>\$17,750</b>	<b>\$12,666</b>	<b>\$11,120</b>
Netback Price (\$/BOE)	\$17.05	\$13.20	\$13.25

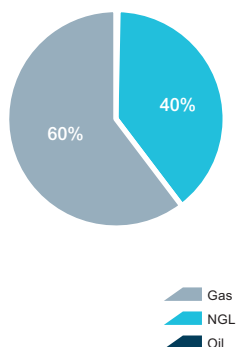
In the last two years, 118 horizontal wells have been drilled in this play, 8% of these wells were on PrairieSky land. In the first quarter of 2021, third party operators were drilling three wells on PrairieSky lands. Operators are drilling four wells per section and they are experimenting with closer spacing and longer reach horizontal wells to improve recoveries.

Beyond the future locations identified to date in this play, there remains potential for the development of new areas and additional zones to increase royalty volumes. Only one zone per section was considered when assigning future value, even though stacked Mannville sands can be found throughout the play.

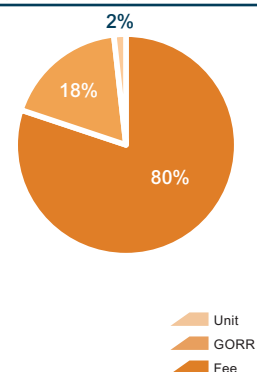
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Mannville Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	7,149
Undiscounted Booked Value (\$MM)	\$139
Future Fee Locations	860
Future GORR Locations	360
Future Potential (MBOE)	68,805
Undiscounted Future Potential (\$MM)	\$1,397
<b>Total Volume (MBOE)</b>	<b>75,954</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$1,536</b>



# MANNVILLE LIGHT OIL

## Central Alberta



The Mannville reservoirs are a sequence of sandstone and shale beds approximately 200 meters thick that occur throughout the Central Alberta region at an average of 1,500 meters. New pool developments are common in this mature multi-zone play which continues to attract capital annually. In this Royalty Playbook, the Mannville light oil play is separated geographically from the Mannville heavy oil play which is located to the east and north.

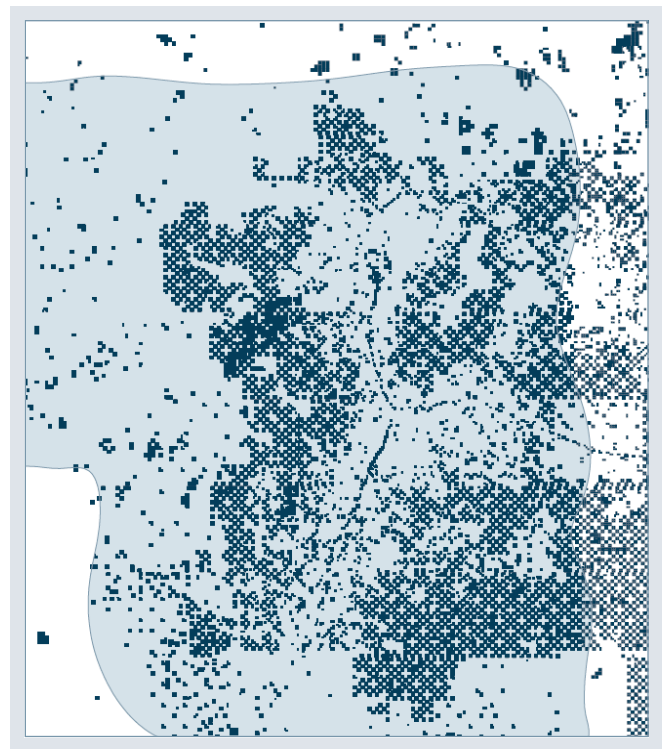
PrairieSky received revenue from 188 producing wells and 15 units in 2020. Revenue is also generated from associated natural gas and NGL. Current production is mainly from mature wells that have a low annual decline and form a steady production base. Royalties on Fee Land and GORR Land average 15% and 3%, respectively.

Mannville light oil reservoirs have been important conventional exploration and development targets for over 50 years in this region. Waterfloods are commonly implemented to enhance oil recoveries. Horizontal drilling has expanded exploration to unconventional targets that were overlooked in the past. This trend is expected to continue as new drilling and completion techniques are applied to the play.

Mannville Light Oil Land Summary	Acres (Thousands)	Sections
Fee	712	1,113
GORR	162	253
<b>Total Lands</b>	<b>874</b>	<b>1,366</b>

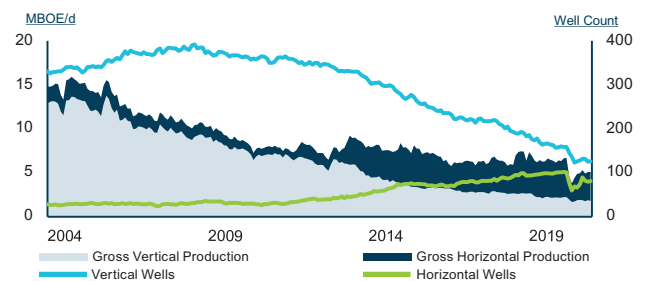
### PLAY HIGHLIGHTS

- Over 870,000 acres of royalty lands in a multi-zone light oil play
- Recent new pool discoveries using horizontal drilling
- 650 future locations near proven producing wells
- Continued leasing and drilling through challenging commodity price environments

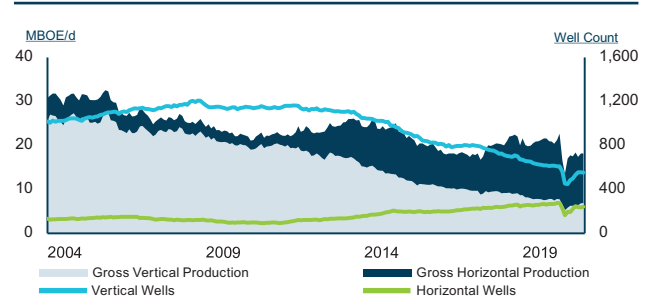


PSK Mannville Light Oil Royalty Interest Lands

### PrairieSky Royalty Lands Central Alberta Mannville Light Oil



### Total Region Central Alberta Mannville Light Oil

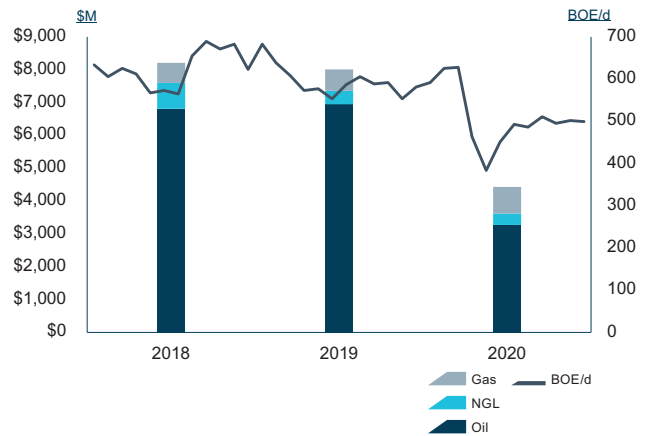


Mannville Light Oil	2018	2019	2020
PSK RI Producing Wells	212	200	188
PSK RI Producing Units	16	15	15
# Wells Rig Released	21	8	3
Gross Capital (\$MM)	\$43	\$17	\$7
Net Oil Production (bbl/d)	345	335	252
Net NGL Production (bbl/d)	63	54	60
Net Gas Production (MMcf/d)	1.3	1.2	1.2
<b>Net Production (BOE/d)</b>	<b>625</b>	<b>589</b>	<b>512</b>
Net Oil Revenue (\$M)	\$6,815	\$6,945	\$3,272
Net NGL Revenue (\$M)	\$786	\$411	\$349
Net Gas Revenue (\$M)	\$610	\$655	\$811
<b>Net Revenue (\$M)</b>	<b>\$8,211</b>	<b>\$8,011</b>	<b>\$4,432</b>
Netback Price (\$/BOE)	\$35.99	\$37.26	\$23.65

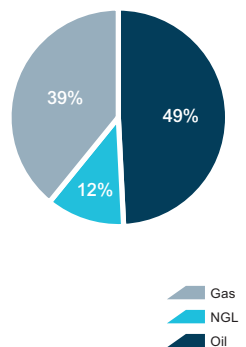
Over the last two years, 26 new wells have been drilled in the play and 42% of the wells were located on PrairieSky land. Operators have drilled mostly one-mile long horizontal wells, but some are experimenting with extended reach horizontals and multi-leg laterals to improve recoveries. Industry continues to utilize horizontal drilling and completions technology to target tighter oil reservoirs not previously developed with historical vertical well control.

New pool developments are common in this mature play. Moderate drilling depths and year-round access create a low cost of entry attractive to small and medium-sized operators who are responsible for many new pool discoveries. PrairieSky leases prospective formations separately in this play generating additional revenue and increasing the potential benefits of stacked resource development from new industry activity.

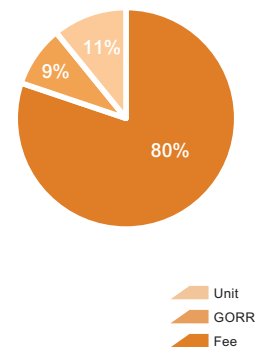
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Mannville Light Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	1,437
Undiscounted Booked Value (\$MM)	\$51
Future Fee Locations	510
Future GORR Locations	140
Future Potential (MBOE)	21,201
Undiscounted Future Potential (\$MM)	\$663
<b>Total Volume (MBOE)</b>	<b>22,638</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$714</b>



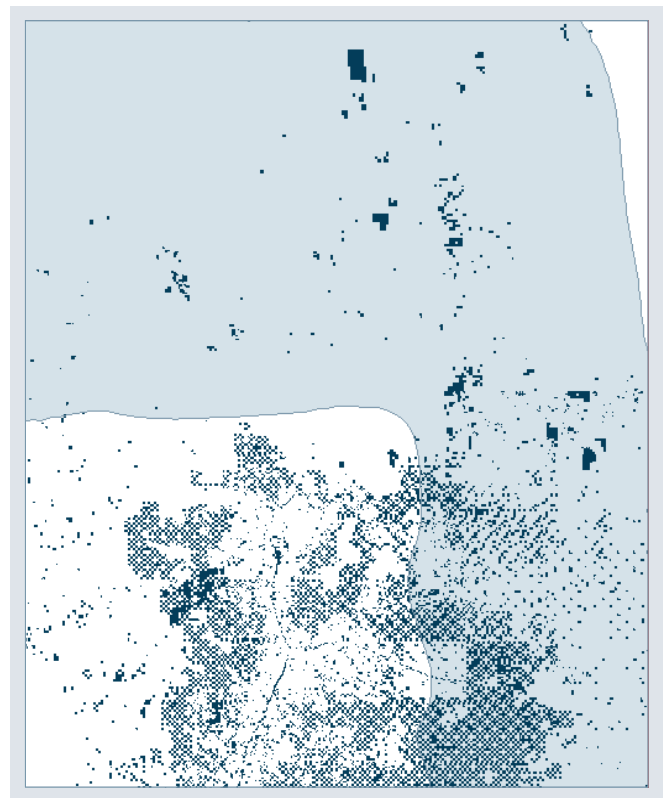
# MANNVILLE HEAVY OIL

## Central Alberta



The Mannville group is a sequence of oil and gas sandstone reservoirs approximately 200 meters thick that occurs throughout much of the Central Alberta region. Heavy oil is produced in the shallower eastern and northern areas. Average depth for this asset is 700 meters. PrairieSky has extensive Fee Land in this multi-zone play which is leveraged by the development of new enhanced oil recovery technologies.

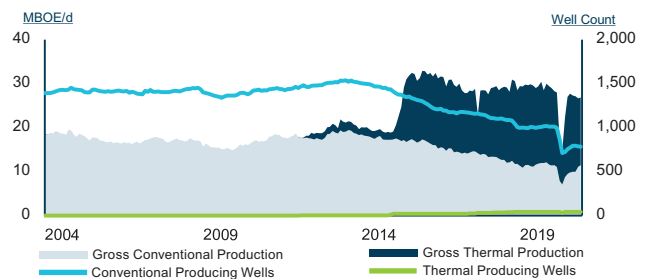
PrairieSky received revenue from 567 wells and eight units in 2020. Production comes from conventional, unconventional, and oil sands pools. In this Royalty Playbook, Mannville heavy oil is considered any production with API gravity less than 30°. Fee Land and GORR Land royalties typically range between 15%-17% and 3%-5%, respectively. Heavy oil projects have been developed in this region in recent years through the application of horizontal drilling technology and new waterflood and steam flood techniques. Multi-leg horizontal wells drain heavy oil reservoirs more effectively and improve flow rates. Horizontal wells are being incorporated into waterflood projects with promising results and steam assisted gravity drainage (SAGD) is employed to produce bitumen. PrairieSky has been the beneficiary of all these technological advancements at no cost.



PSK Mannville Heavy Oil Royalty Interest Lands

Mannville Heavy Oil Land Summary	Acres (Thousands)	Sections
Fee	504	787
GORR	202	316
<b>Total Lands</b>	<b>706</b>	<b>1,103</b>

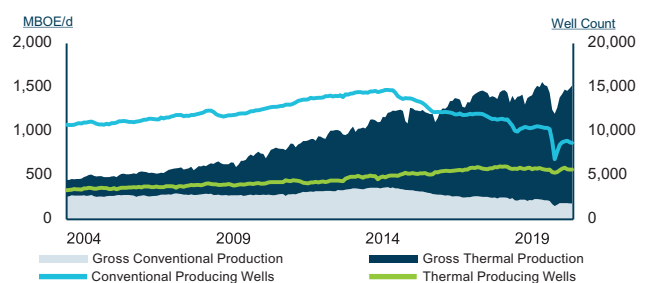
### PrairieSky Royalty Lands Central Alberta Mannville Heavy Oil



### PLAY HIGHLIGHTS

- Over 700,000 acres of royalty lands in a multi-zone oil play
- 980 future locations adjacent to proven oil production
- GORR ownership in 680 MMbbl oil-in-place SAGD pool at Lindbergh with near to medium-term growth potential
- Exposure to new enhanced oil recovery projects

### Total Region Central Alberta Mannville Heavy Oil





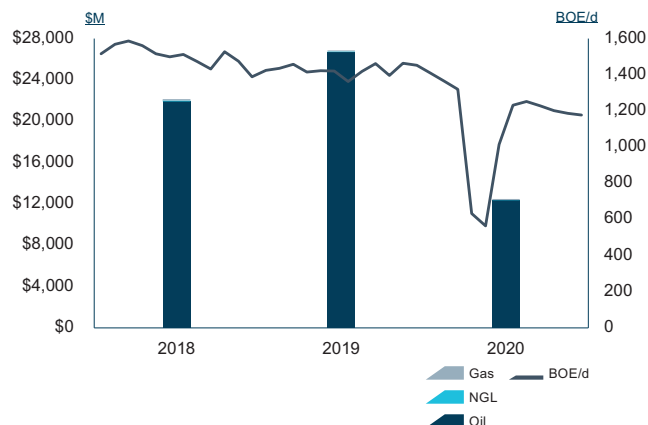
Mannville Heavy Oil	2018	2019	2020
PSK RI Producing Wells	651	598	567
PSK RI Producing Units	8	8	8
# Wells Rig Released	25	9	14
Gross Capital (\$MM)	\$33	\$9	\$28
Net Oil Production (bbl/d)	1,453	1,389	1,100
Net NGL Production (bbl/d)	4	3	2
Net Gas Production (MMcf/d)	0.3	0.2	0.2
<b>Net Production (BOE/d)</b>	<b>1,507</b>	<b>1,425</b>	<b>1,135</b>
Net Oil Revenue (\$M)	\$21,909	\$26,707	\$12,350
Net NGL Revenue (\$M)	\$94	\$54	\$27
Net Gas Revenue (\$M)	\$125	\$110	\$115
<b>Net Revenue (\$M)</b>	<b>\$22,128</b>	<b>\$26,871</b>	<b>\$12,492</b>
Netback Price (\$/BOE)	\$40.23	\$51.66	\$30.07

In the last two years, 360 new wells were drilled in this play. There were 23 wells drilled on PrairieSky lands during the period, and approximately one-third of these were part of the Lindbergh SAGD Project where PrairieSky has a 4% royalty interest.

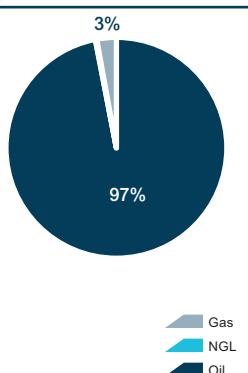
Future locations were assigned to PrairieSky lands in the play area based on single-leg horizontal wells and the assumption of only one zone per section. Development of the Lindbergh SAGD Project was assigned locations based on full development of prospective royalty lands, excluding royalty lands in adjacent Muriel Lake.

PrairieSky has an extensive position of checkerboard Fee Land in the southern part of this region. New pool discoveries are expected to continue in this play, especially with the continued advancement of multi-leg horizontal drilling in Mannville heavy oil plays. Even new pools which can be small geographically will add important value to PrairieSky in the future.

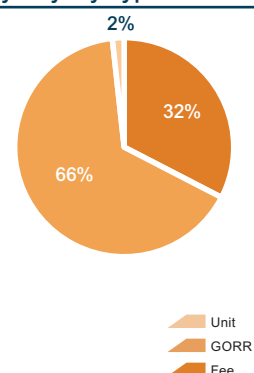
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Mannville Heavy Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	2,699
Undiscounted Booked Value (\$MM)	\$119
Future Fee Locations	500
Future GORR Locations	480
Future Potential (MBOE)	25,917
Undiscounted Future Potential (\$MM)	\$1,147
<b>Total Volume (MBOE)</b>	<b>28,616</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$1,266</b>



# CLEARWATER OIL

## Central Alberta



The Clearwater oil play is located in the northern part of the region. PrairieSky has amassed over 1 million acres of GORR Land in this emerging play over the last four years. Approximately 75% of the land is held by Crown oil sands leases with long primary tenures of 12 to 15 years. This zone is a subset of the Mannville group but is featured separately here. This is a shallow play with depths of 400 to 700 meters. This exciting new play is expected to add future value well beyond the value assigned in the Royalty Playbook.

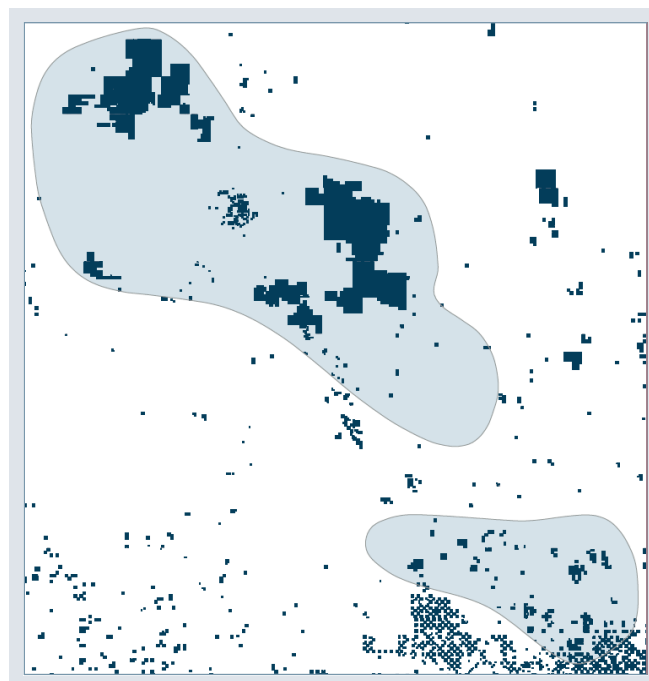
PrairieSky received revenue from 87 wells in 2020. The majority of these wells were drilled in the last three years. Heavy oil with an API gravity of 13° to 21° is produced with no revenue from natural gas or NGL. The average royalty interest for PrairieSky's GORR Land is 5%.

Multi-leg horizontal drilling has been the key to unlocking this play. Oil was known to occur in the Clearwater formation for many years, but it could not be produced by conventional methods. The first multi-leg wells were drilled in December 2015. Operators are typically drilling wells with four to six one-mile long horizontal laterals, and are experimenting with longer lateral lengths. Play economics are attractive due to shallow depths and low completion costs. There are over 370 horizontal wells on production in this play to date.

Clearwater Land Summary	Acres (Thousands)	Sections
Fee	16	25
GORR	1,016	1,588
<b>Total Lands</b>	<b>1,032</b>	<b>1,613</b>

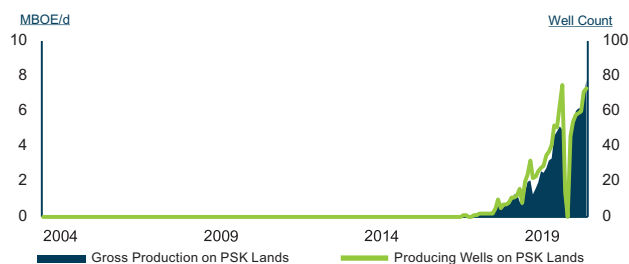
### PLAY HIGHLIGHTS

- Over 1 million acres of GORR Land in an emerging oil play
- 1,050 multi-leg horizontal locations identified
- Robust play economics
- Additional growth potential over large land base

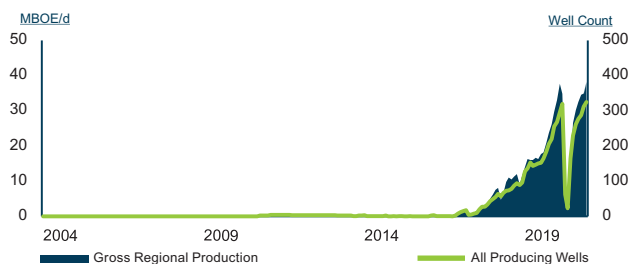


PSK Clearwater Oil Royalty Interest Lands

### PrairieSky Royalty Lands Central Alberta Clearwater Oil



### Total Region Central Alberta Clearwater Oil

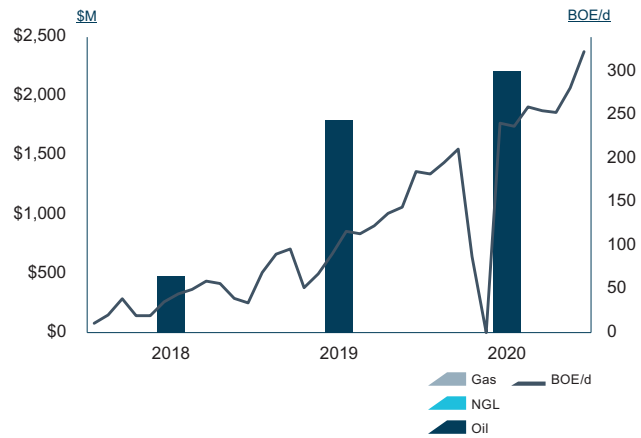


Clearwater Oil	2018	2019	2020
PSK RI Producing Wells	19	54	87
PSK RI Producing Units	0	0	0
# Wells Rig Released	19	33	39
Gross Capital (\$MM)	\$20	\$32	\$36
Net Oil Production (bbl/d)	36	107	211
Net NGL Production (bbl/d)	0	0	0
Net Gas Production (MMcf/d)	0.0	0.0	0.0
<b>Net Production (BOE/d)</b>	<b>36</b>	<b>107</b>	<b>211</b>
Net Oil Revenue (\$M)	\$479	\$1,799	\$2,213
Net NGL Revenue (\$M)	\$0	\$0	\$0
Net Gas Revenue (\$M)	\$0	\$0	\$0
<b>Net Revenue (\$M)</b>	<b>\$479</b>	<b>\$1,799</b>	<b>\$2,213</b>
Netback Price (\$/BOE)	\$36.45	\$46.06	\$28.66

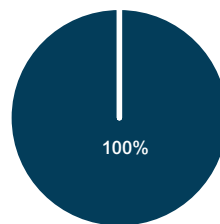
In the last two years, over 220 wells were drilled and came on production in this play, with 33% of these wells on PrairieSky Lands. Multi-leg horizontal wells are counted as a single well in this case. The play continues to expand quickly. In the first three months of 2021, there were almost 80 new wells spud, 16% of which are on PrairieSky land.

The development area selected to assign future locations has expanded since the last Royalty Playbook. In the northern Clearwater trend, the Nipisi development area has expanded to include more GORR lands since the previous Playbook, and a small portion of GORR lands in the Cadotte field have also been selected for future development based on drilling and production results. The southern Clearwater trend is also being actively drilled and has been assigned future locations. Approximately 16% of PrairieSky's play acreage was assigned four wells per section, with the assumption that each of these wells is a multi-leg horizontal well. Locations were also assigned to a second productive zone in some sections in the Nipisi development area. The remainder of PrairieSky's play acreage is prospective for Clearwater heavy oil and ongoing drilling will continue to establish new producing regions. Delineation and infill development of this play will be the source of new royalty revenue and inventory additions for years to come.

## Net Revenue and Production

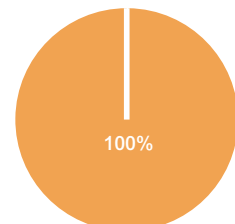


## 2020 Net Production by Product



Gas  
NGL  
Oil

## 2020 Net Production by Royalty Type



Unit  
GORR  
Fee

## Clearwater Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	428
Undiscounted Booked Value (\$MM)	\$18
Future Fee Locations	0
Future GORR Locations	1,050
Future Potential (MBOE)	8,978
Undiscounted Future Potential (\$MM)	\$389
<b>Total Volume (MBOE)</b>	<b>9,406</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$407</b>

# MISSISSIPPIAN OIL

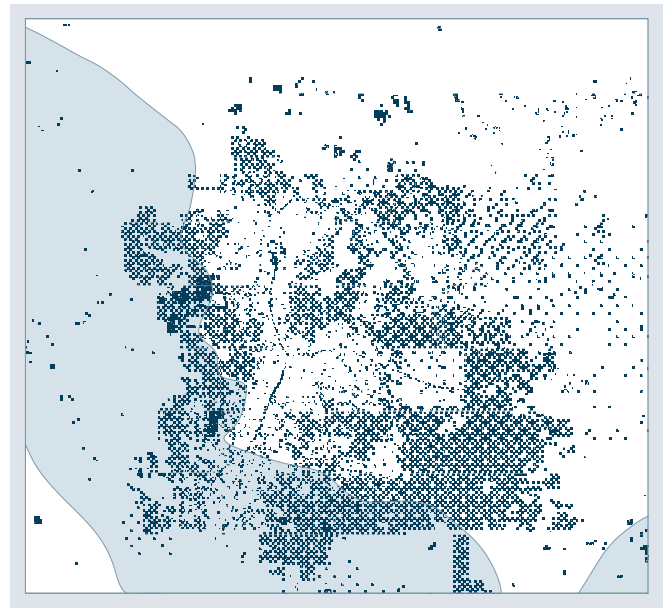
## Central Alberta



Mississippian oil reservoirs are limited to the southwestern corner of the Central Alberta region, and production is derived mostly from conventional reservoirs at an average depth of approximately 1,450 meters. Expansion of mature pools and new pool discoveries have the potential to add value for PrairieSky in the future.

PrairieSky received mostly light oil revenue from 60 wells and eight units in 2020. Production is derived from mature pools with no new well additions in the last two years. Royalties on Fee Land and GORR Land average 15%-19% and 3%-5%, respectively.

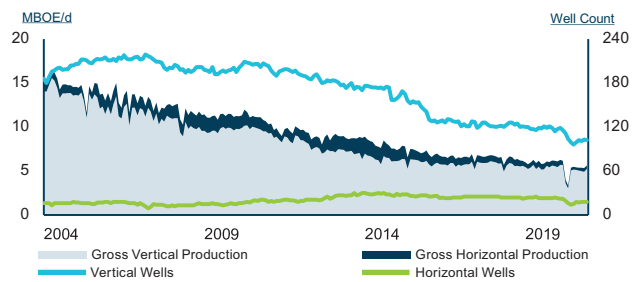
Development of the Mississippian oil reservoirs occurred in the 1970s and 1980s in this region when many of the pools were unitized and waterflooded. Horizontal drilling was introduced in the 1990s in mature pools to enhance oil recoveries and extend the productive areas. A second phase of horizontal drilling began in 2010 targeting development not previously economic with vertical drilling.



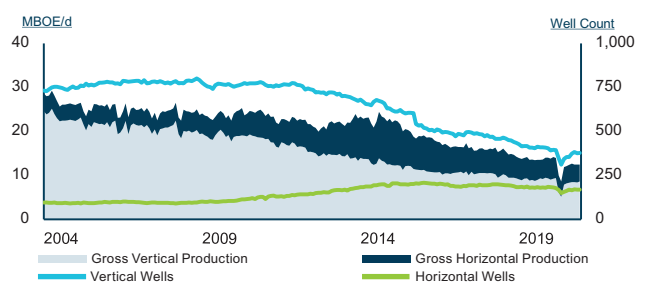
PSK Mississippian Oil Royalty Interest Lands

Mississippian Oil Land Summary	Acres (Thousands)	Sections
Fee	218	341
GORR	34	53
<b>Total Lands</b>	<b>252</b>	<b>394</b>

PrairieSky Royalty Lands  
Central Alberta Mississippian Oil



Total Region  
Central Alberta Mississippian Oil



### PLAY HIGHLIGHTS

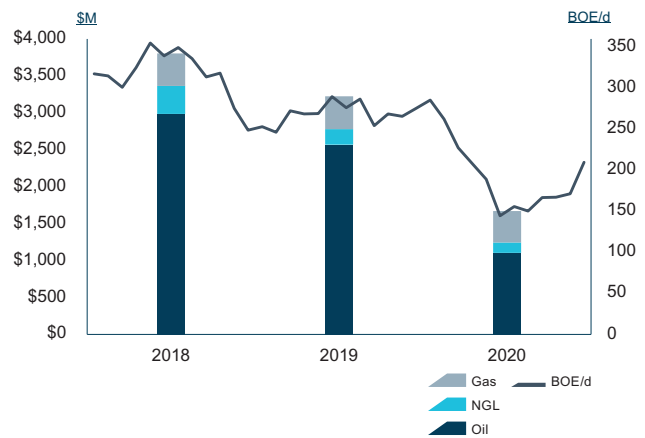
- Over 250,000 acres of royalty lands in a light oil play
- Expansion of mature pools with new drilling and technologies
- Multi-zone potential
- Possibility of new pools along established trends

Mississippian Oil	2018	2019	2020
PSK RI Producing Wells	66	63	60
PSK RI Producing Units	8	8	8
# Wells Rig Released	0	0	0
Gross Capital (\$MM)	\$0	\$0	\$0
Net Oil Production (bbl/d)	145	121	83
Net NGL Production (bbl/d)	23	22	19
Net Gas Production (MMcf/d)	0.9	0.8	0.6
<b>Net Production (BOE/d)</b>	<b>318</b>	<b>276</b>	<b>202</b>
Net Oil Revenue (\$M)	\$2,986	\$2,570	\$1,106
Net NGL Revenue (\$M)	\$379	\$209	\$137
Net Gas Revenue (\$M)	\$438	\$445	\$426
<b>Net Revenue (\$M)</b>	<b>\$3,803</b>	<b>\$3,224</b>	<b>\$1,669</b>
Netback Price (\$/BOE)	\$32.76	\$32.00	\$22.57

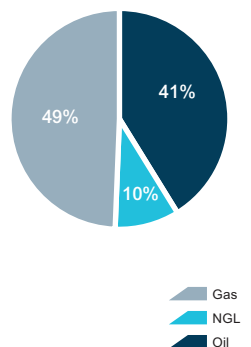
In the last two years, 5 wells have been drilled in this play; however, none of these recent wells are on PrairieSky land. All recent industry drills have been horizontal wells.

More horizontal drilling is anticipated on PrairieSky land in the future with 60 locations identified. Future development is expected to occur in established pools where infill wells and pool extensions will enhance oil recoveries. Also, new pool discoveries are still a possibility, but no future locations were assigned to new pools in this Royalty Playbook.

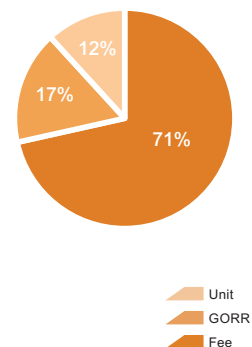
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Mississippian Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	526
Undiscounted Booked Value (\$MM)	\$17
Future Fee Locations	50
Future GORR Locations	10
Future Potential (MBOE)	1,904
Undiscounted Future Potential (\$MM)	\$67
<b>Total Volume (MBOE)</b>	<b>2,430</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$84</b>



# NISKU OIL

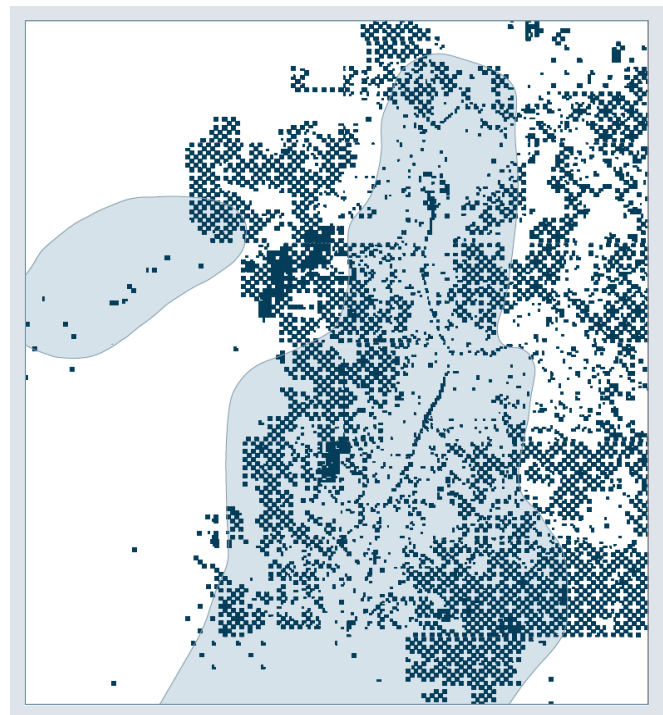
## Central Alberta



The Nisku oil pools in Central Alberta are located between Calgary and Edmonton and are associated with early oil exploration in Western Canada. The average depth of this play is 1,850 meters. New pool discoveries and mature pool exploitation both have the potential to add future royalty value in this play.

PrairieSky received revenue from 73 wells and 10 units in 2020. Average Fee Land and GORR Land royalties are 15% and 1%, respectively.

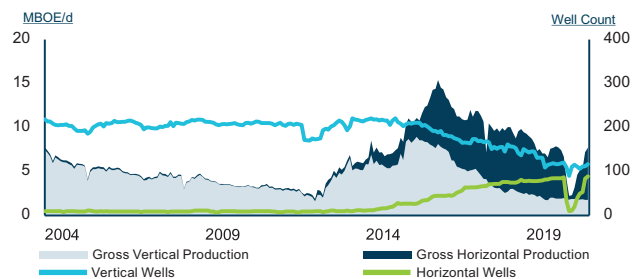
Vertical drilling was used originally and is still employed to explore for new pools because of the high flow capacity of conventional reservoirs. Horizontal drilling began in the 1990s initially as a method of accessing trapped oil in the reef reservoirs. More recently it has been used to increase rates and recoveries in low productivity areas.



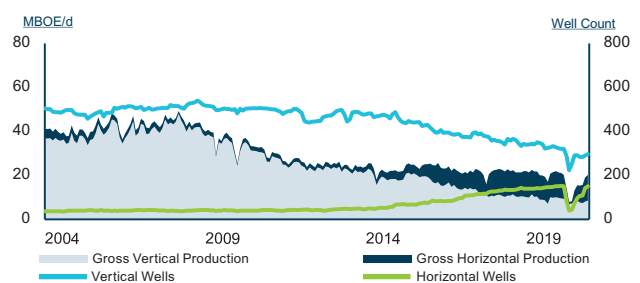
PSK Nisku Oil Royalty Interest Lands

Nisku Oil Land Summary	Acres (Thousands)	Sections
Fee	241	377
GORR	22	35
<b>Total Lands</b>	<b>263</b>	<b>412</b>

### PrairieSky Royalty Lands Central Alberta Nisku Oil



### Total Region Central Alberta Nisku Oil



### PLAY HIGHLIGHTS

263,000 acres of royalty lands in a light oil play,  
92% Fee Land

Potential to add significant royalty value with  
a single discovery

Opportunities for enhanced oil recovery combined  
with carbon sequestration

Leveraged to advances in seismic technology

Nisku Oil	2018	2019	2020
PSK RI Producing Wells	75	74	73
PSK RI Producing Units	10	11	10
# Wells Rig Released	10	9	6
Gross Capital (\$MM)	\$25	\$21	\$19
Net Oil Production (bbl/d)	580	453	295
Net NGL Production (bbl/d)	35	28	18
Net Gas Production (MMcf/d)	0.3	0.3	0.1
<b>Net Production (BOE/d)</b>	<b>665</b>	<b>531</b>	<b>330</b>
Net Oil Revenue (\$M)	\$13,934	\$10,563	\$4,771
Net NGL Revenue (\$M)	\$557	\$273	\$104
Net Gas Revenue (\$M)	\$93	\$114	\$85
<b>Net Revenue (\$M)</b>	<b>\$14,584</b>	<b>\$10,950</b>	<b>\$4,960</b>
Netback Price (\$/BOE)	\$60.08	\$56.50	\$41.07

In the last two years, 24 wells have been drilled in this play, 63% of which are on PrairieSky land. Most of the new wells drilled have been in existing units or have extended into tighter reservoirs offsetting historical vertical development. Initial performance of some wells exceeds 500 bbl/d.

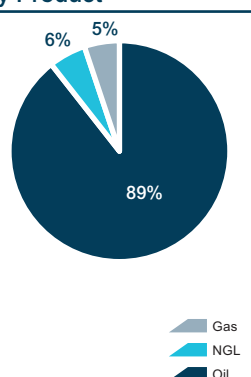
An example of recent unit development is the Leduc-Woodbend D-2 Unit. Cumulative production to March 2011 was 81 MMbbl of light oil, and production was down to 15 bbl/d. A new operator took ownership of the unit and new horizontal drilling took the oil production rate to over 4,000 bbl/d. At the end of 2020, this unit was still producing over 3,400 bbl/d of oil.

The Elnora Nisku B Pool is a pinnacle reef reservoir discovered in 2011 and is an example of new pool discoveries in the play. It is approximately five square kilometers in size and is projected to recover in excess of 16 MMbbl of oil. PrairieSky has checkerboard Fee Land throughout this play.

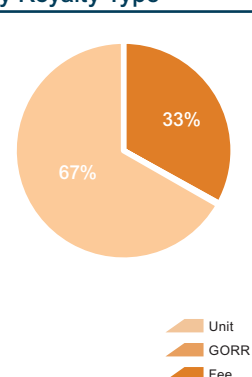
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Nisku Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	1,093
Undiscounted Booked Value (\$MM)	\$57
Future Fee Locations	50
Future GORR Locations	10
Future Potential (MBOE)	2,226
Undiscounted Future Potential (\$MM)	\$103
<b>Total Volume (MBOE)</b>	<b>3,319</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$160</b>



# DEVONIAN OIL

## Central Alberta



The Devonian oil play is comprised of carbonate reservoirs, often ancient reefs, located within 350 kilometers of Edmonton. PrairieSky land is in the southern part of this play where many of the pools are unitized. The average reservoir depth is 2,100 meters. This is a mature oil play with large reserves in place that could be exploited by new enhanced recovery technologies.

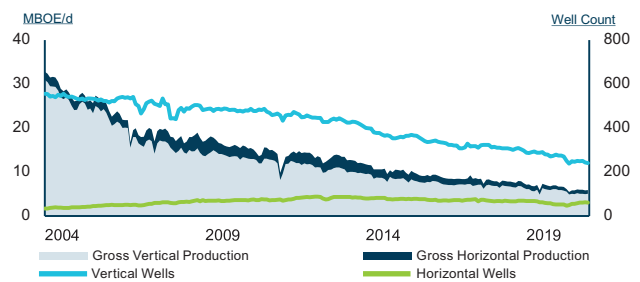
PrairieSky received revenue from 184 wells and 11 units in 2020. Light oil is the primary target, and most pools produce minor natural gas and NGL. Average Fee Land and GORR Land royalties are 10% and 2.5%, respectively.

Similar to shallower Nisku oil reservoirs in the region, vertical drilling was used originally for new pools because of the high flow capacity of conventional reservoirs. Horizontal drilling began in the 1990s as a method of accessing trapped oil in the reef reservoirs, and more recently has been employed to increase rates and recoveries in lower productivity areas.



Devonian Oil Land Summary	Acres (Thousands)	Sections
Fee	279	436
GORR	94	147
<b>Total Lands</b>	<b>373</b>	<b>583</b>

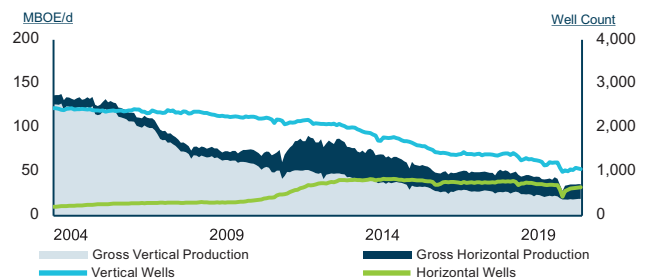
### PrairieSky Royalty Land Central Alberta Devonian Oil



### PLAY HIGHLIGHTS

- Over 370,000 acres of royalty lands in a light oil asset
- Low decline base production
- Stacked Devonian multi-zone potential in some areas
- Significant Opportunities for CCUS and CO<sub>2</sub> floods
- Very large OOIP pools where small increases in recovery efficiencies can contribute large incremental volumes

### Total Region Central Alberta Devonian Oil



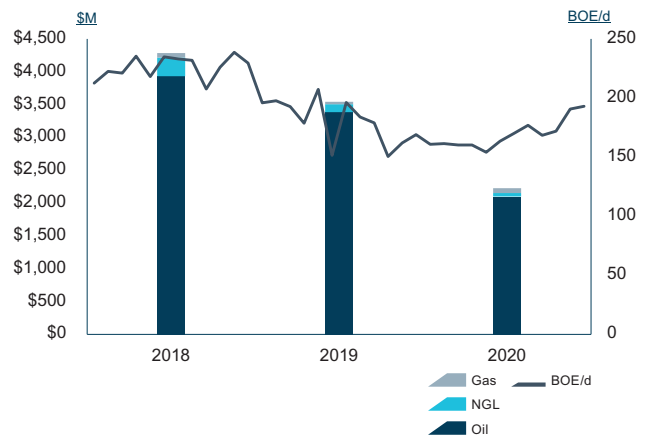
Devonian Oil	2018	2019	2020
PSK RI Producing Wells	146	138	184
PSK RI Producing Units	11	11	11
# Wells Rig Released	2	0	4
Gross Capital (\$MM)	\$6	\$0	\$8
Net Oil Production (bbl/d)	169	144	138
Net NGL Production (bbl/d)	24	17	11
Net Gas Production (MMcf/d)	0.2	0.1	0.1
<b>Net Production (BOE/d)</b>	<b>226</b>	<b>178</b>	<b>166</b>
Net Oil Revenue (\$M)	\$3,930	\$3,382	\$2,098
Net NGL Revenue (\$M)	\$284	\$122	\$57
Net Gas Revenue (\$M)	\$72	\$40	\$74
<b>Net Revenue (\$M)</b>	<b>\$4,286</b>	<b>\$3,544</b>	<b>\$2,229</b>
Netback Price (\$/BOE)	\$51.96	\$54.55	\$36.69

Many Devonian-aged reservoirs have been identified as ideal candidates for CCUS, and the oil pools also have potential for EOR schemes using CO<sub>2</sub> flooding. The Leduc D-3A Unit No.1 in the Clive Field is one recent example of industry combining both the CCUS and EOR opportunities present in Central Alberta. Prior to CO<sub>2</sub> flooding, this unit was producing 30 bbl/d of oil. In March 2021, this unit was producing over 700 bbl/d of oil.

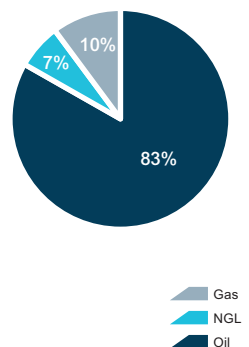
In the last two years, 31 new wells have been drilled in this play, 13% of the wells were on PrairieSky land. While most of the wells drilled were horizontal wells which extended the productive boundary of older pools, activity also included new pool development in the southern part of the region.

Very little future potential value has been assigned to the Devonian oil play, but the application of new drilling and completion techniques and enhanced recovery schemes such as CO<sub>2</sub> floods could increase the recovery factor of these pools that have large volumes of remaining oil in place, adding value for PrairieSky.

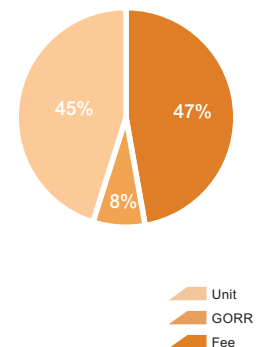
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Devonian Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	731
Undiscounted Booked Value (\$MM)	\$38
Future Fee Locations	30
Future GORR Locations	20
Future Potential (MBOE)	637
Undiscounted Future Potential (\$MM)	\$34
<b>Total Volume (MBOE)</b>	<b>1,368</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$72</b>



# DUVERNAY

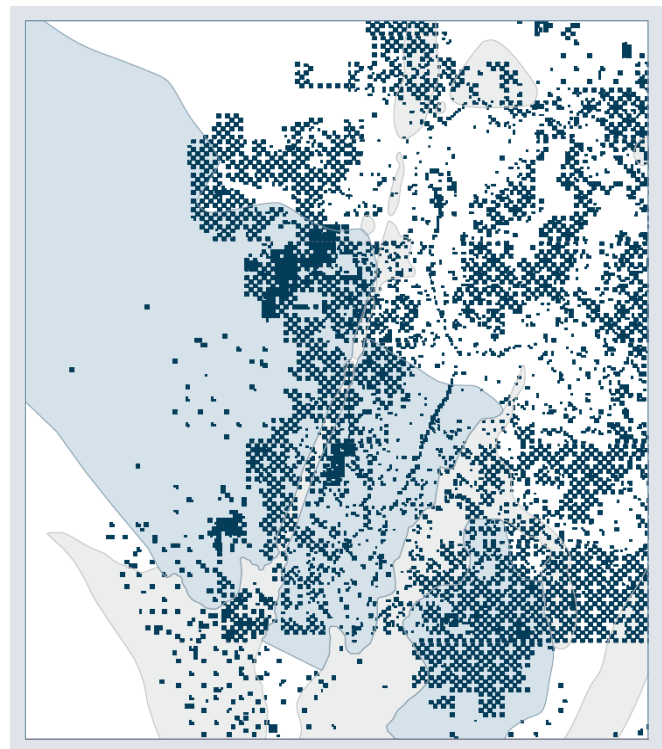
## Central Alberta



The Duvernay is an emerging shale play in Alberta that uses horizontal drilling and multi-stage fracturing technologies to develop oil, natural gas and NGL. PrairieSky's play acreage is comprised of 85% Fee Land and is located in the southwestern part of the region. This a deep play with depths ranging from 2,500 to 3,000 meters.

PrairieSky received revenue from 80 wells in 2020. Light oil comprised 90% of the total revenue with only minor natural gas and NGL revenues. Average Fee Land and GORR Land royalties are 10% and 4%, respectively.

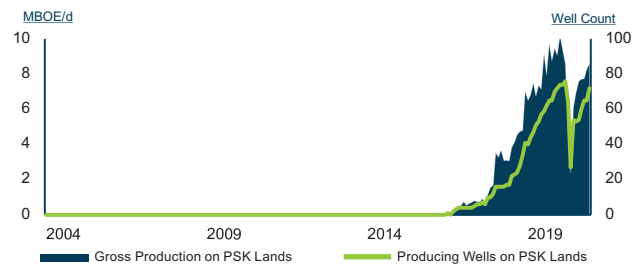
Testing and development of the Duvernay formation began in 2011 in the Central Alberta region. To date approximately 300 wells have been drilled in the play. Drilling technology is trending towards longer horizontal laterals with tighter inter-well spacing. The play continues to benefit from both cost reductions and improvements in drilling and completions technologies.



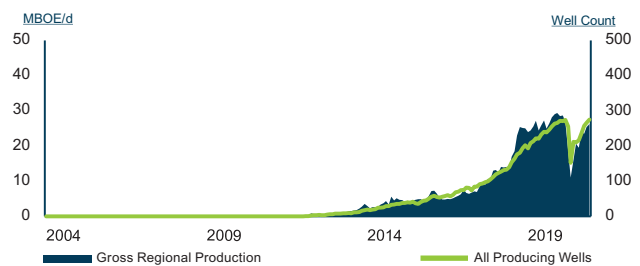
PSK Duvernay Royalty Interest Lands

Duvernay Land Summary	Acres (Thousands)	Sections
Fee	810	1,265
GORR	140	219
<b>Total Lands</b>	<b>950</b>	<b>1,484</b>

### PrairieSky Royalty Lands Central Alberta Duvernay



### Total Region Central Alberta Duvernay



### PLAY HIGHLIGHTS

- 950,000 acres of royalty lands in an emerging shale resource play
- Significant Original Oil in Place
- Non-producing prospective lands returning to inventory in 2022
- Potential for significant royalty production growth over time

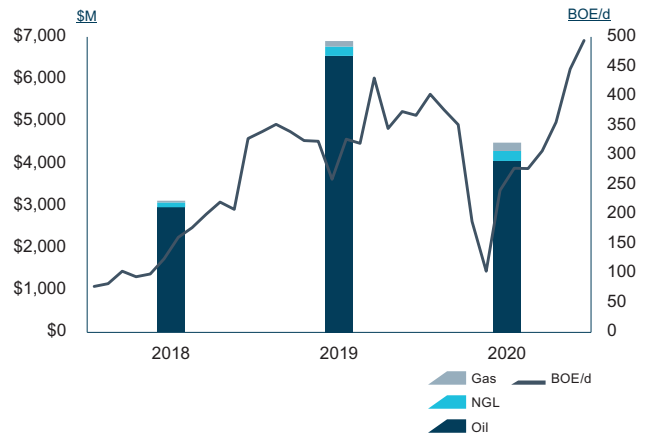


Duvernay	2018	2019	2020
PSK RI Producing Wells	42	74	80
PSK RI Producing Units	0	0	0
# Wells Rig Released	40	30	9
Gross Capital (\$MM)	\$220	\$206	\$64
Net Oil Production (bbl/d)	134	268	241
Net NGL Production (bbl/d)	12	39	41
Net Gas Production (MMcf/d)	0.1	0.2	0.2
<b>Net Production (BOE/d)</b>	<b>163</b>	<b>340</b>	<b>315</b>
Net Oil Revenue (\$M)	\$2,961	\$6,549	\$4,060
Net NGL Revenue (\$M)	\$117	\$222	\$238
Net Gas Revenue (\$M)	\$39	\$131	\$194
<b>Net Revenue (\$M)</b>	<b>\$3,117</b>	<b>\$6,902</b>	<b>\$4,492</b>
Netback Price (\$/BOE)	\$52.39	\$55.62	\$38.96

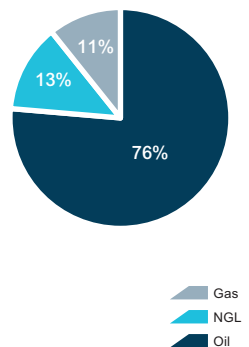
In the last two years, 61 wells have been drilled in this play, 64% of these wells were on PrairieSky land. Operators are typically drilling two-mile long horizontal wells. Recent drilling is targeting the oil-prone regions, and new data from these wells continues to expand the geographical scope of this play.

The assignment of future value in this Royalty Playbook remains consistent with the previous Royalty Playbook methodology. Two-mile long horizontal wells with a density of four wells per two sections were assigned to a single zone. Future locations have been adjusted by the number of producing wells now included in PrairieSky's booked reserves since the previous Royalty Playbook. Future development of stacked zones with higher well densities would increase future value significantly beyond what is currently being captured.

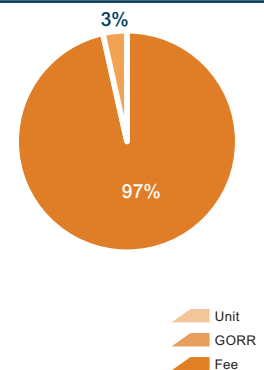
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Duvernay – Reserves and Future Potential

Total Booked Reserves (MBOE)	606
Undiscounted Booked Value (\$MM)	\$32
Future Fee Locations	1,120
Future GORR Locations	210
Future Potential (MBOE)	39,938
Undiscounted Future Potential (\$MM)	\$2,033
<b>Total Volume (MBOE)</b>	<b>40,544</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$2,065</b>

SHALLOW GAS  
 BELLY RIVER  
 CARDIUM  
 VIKING  
 MANNVILLE  
 JURASSIC  
 TRIASSIC  
 MISSISSIPPIAN  
 MISKU  
 OTHER  
 DUVERWAY

## OTHER PLAYS

### Central Alberta

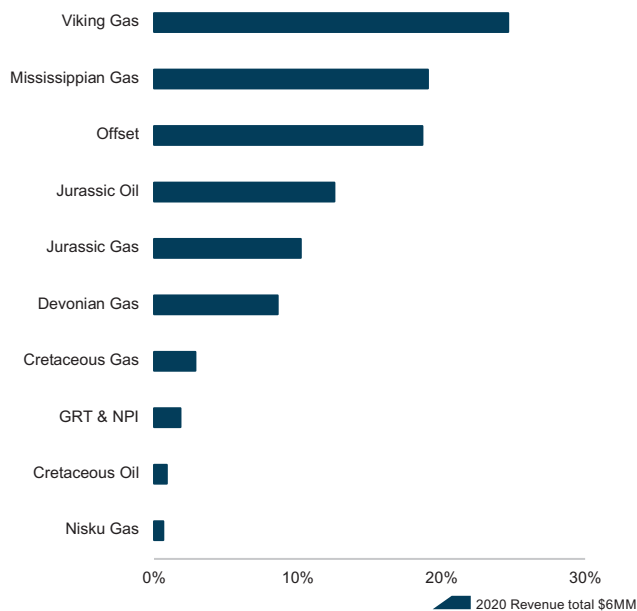
There are numerous additional producing zones within Central Alberta which in aggregate represent 9% of the region's total net royalty revenue. This comes from an additional 491 producing wells and 33 units which in aggregate produced 951 BOE/d (61% natural gas) of net royalty production in 2020.

In the last two years, six wells were drilled in these other plays and 33% of these wells were on PrairieSky lands.

Additional zonal targets include the Viking natural gas play, Mississippian natural gas, and various Jurassic targets.

PrairieSky believes that new wells will be drilled on these lands, but because of the lack of current activity, no future value has been assigned to these prospects at this time.

#### Central Alberta Other Plays

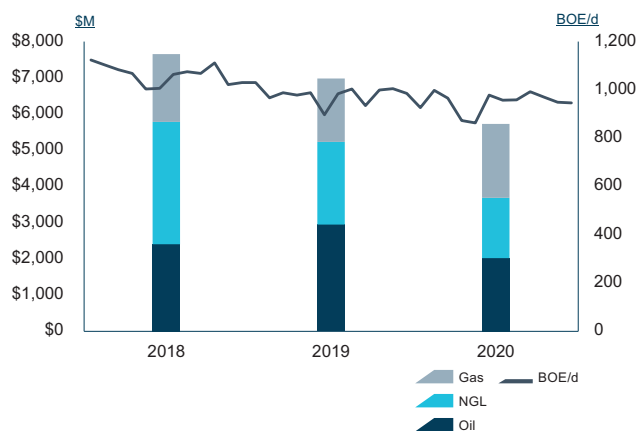


#### Other Plays – Reserves and Future Potential

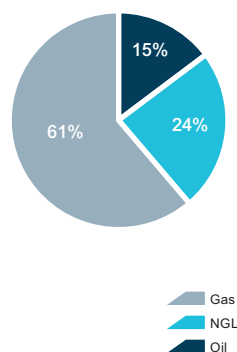
Total Booked Reserves (MBOE)	2,552
Undiscounted Booked Value (\$MM)	\$66

Other Plays	2018	2019	2020
PSK RI Producing Wells	640	546	491
PSK RI Producing Units	33	33	33
# Wells Rig Released	1	2	0
Gross Capital (\$MM)	\$2	\$2	\$0
Net Oil Production (bbl/d)	121	138	140
Net NGL Production (bbl/d)	230	225	228
Net Gas Production (MMcf/d)	4.3	3.7	3.5
<b>Net Production (BOE/d)</b>	<b>1,068</b>	<b>980</b>	<b>951</b>
Net Oil Revenue (\$M)	\$2,403	\$2,947	\$2,025
Net NGL Revenue (\$M)	\$3,381	\$2,280	\$1,662
Net Gas Revenue (\$M)	\$1,866	\$1,751	\$2,042
<b>Net Revenue (\$M)</b>	<b>\$7,650</b>	<b>\$6,978</b>	<b>\$5,729</b>
Netback Price (\$/BOE)	\$19.62	\$19.51	\$16.46

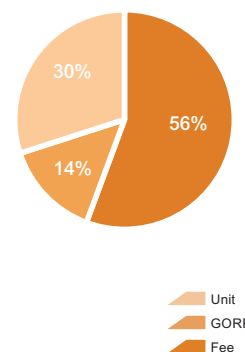
#### Net Revenue and Production



#### 2020 Net Production by Product



#### 2020 Net Production by Royalty Type

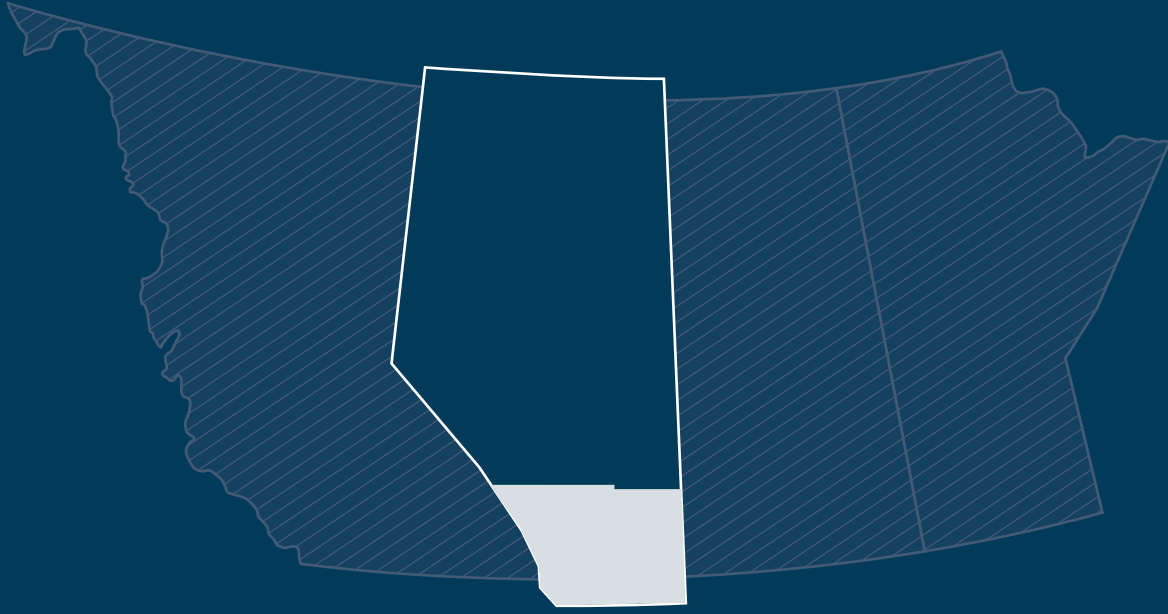




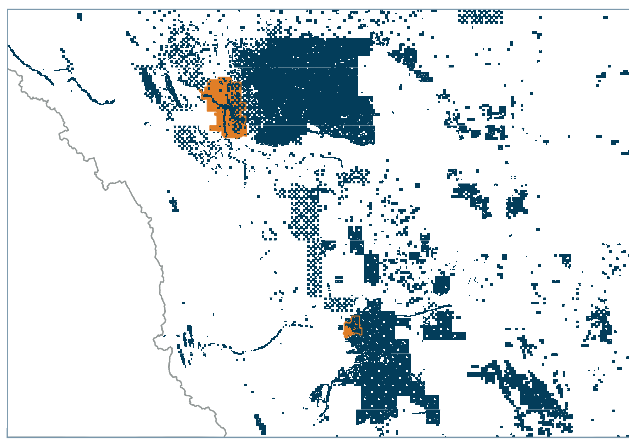
# Southern Alberta

Shallow Gas	77
Cardium Oil	79
Mannville Gas	81
Mannville Oil	83
Bakken Oil	85
Other Plays	87





# Southern Alberta



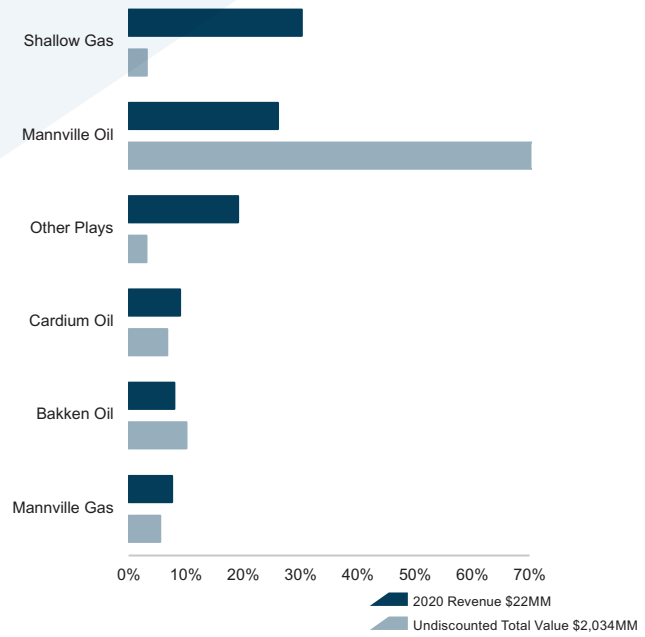
PSK Southern Alberta Royalty Interest Lands

The Southern Alberta region extends from the Saskatchewan border in the east to the British Columbia border to the west and from approximately 50 kilometers north of Calgary to the U.S. border in the south.

PrairieSky has 3.9 million acres of royalty lands in this region, including 2.7 million acres of Fee Lands. The Fee Lands are focused in two blocks, the Wheatland block directly east of Calgary in the northwest portion of the region and the Lethbridge block directly east of the city of Lethbridge in the south.

PrairieSky collected 3,553 BOE/d of royalty interest production during 2020 for a total of \$22 million in net revenue. This region has historically produced significant quantities of natural gas with the Shallow natural gas and Mannville natural gas plays accounting for about half of the production, but success in the Mannville oil play with horizontal development, as well as the discovery of the Ferguson Bakken oil pool in 2012, have increased the proportion of oil revenue PrairieSky receives from this region. These zones also represent the largest potential for future development for PrairieSky in Southern Alberta.

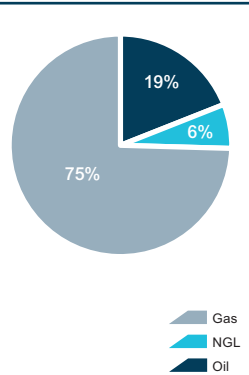
In the last two years, approximately 300 wells were drilled in the Southern Alberta region, with 6% of these wells on PrairieSky land. Approximately 55% of these new wells on PrairieSky land were drilled in the Mannville oil and Cardium oil plays.



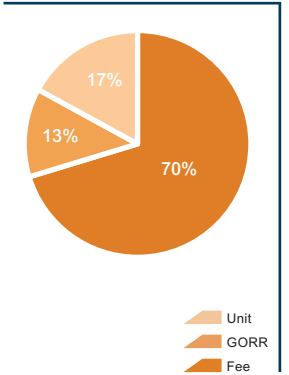
Southern Alberta Land Summary	Acres (Thousands)	Sections
Fee	2,683	4,193
GORR	1,229	1,921
<b>Total Lands</b>	<b>3,912</b>	<b>6,114</b>

Production and Revenue	2018	2019	2020
Net Production (BOE/d)	4,398	4,035	3,553
Net Revenue (\$MM)	\$33.9	\$34.0	\$22.4
Netback Price (\$/BOE)	\$21.12	\$23.09	\$17.23

2020 Net Production by Product



2020 Net Production by Royalty Type



SHALLOW GAS  
 BELLY RIVER  
 CRETACEOUS  
 CARDIUM  
 VIKING  
 MANNVILLE  
 JURASSIC  
 TRIASSIC  
 MISSISSIPPIAN  
 BAKKEN  
 Misku  
 DEVONIAN  
 OTHER



# SHALLOW GAS

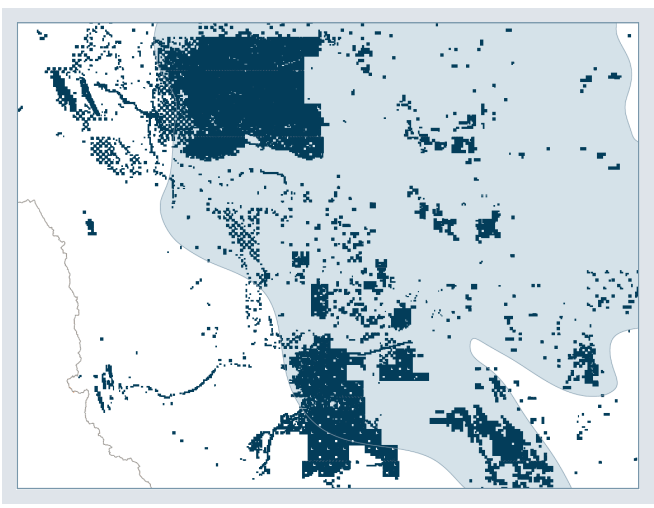
## Southern Alberta



Shallow natural gas reservoirs are present across most of the Southern Alberta region where over 70,000 wells have been drilled to date. This asset is comprised of a sequence of sand and coal beds that are over 400 meters thick with wells commonly completed in multiple zones. PrairieSky's lands are centered on the Wheatland block in the northwest part of the region. There are large remaining natural gas reserves in place in this play with the potential to generate important new royalty revenues with higher gas prices.

PrairieSky received natural gas revenue from approximately 9,300 wells and four units in 2020. Over 80% of production is derived from Fee Land. The average royalty on Fee Land and GORR Land is 5%.

Drilling activity has been reduced on the lands in recent years, but considerable growth opportunities still exist. Inexpensive well clean-outs are proving to be an effective way to boost productivity and mitigate natural declines. Annual decline has been reduced below 5% in some areas. Completion of additional zones in these multi-zone wells is also a low-cost way to raise and add reserves.



PSK Shallow Gas Royalty Interest Lands

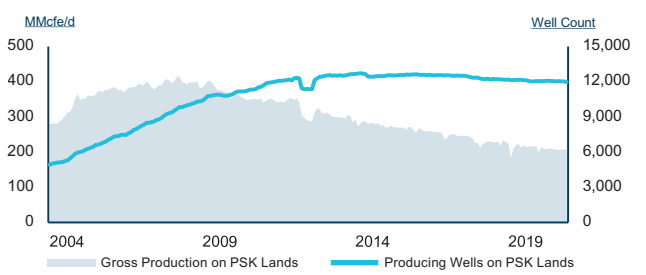
In the last two years, no new wells have been drilled in this play. Operators are spending capital recompleting new zones in existing wells.

Shallow Gas Land Summary	Acres (Thousands)	Sections
Fee	1,645	2,571
GORR	752	1,174
<b>Total Lands</b>	<b>2,397</b>	<b>3,745</b>

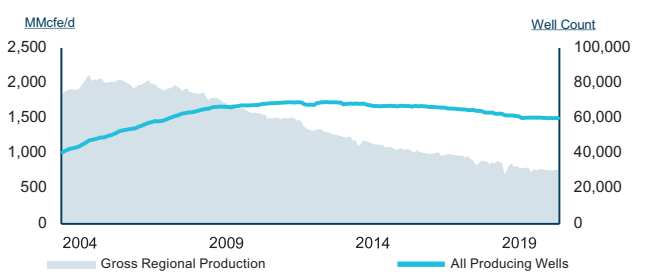
### PLAY HIGHLIGHTS

- Low decline, long life natural gas production from a diverse production base
- Large contiguous Fee Land position in the Wheatland block
- Over 7,000 infill locations with improved natural gas pricing
- Low cost opportunities to reduce annual decline and add reserves
- Leveraged to increases in natural gas prices

### PrairieSky Royalty Lands Southern Alberta Shallow Gas



### Total Region Southern Alberta Shallow Gas



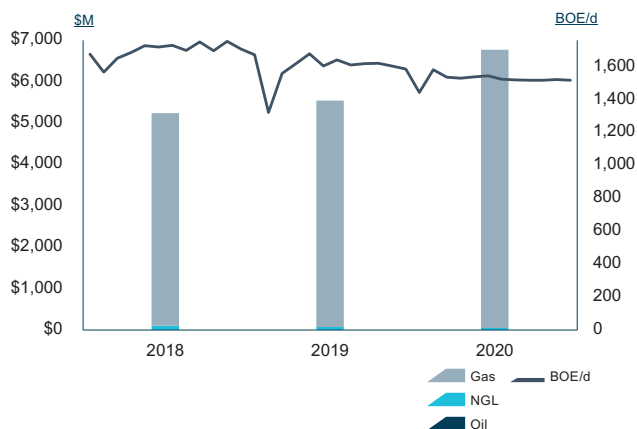
Shallow Gas	2018	2019	2020
PSK RI Producing Wells	9,657	9,467	9,298
PSK RI Producing Units	5	5	4
# Wells Rig Released	0	0	0
Gross Capital (\$MM)	\$0	\$0	\$0
Net Oil Production (bbl/d)	0	0	0
Net NGL Production (bbl/d)	6	6	5
Net Gas Production (MMcf/d)	10.1	9.5	9.1
<b>Net Production (BOE/d)</b>	<b>1,689</b>	<b>1,589</b>	<b>1,522</b>
Net Oil Revenue (\$M)	\$0	\$0	\$0
Net NGL Revenue (\$M)	\$106	\$75	\$48
Net Gas Revenue (\$M)	\$5,132	\$5,467	\$6,726
<b>Net Revenue (\$M)</b>	<b>\$5,238</b>	<b>\$5,542</b>	<b>\$6,774</b>
Netback Price (\$/BOE)	\$8.50	\$9.56	\$12.16

Infill drilling has not been completed to eight wells per section across all PrairieSky lands, yet proven reservoirs exist which PrairieSky expects will eventually warrant this activity. Considering only the most densely drilled areas with good infrastructure, there are over 7,000 infill locations to be drilled on Company lands. Based on past trends, it is possible that 500 wells a year could be drilled under the right economic conditions.

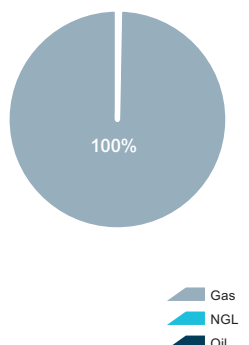
While still in early stages, shallow gas reservoirs have been identified as prospective candidates for utilization in the generation of blue hydrogen, where dry natural gas is used to generate clean hydrogen, while the CO<sub>2</sub> byproducts produced in the process are re-injected into a suitable downhole carbon sequestration reservoir. PrairieSky's extensive Wheatland and Lethbridge blocks have the potential to be ideal candidates for blue hydrogen generation from shallow gas reservoirs as the technology continues to advance.

No future locations were included in PrairieSky's assessment of future potential due to low natural gas pricing assumptions. Future locations will be reassessed when natural gas pricing improves.

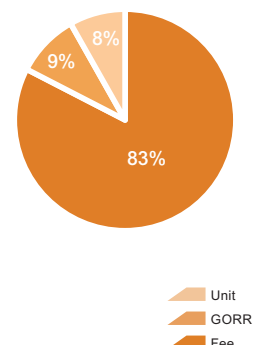
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Shallow Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	5,159
Undiscounted Booked Value (\$MM)	\$65
Future Fee Locations	0
Future GORR Locations	0
Future Potential (MBOE)	0
Undiscounted Future Potential (\$MM)	\$0
<b>Total Volume (MBOE)</b>	<b>5,159</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$65</b>

# CARDIUM OIL

## Southern Alberta

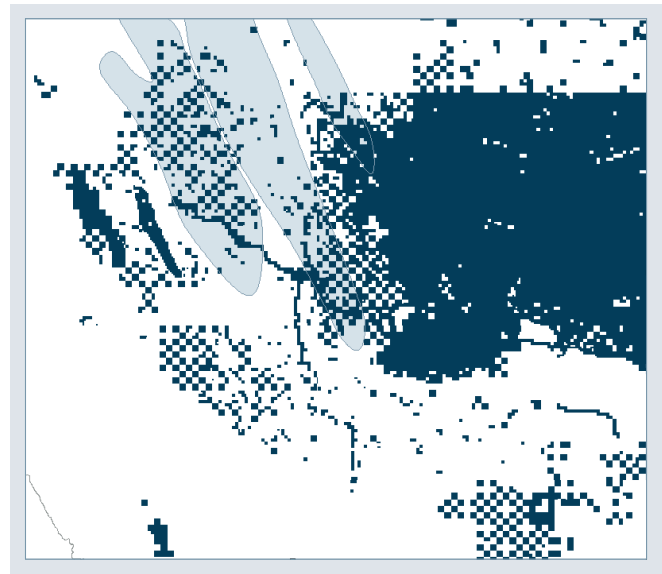
CARDIUM



PrairieSky's Southern Alberta Cardium play is associated with the Lochend field, which is located in the southernmost extension of the large Cardium oil trend originating in the Pembina field to the north. The average reservoir depth is 2,300 meters. There is continued interest in this play where PrairieSky has a large Fee Land position.

PrairieSky received royalty revenue from 74 producing wells and one unit in 2020. Production is primarily light oil with high gas/oil ratios and NGL yields. Average royalty rates for Fee Land and GORR Land are 20% and 5%, respectively.

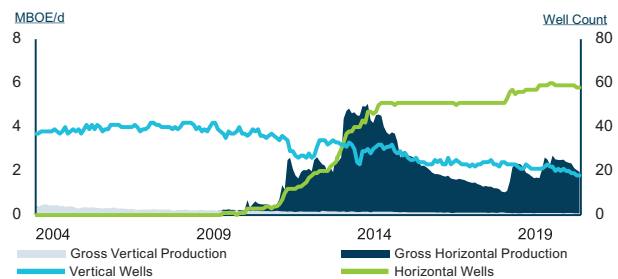
Initial drilling occurred in the Lochend field in the early 1960s when conventional sandstone reservoirs were developed. Horizontal drilling began in 2011 targeting lower permeability sands. To date, over 170 Cardium horizontal wells have been drilled.



PSK Cardium Oil Royalty Interest Lands

Cardium Oil Land Summary	Acres (Thousands)	Sections
Fee	69	108
GORR	8	13
<b>Total Lands</b>	<b>77</b>	<b>121</b>

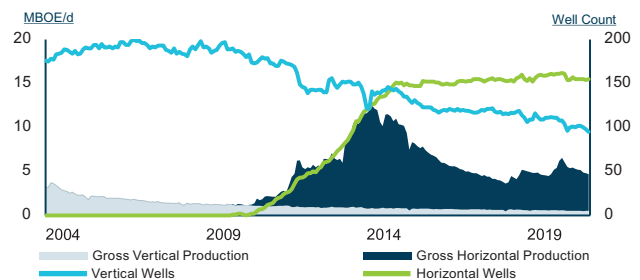
PrairieSky Royalty Lands  
Southern Alberta Cardium Oil



### PLAY HIGHLIGHTS

- 90% Fee Land acreage in an established horizontal light oil trend
- 95 infill and step-out locations identified
- Recent resurgence in activity using extended-reach horizontal wells
- Potential pool extension and higher density drilling

Total Region  
Southern Alberta Cardium Oil



Cardium Oil	2018	2019	2020
PSK RI Producing Wells	72	75	74
PSK RI Producing Units	1	1	1
# Wells Rig Released	7	4	0
Gross Capital (\$MM)	\$22	\$19	\$0
Net Oil Production (bbl/d)	66	145	103
Net NGL Production (bbl/d)	45	39	38
Net Gas Production (MMcf/d)	0.2	0.2	0.3
<b>Net Production (BOE/d)</b>	<b>144</b>	<b>217</b>	<b>191</b>
Net Oil Revenue (\$M)	\$880	\$3,390	\$1,455
Net NGL Revenue (\$M)	\$601	\$337	\$284
Net Gas Revenue (\$M)	\$93	\$143	\$270
<b>Net Revenue (\$M)</b>	<b>\$1,574</b>	<b>\$3,870</b>	<b>\$2,009</b>
Netback Price (\$/BOE)	\$29.95	\$48.86	\$28.74

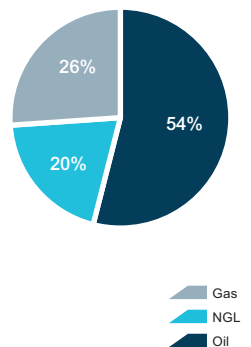
In the last two years, nine wells have been drilled in the play, four of these wells were on PrairieSky lands. In addition, two new wells were rig released in the first quarter of 2021. Operators are using longer-reach horizontal wells to proceed with infill of the pool and to extend the pool boundaries.

Future infill and step-out locations were assigned using a density of two wells per section in proximity to recent horizontal wells. PrairieSky acreage is 90% Fee Land in the play. The application of new completion techniques and higher well densities in the future could add additional value not identified at this time.

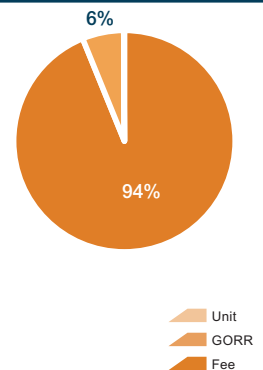
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Cardium Oil – Reserves and Future Potential

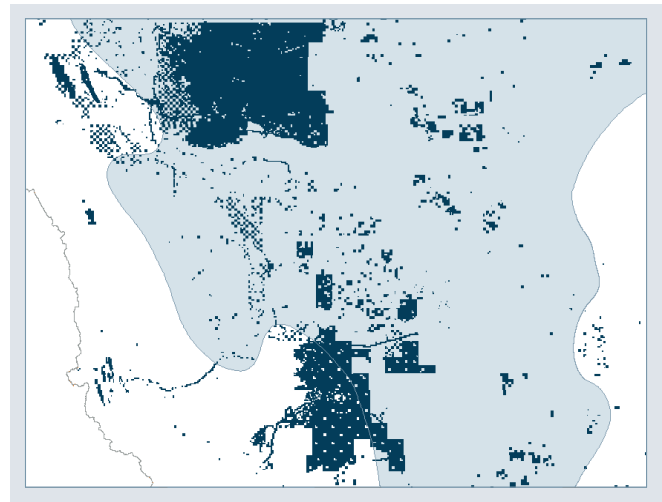
Total Booked Reserves (MBOE)	662
Undiscounted Booked Value (\$MM)	\$23
Future Fee Locations	85
Future GORR Locations	10
Future Potential (MBOE)	3,011
Undiscounted Future Potential (\$MM)	\$115
<b>Total Volume (MBOE)</b>	<b>3,673</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$138</b>

# MANNVILLE GAS

## Southern Alberta



The Mannville natural gas play extends across most of Southern Alberta and is comprised of multiple zones with an average depth of 1,250 meters. PrairieSky has over 1.1 million acres in the play mostly located in the Wheatland block in the northwest part of the region. Royalty revenues from PrairieSky's large land position in this play could grow significantly with higher product prices and new drilling.

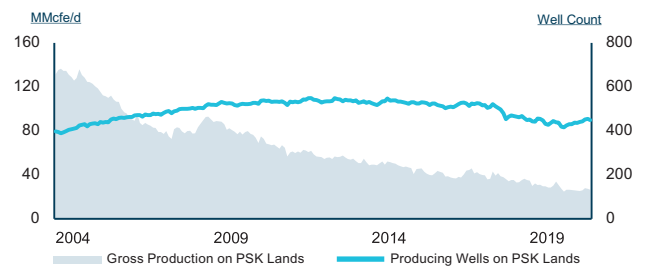


PSK Mannville Gas Royalty Interest Lands

PrairieSky received revenue from 445 wells and four units in 2020. Royalty volumes are derived primarily from mature wells and units on Fee Land. Production decline is low at approximately 13% per year and liquids produced with the natural gas stream contributed 22% of net revenue last year from this play. Royalties on Fee Land and GORR Land typically range between 15%-17.5% and 4%-7%, respectively.

Mannville Gas Land Summary	Acres (Thousands)	Sections
Fee	825	1,289
GORR	287	449
<b>Total Lands</b>	<b>1,112</b>	<b>1,738</b>

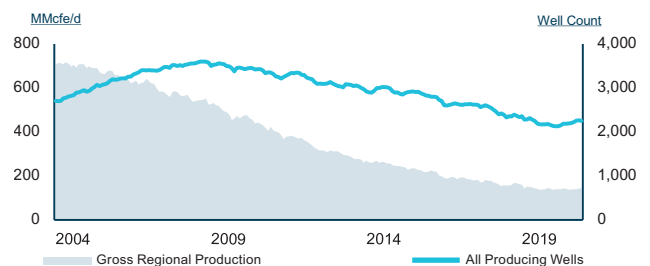
### PrairieSky Royalty Lands Southern Alberta Mannville Gas



### PLAY HIGHLIGHTS

- Over 1.1 million acres of royalty lands, over 70% Fee Land
- Low decline base production
- Multi-zone natural gas play with established infrastructure
- Good candidate for horizontal drilling and completion technologies

### Total Region Southern Alberta Mannville Gas



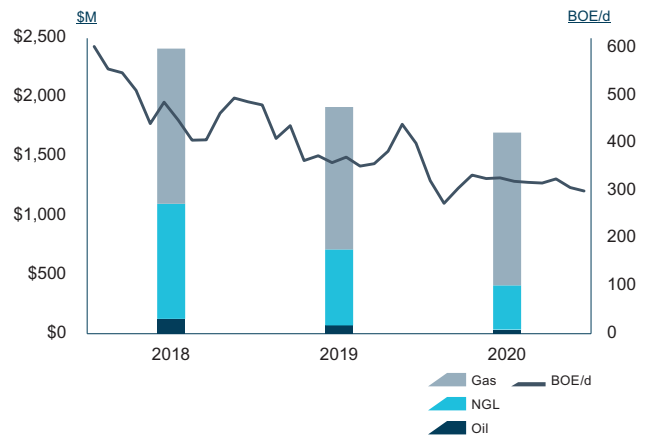


Mannville Gas	2018	2019	2020
PSK RI Producing Wells	514	466	445
PSK RI Producing Units	4	4	4
# Wells Rig Released	0	0	0
Gross Capital (\$MM)	\$0	\$0	\$0
Net Oil Production (bbl/d)	5	3	2
Net NGL Production (bbl/d)	51	45	36
Net Gas Production (MMcf/d)	2.6	2.1	1.7
<b>Net Production (BOE/d)</b>	<b>489</b>	<b>398</b>	<b>321</b>
Net Oil Revenue (\$M)	\$126	\$71	\$34
Net NGL Revenue (\$M)	\$973	\$641	\$377
Net Gas Revenue (\$M)	\$1,314	\$1,207	\$1,291
<b>Net Revenue (\$M)</b>	<b>\$2,413</b>	<b>\$1,919</b>	<b>\$1,702</b>
Netback Price (\$/BOE)	\$13.52	\$13.21	\$14.49

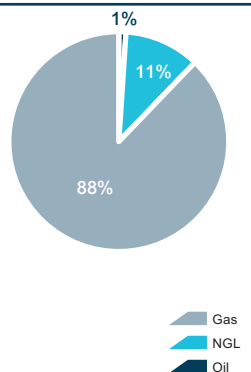
In the last two years, there has been only one new natural gas well drilled in this play, which was not on PrairieSky land. Because of lower gas pricing in recent years, new drilling targeting non-associated natural gas in the Mannville has not been heavily pursued by industry in this region.

In the next few years, new Mannville gas pools are likely to be discovered while drilling for oil, and in a higher gas price environment gas pools themselves will again be pursued and developed. New horizontal drilling and completion techniques can be applied to low productivity gas zones which could benefit just as oil reservoirs have benefited to date. Improved product prices along with cost reductions could trigger renewed activity in the play.

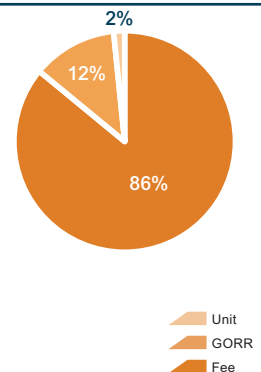
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Mannville Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	990
Undiscounted Booked Value (\$MM)	\$15
Future Fee Locations	210
Future GORR Locations	20
Future Potential (MBOE)	6,178
Undiscounted Future Potential (\$MM)	\$97
<b>Total Volume (MBOE)</b>	<b>7,168</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$112</b>

# MANNVILLE OIL

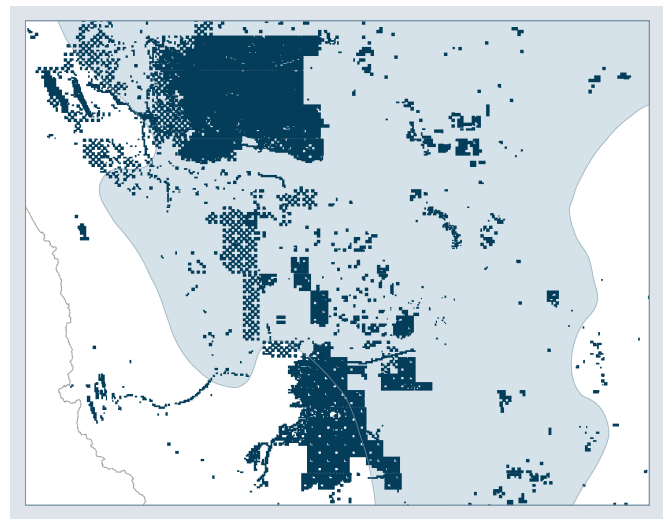
## Southern Alberta



Mannville sandstone reservoirs are the most common source of oil production in the Southern Alberta region. The Mannville group has an average thickness of 150 meters and is comprised of multiple productive zones. PrairieSky has oil rights throughout the region as well as a large contiguous land position in the Wheatland block that represents an important source of current revenues and future opportunities. The average play depth is 1,250 meters. This is an active multi-zone oil play with a large Fee Land component.

PrairieSky received revenue from 402 wells and 11 units in 2020. Production is stable and derived mostly from Fee Lands, and is comprised of 67% liquids. Many mature pools have established waterflood or enhanced oil recovery projects. Royalties on Fee Land and GORR Land typically range between 15%-20% and 3%-5%, respectively.

Mannville oil pools are attractive targets because reservoirs are located at moderate depths and have year-round access. Horizontal drilling was introduced in the 1990s and was initially used to increase the recovery factor in existing pools but is now employed to exploit new zones that were previously considered uneconomic with vertical development.



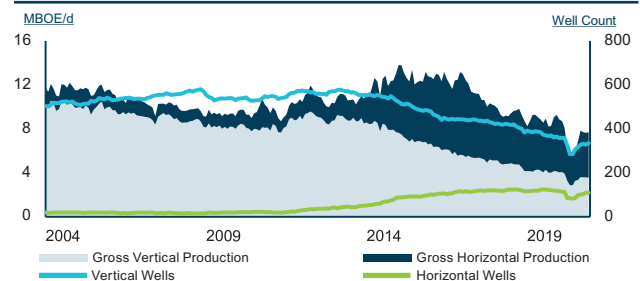
PSK Mannville Oil Royalty Interest Lands

Mannville Oil Land Summary	Acres (Thousands)	Sections
Fee	725	1,133
GORR	187	292
<b>Total Lands</b>	<b>912</b>	<b>1,425</b>

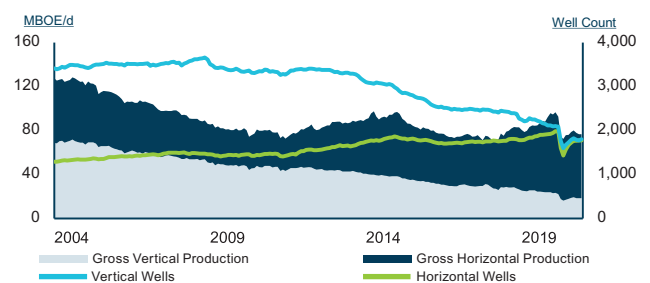
### PLAY HIGHLIGHTS

- Over 900,000 acres of Royalty lands
- Approximately 80% Fee Land with a large contiguous land position
- Multi-zone potential
- 1,000 future drilling locations
- Potential enhanced recovery from established and future technologies

### PrairieSky Royalty Lands Southern Alberta Mannville Oil



### Total Region Southern Alberta Mannville Oil



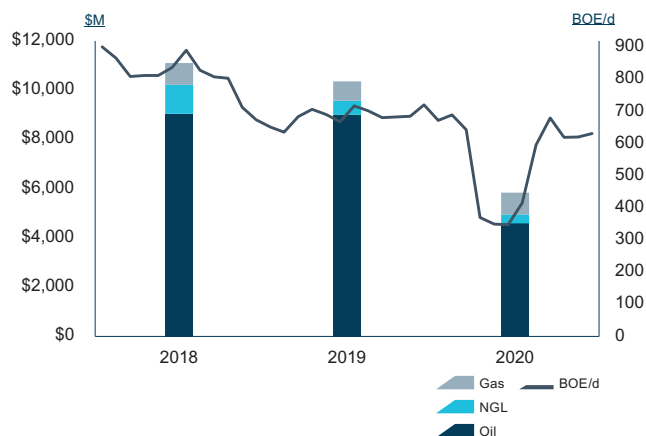
Mannville Oil	2018	2019	2020
PSK RI Producing Wells	462	431	402
PSK RI Producing Units	11	11	11
# Wells Rig Released	13	4	2
Gross Capital (\$MM)	\$25	\$8	\$3
Net Oil Production (bbl/d)	444	406	323
Net NGL Production (bbl/d)	71	52	41
Net Gas Production (MMcf/d)	1.8	1.4	1.1
<b>Net Production (BOE/d)</b>	<b>815</b>	<b>691</b>	<b>547</b>
Net Oil Revenue (\$M)	\$9,040	\$9,003	\$4,594
Net NGL Revenue (\$M)	\$1,183	\$571	\$368
Net Gas Revenue (\$M)	\$873	\$779	\$882
<b>Net Revenue (\$M)</b>	<b>\$11,096</b>	<b>\$10,353</b>	<b>\$5,844</b>
Netback Price (\$/BOE)	\$37.30	\$41.05	\$29.19

In the last two years, there were over 260 wells drilled in this play, 2% of these wells were on PrairieSky land. There were also 13 recompletions of new zones in existing wells during this period and five new wells were being drilled on PrairieSky lands in the first quarter of 2021. This is an indication that additional zones are continually being exploited in the Mannville oil play.

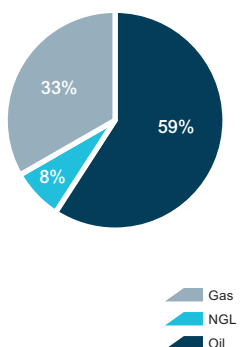
Growth in royalty volumes may come from several sources. 1,000 drilling locations have been identified in proximity to recent activity including vertical and horizontal wells. A density of two wells per section was assigned to reflect the fact that pools may be smaller but numerous. Enhanced recovery practices will also be implemented for new pools increasing royalty volumes, but no value has been assigned at this time.

PrairieSky's ability to lease land is enhanced by its large, contiguous Fee Land position in this play and its extensive seismic inventory which is required for the discovery and development of new pools.

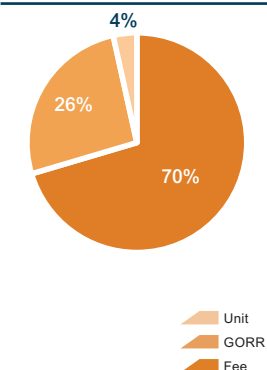
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Mannville Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	1,826
Undiscounted Booked Value (\$MM)	\$75
Future Fee Locations	860
Future GORR Locations	140
Future Potential (MBOE)	28,046
Undiscounted Future Potential (\$MM)	\$1,375
<b>Total Volume (MBOE)</b>	<b>29,872</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$1,450</b>



# BAKKEN OIL

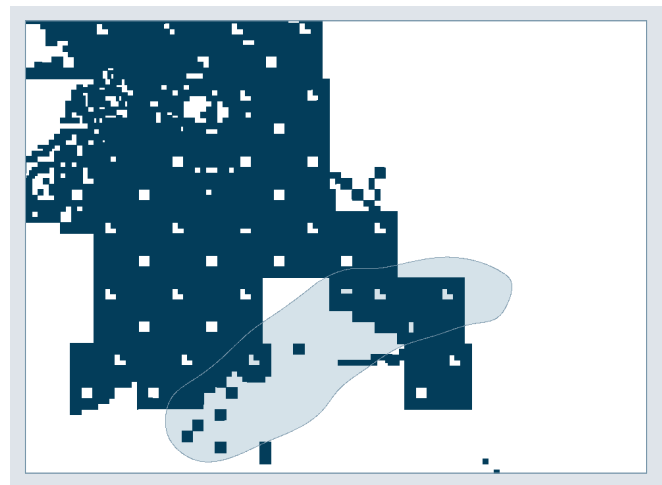
## Southern Alberta



The Alberta Bakken play is located in the southernmost part of Alberta near the U.S. Border. Development in the play commenced in 2012 with the discovery of the Ferguson oil pool with an estimated 290 MMbbl of oil in place. This is a well-defined play on Fee Land with infill drilling and EOR potential.

PrairieSky received revenue from 46 wells in 2020. Currently there are no natural gas or NGL royalty volumes received as the operator is re-injecting produced gas back into the formation as part of an EOR scheme. PrairieSky has sliding scale royalties on the leases, where royalty rates vary with production rates and product prices.

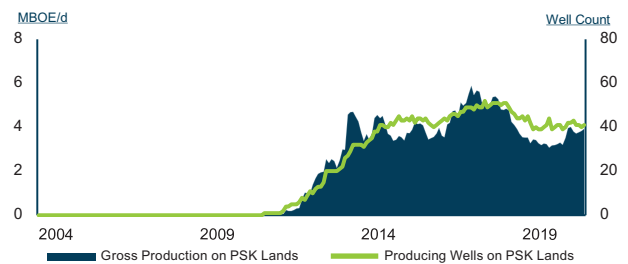
The Ferguson pool has been developed over the past nine years and further drilling of this pool represents all future potential value considered for this play. The pool has been developed horizontally with 80 wells drilled to date. PrairieSky has Fee Land over approximately 70% of the pool. The operator of the Ferguson pool is still in the early stages of optimizing a gas flood EOR scheme. Initial results indicate an increase in the recovery factor for the pool.



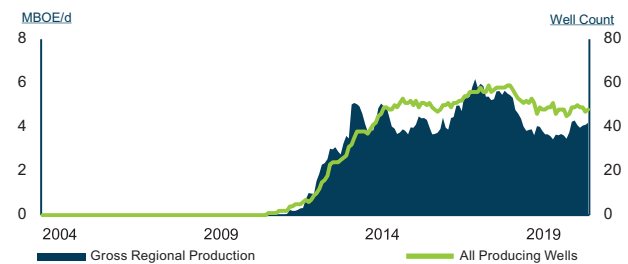
PSK Bakken Oil Royalty Interest Lands

Bakken Oil Land Summary	Acres (Thousands)	Sections
Fee	55	86
GORR	4	6
<b>Total Lands</b>	<b>59</b>	<b>92</b>

### PrairieSky Royalty Lands Southern Alberta Bakken Oil



### Total Region Southern Alberta Bakken Oil



### PLAY HIGHLIGHTS

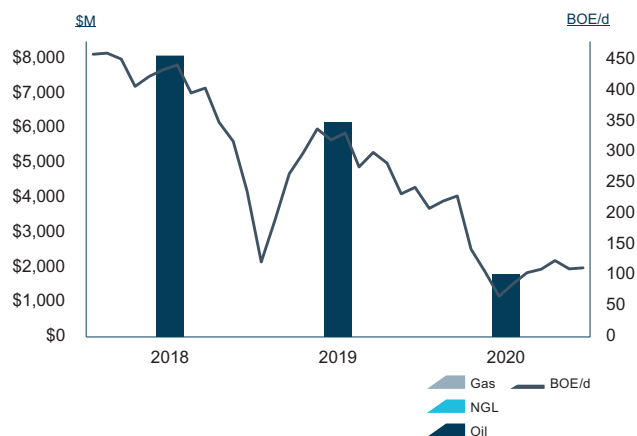
- 55,000 acres of Fee Land in a single-pool development
- Ongoing infill drilling and implementation of an enhanced recovery, gas injection scheme
- 130 future infill locations with attractive Fee lease terms

Bakken Oil	2018	2019	2020
PSK RI Producing Wells	58	50	46
PSK RI Producing Units	0	0	0
# Wells Rig Released	3	0	0
Gross Capital (\$MM)	\$5	\$0	\$0
Net Oil Production (bbl/d)	394	267	135
Net NGL Production (bbl/d)	1	0	0
Net Gas Production (MMcf/d)	0.0	0.0	0.0
<b>Net Production (BOE/d)</b>	<b>395</b>	<b>267</b>	<b>135</b>
Net Oil Revenue (\$M)	\$8,093	\$6,172	\$1,790
Net NGL Revenue (\$M)	\$9	\$0	\$0
Net Gas Revenue (\$M)	\$13	\$0	\$0
<b>Net Revenue (\$M)</b>	<b>\$8,115</b>	<b>\$6,172</b>	<b>\$1,790</b>
Netback Price (\$/BOE)	\$56.29	\$63.33	\$36.23

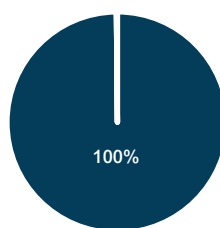
In the last two years, one new well has been drilled in the play which was not on PrairieSky land. In the Royalty Playbook, a density of three wells per section was assigned leaving additional potential if higher densities are realized in the future.

The natural gas flood project is still in its early stages, but success could be rewarding. Even a 1% additional recovery of the large volume of oil in place would add millions of barrels of incremental oil recovery. In addition to the defined pool, PrairieSky's land base is well situated to benefit from pool extensions and new discoveries adjacent to the pool. Further, PrairieSky's ability to lease land is enhanced by its large, contiguous Fee Land position in this play and its extensive seismic inventory which is required for the discovery and development of new pools.

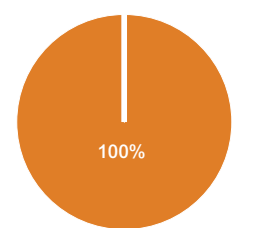
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Bakken Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	243
Undiscounted Booked Value (\$MM)	\$14
Future Fee Locations	130
Future GORR Locations	0
Future Potential (MBOE)	3,289
Undiscounted Future Potential (\$MM)	\$192
<b>Total Volume (MBOE)</b>	<b>3,532</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$206</b>



## OTHER PLAYS

### Southern Alberta

Many other formations are productive and prospective in the Southern Alberta region. In total, these zones represent 19% of the 2020 royalty revenue for Southern Alberta. There was 837 BOE/d (74% gas) produced from 741 wells and 16 units from zones in the region generating \$4.3 million in net revenue in 2020.

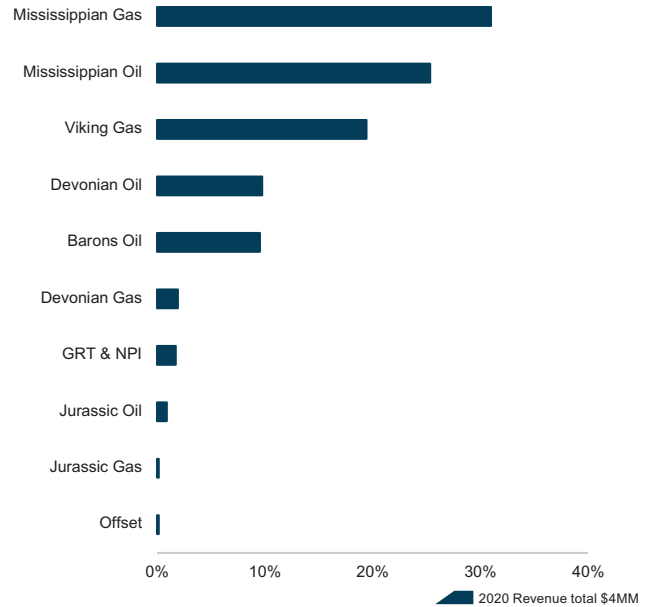
In the last two years, 23 wells were drilled in these other plays and 35% of these wells were on PrairieSky land. While recent activity in Southern Alberta has been focused on Mississippian zones, there are many stacked prospective zones with potential for large OOIP discoveries like the Ferguson Bakken pool. PrairieSky has extensive seismic coverage over Southern Alberta which helps in the exploration of these deeper targets. Future potential value has not been assigned to these zones at this time.

#### Other Plays – Reserves and Future Potential

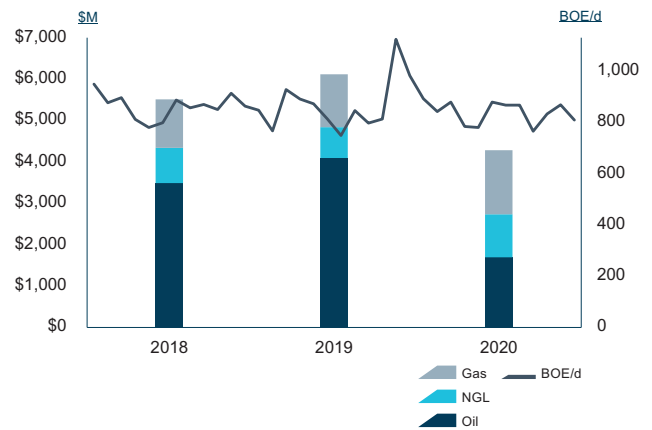
Total Booked Reserves (MBOE)	3,229
Undiscounted Booked Value (\$MM)	\$63

Other Plays	2018	2019	2020
PSK RI Producing Wells	852	774	741
PSK RI Producing Units	17	16	16
# Wells Rig Released	4	5	3
Gross Capital (\$MM)	\$5	\$7	\$7
Net Oil Production (bbl/d)	165	173	111
Net NGL Production (bbl/d)	84	83	109
Net Gas Production (MMcf/d)	3.7	3.7	3.7
<b>Net Production (BOE/d)</b>	<b>866</b>	<b>873</b>	<b>837</b>
Net Oil Revenue (\$M)	\$3,484	\$4,095	\$1,693
Net NGL Revenue (\$M)	\$855	\$743	\$1,044
Net Gas Revenue (\$M)	\$1,174	\$1,275	\$1,546
<b>Net Revenue (\$M)</b>	<b>\$5,513</b>	<b>\$6,113</b>	<b>\$4,283</b>
Netback Price (\$/BOE)	\$17.44	\$19.18	\$13.98

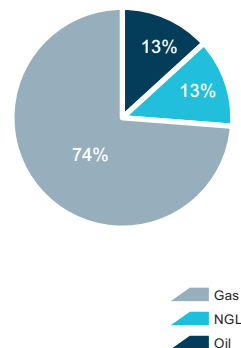
#### Southern Alberta Other Plays



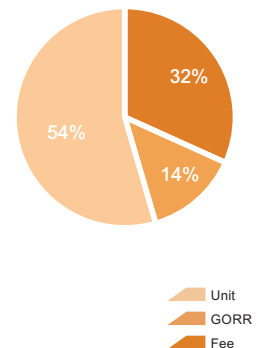
#### Net Revenue and Production



#### 2020 Net Production by Product



#### 2020 Net Production by Royalty Type



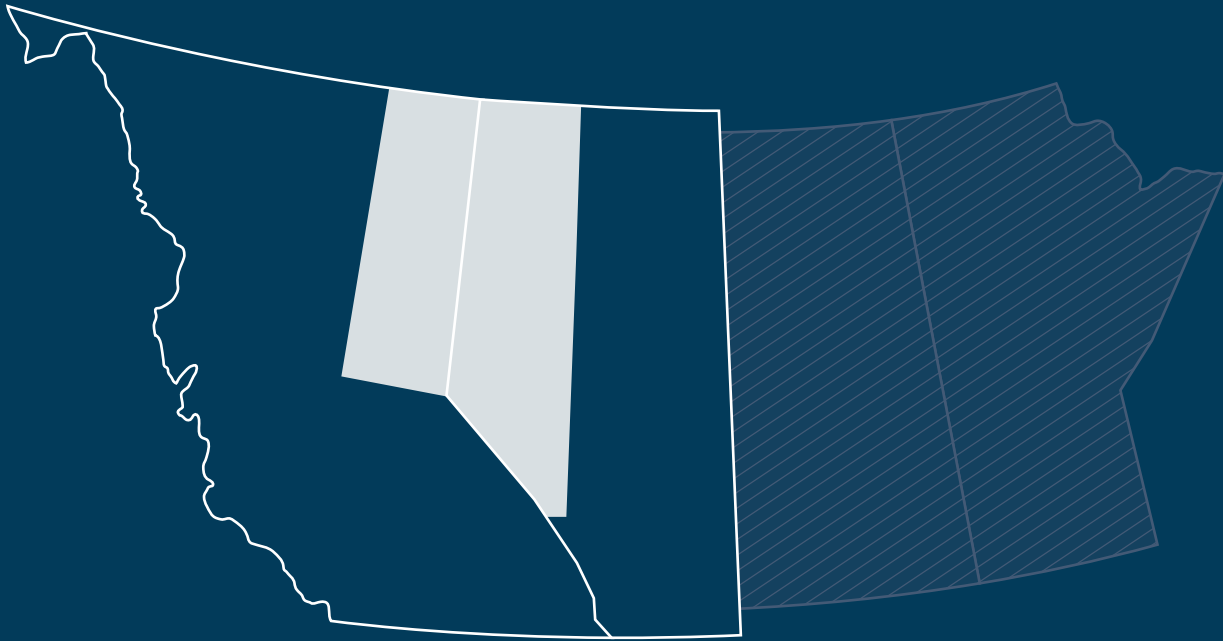




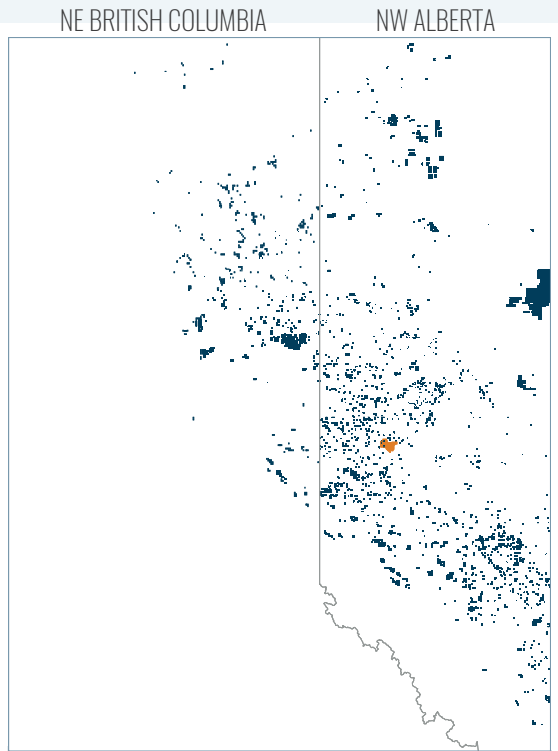
# Northwest Alberta & Northeast British Columbia

Cardium Gas	91
Cardium Oil	93
Dunvegan Oil	95
Spirit River Gas	97
Montney Gas	99
Montney Oil	101
Other Plays	103





# NW Alberta & NE British Columbia



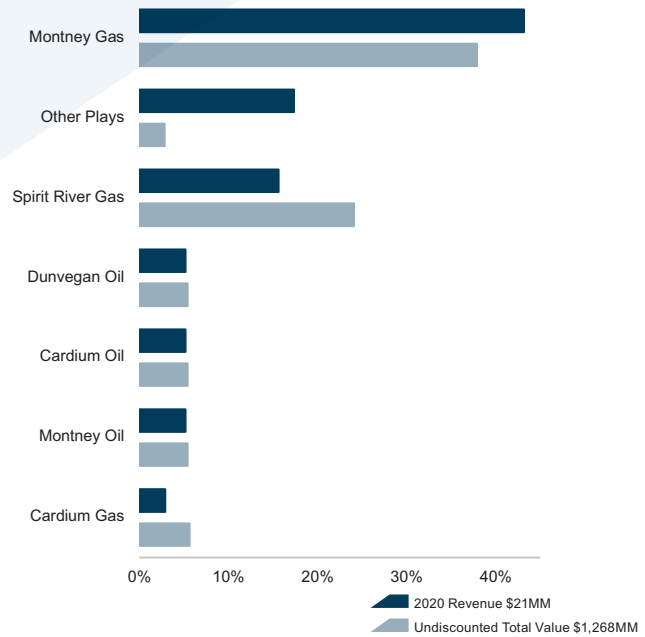
NW Alberta & NE British Columbia Royalty Interest Lands

The Northwest Alberta & Northeast British Columbia region is focused on deeper, high-rate oil and natural gas targets. PrairieSky has a total of 2.7 million acres of primarily GORR Lands in the region. There are minimal Fee Lands west of the Central Alberta region. The main prospective zones in the region include the Montney for both oil and natural gas and the Spirit River for liquids-rich natural gas.

Historically, the region saw vertical development with instances of multiple zones being completed in a single well. In the past ten years, the focus has been on horizontal development in key zones leading to many instances with multiple zones being developed in the same tract of land.

PrairieSky collected 4,144 BOE/d of royalty interest production from the region during 2020 for a total of \$21 million in net revenue. This region is predominantly natural gas production with associated NGL, with the exception being some high-rate prospective oil trends including the Charlie Lake, which have seen increased capital spending in the past couple of years.

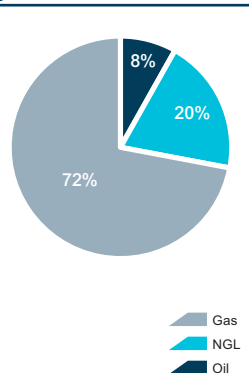
In the last two years, over 1,600 wells were drilled in the Northwest Alberta & Northeast British Columbia region, 4% of these wells were on PrairieSky land. Approximately half of these wells were drilled in the Montney gas play.



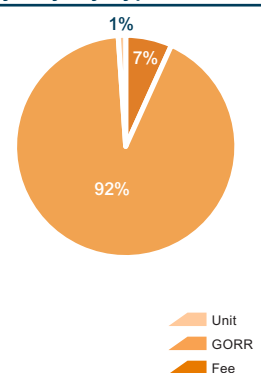
NW AB & NE BC Land Summary	Acres (Thousands)	Sections
Fee	58	90
GORR	2,649	4,139
<b>Total Lands</b>	<b>2,707</b>	<b>4,229</b>

Production and Revenue	2018	2019	2020
Net Production (BOE/d)	4,073	4,257	4,144
Net Revenue (\$MM)	\$22.6	\$24.3	\$21.0
Netback Price (\$/BOE)	\$15.20	\$15.64	\$13.85

2020 Net Production by Product

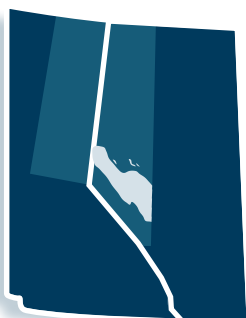


2020 Net Production by Royalty Type



## CARDIUM GAS

### NW Alberta & NE British Columbia

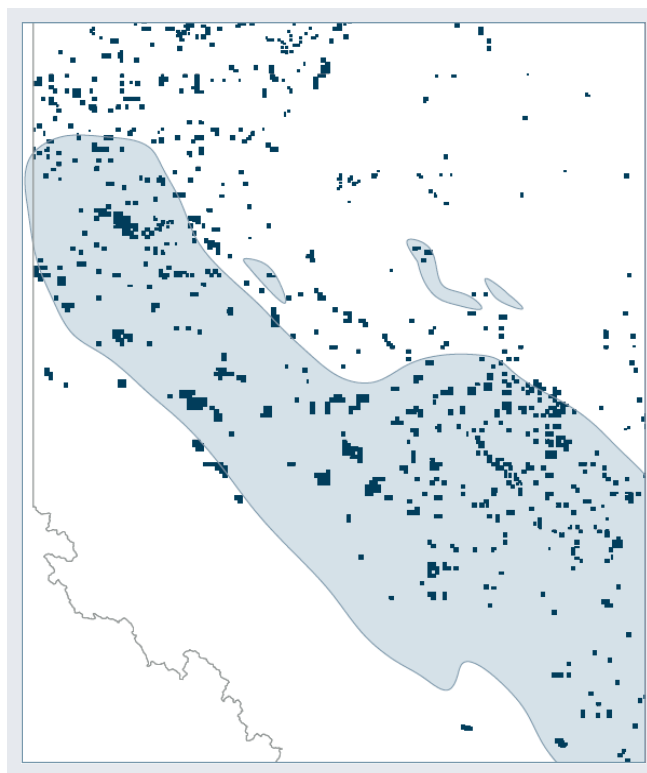


Cardium natural gas is produced in the southern part of this region from the eastern boundary to the British Columbia border. There have been over 2,700 wells drilled to date, some of which have multiple events with Cardium gas production. The average depth of the Cardium in this region is 2,300 meters. PrairieSky has

GORR Lands throughout the play. This is a proven liquids-rich natural gas play that we expect will benefit from new technologies.

PrairieSky received revenue from 106 wells in 2020 with almost 40% of net revenue from NGL. The royalty rate on GORR Land averages 5%.

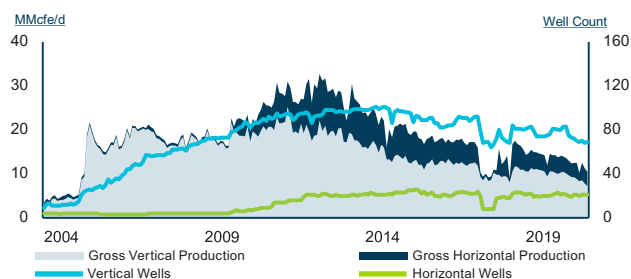
For a decade starting in 2000, extensive vertical drilling delineated this play with many areas drilled to four wells per section. In many cases, the Cardium was completed along with other natural gas zones in the wellbore and they were produced together as one stream. A shift to horizontal drilling targeting only the Cardium zone began in 2010. An average of 50 wells a year have been drilled since this time and 55% of these wells were horizontal wells.



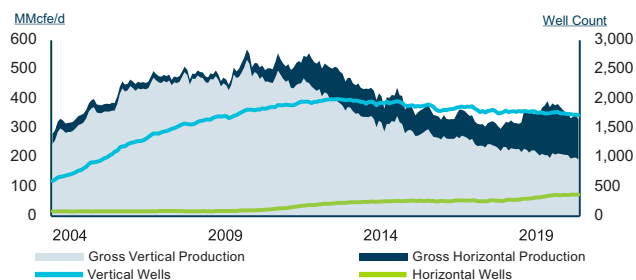
PSK Cardium Gas Royalty Interest Lands

Cardium Gas Land Summary	Acres (Thousands)	Sections
Fee	0	0
GORR	189	295
<b>Total Lands</b>	<b>189</b>	<b>295</b>

#### PrairieSky Royalty Lands NW Alberta & NE British Columbia Cardium Gas



#### Total Region NW Alberta & NE British Columbia Cardium Gas



#### PLAY HIGHLIGHTS

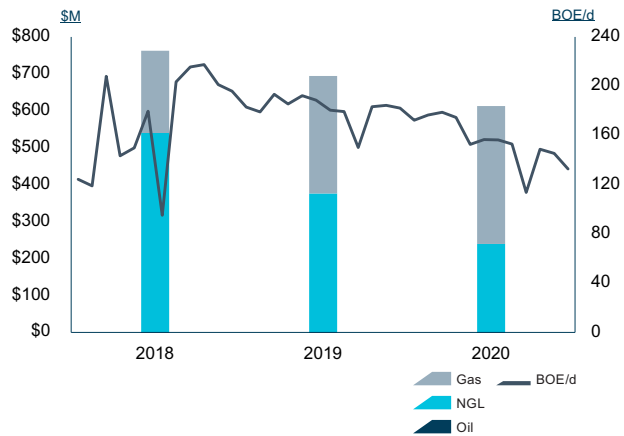
- 189,000 acres of GORR Land in a natural gas play with natural gas liquids
- 470 future drilling locations identified on the GORR Lands
- Proven natural gas in the ground that will benefit from new technologies

Cardium Gas	2018	2019	2020
PSK RI Producing Wells	114	110	106
PSK RI Producing Units	0	0	0
# Wells Rig Released	0	0	0
Gross Capital (\$MM)	\$0	\$0	\$0
Net Oil Production (bbl/d)	0	0	0
Net NGL Production (bbl/d)	47	53	41
Net Gas Production (MMcf/d)	0.7	0.8	0.7
<b>Net Production (BOE/d)</b>	<b>164</b>	<b>186</b>	<b>158</b>
Net Oil Revenue (\$M)	\$0	\$0	\$0
Net NGL Revenue (\$M)	\$540	\$376	\$240
Net Gas Revenue (\$M)	\$223	\$319	\$373
<b>Net Revenue (\$M)</b>	<b>\$763</b>	<b>\$695</b>	<b>\$613</b>
Netback Price (\$/BOE)	\$12.75	\$10.24	\$10.60

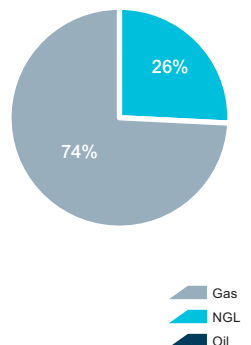
In the last two years, 84 wells have been drilled in this play, although none of the wells were on PrairieSky land. Several new wells were adjacent to PrairieSky lands, adding new development acreage and future locations to the inventory.

New completion technologies and drilling cost reductions have helped increase industry interest in this play over the last few years. Despite remote locations, good transportation and processing infrastructure exists in many areas due to past natural gas developments. Higher natural gas prices are expected to encourage new capital to this play.

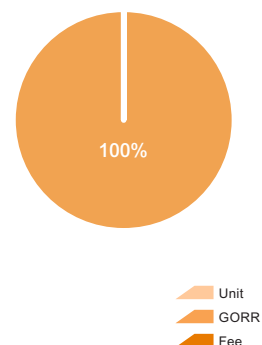
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Cardium Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	263
Undiscounted Booked Value (\$MM)	\$4
Future Fee Locations	0
Future GORR Locations	470
Future Potential (MBOE)	6,309
Undiscounted Future Potential (\$MM)	\$68
<b>Total Volume (MBOE)</b>	<b>6,572</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$72</b>



# CARDIUM OIL

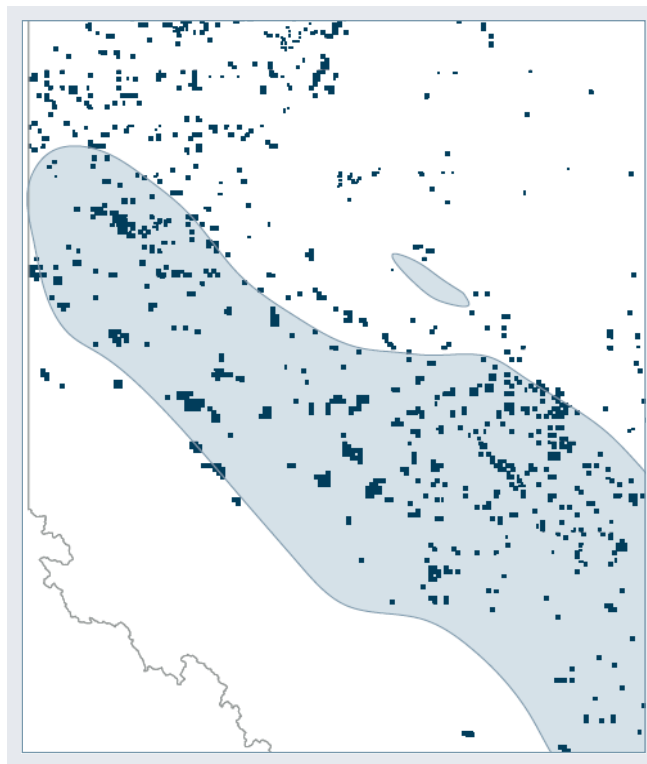
## NW Alberta & NE British Columbia



The Cardium oil play extends west across this region from Central Alberta to the British Columbia border. Oil pools typically occur in a southeast to northwest orientation with approximately 1,000 oil wells drilled to date.

PrairieSky has lands throughout the play. Average depth of the play is 1,600 meters. This growing play is an example of the successful application of horizontal drilling. PrairieSky received revenues from 79 wells in 2020. This is a light oil play with associated natural gas and NGL volumes. There is no Fee Land in this play. The royalty rate for GORR Land is typically between 3%-5%.

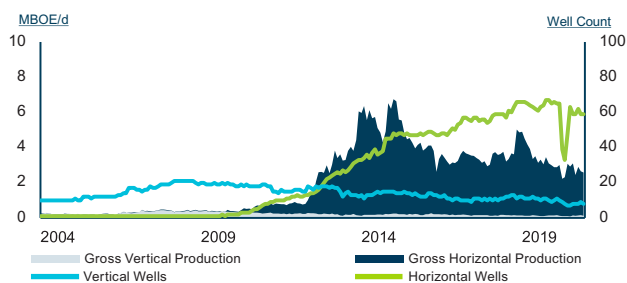
Development of this play began in the 1970s with the discovery of the Kakwa and Wapiti Pools. These pools were initially developed using vertical drilling to a density of two to eight wells per section. In some pools, gas re-injection is used to enhance oil recovery. Cardium oil pools in the region have large original oil in place volumes but historical vertical development was only marginally commercial due to low well productivity. These areas are now the target of horizontal drilling that began in 2009. In the last eight years, all new wells in the play have been horizontal wells.



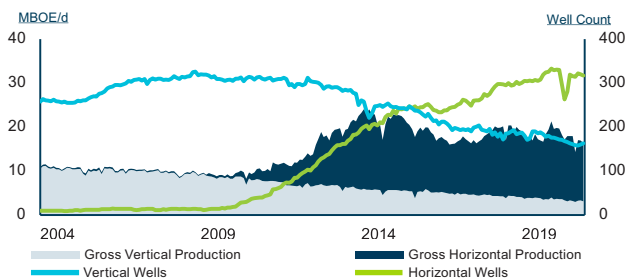
PSK Cardium Oil Royalty Interest Lands

Cardium Oil Land Summary	Acres (Thousands)	Sections
Fee	0	0
GORR	109	170
<b>Total Lands</b>	<b>109</b>	<b>170</b>

### PrairieSky Royalty Lands NW Alberta & NE British Columbia Cardium Oil



### Total Region NW Alberta & NE British Columbia Cardium Oil



### PLAY HIGHLIGHTS

- 109,000 acres of royalty land in an early-stage light oil play
- 220 future infill and step-out locations
- Additional upside in play expansion and tighter well spacing

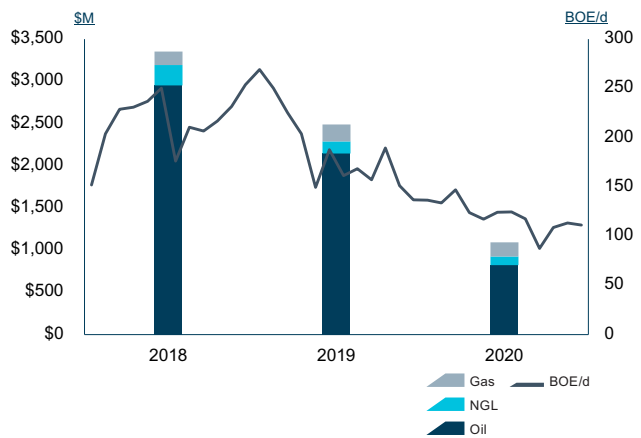


Cardium Oil	2018	2019	2020
PSK RI Producing Wells	81	79	79
PSK RI Producing Units	0	0	0
# Wells Rig Released	10	2	2
Gross Capital (\$MM)	\$24	\$2	\$4
Net Oil Production (bbl/d)	125	91	55
Net NGL Production (bbl/d)	26	32	22
Net Gas Production (MMcf/d)	0.4	0.4	0.3
<b>Net Production (BOE/d)</b>	<b>218</b>	<b>190</b>	<b>127</b>
Net Oil Revenue (\$M)	\$2,951	\$2,145	\$822
Net NGL Revenue (\$M)	\$241	\$144	\$104
Net Gas Revenue (\$M)	\$160	\$198	\$165
<b>Net Revenue (\$M)</b>	<b>\$3,352</b>	<b>\$2,487</b>	<b>\$1,091</b>
Netback Price (\$/BOE)	\$42.13	\$35.86	\$23.47

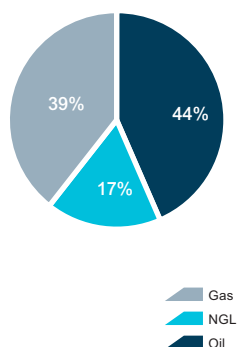
In the last two years, 40 wells were drilled in the play, with 10% of these wells on PrairieSky land. During the first quarter of 2021, three additional wells were rig released on PrairieSky lands.

Horizontal drilling in the Cardium has been employed to improve well performance and to extend the boundaries of known oil pools. Infill densities of four wells per section are common. In the Royalty Playbook, 220 locations have been assigned at this density on PrairieSky lands adjacent to existing horizontal oil wells. In thicker reservoirs like in the Wapiti pool, it is possible that infill density will be higher, and that secondary zones will be drilled. This additional potential is not included in the Royalty Playbook at this time.

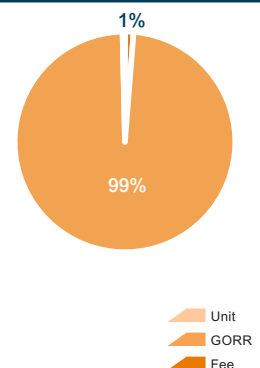
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Cardium Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	323
Undiscounted Booked Value (\$MM)	\$9
Future Fee Locations	0
Future GORR Locations	220
Future Potential (MBOE)	1,434
Undiscounted Future Potential (\$MM)	\$59
<b>Total Volume (MBOE)</b>	<b>1,757</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$68</b>

# DUNVEGAN OIL

## NW Alberta & NE British Columbia

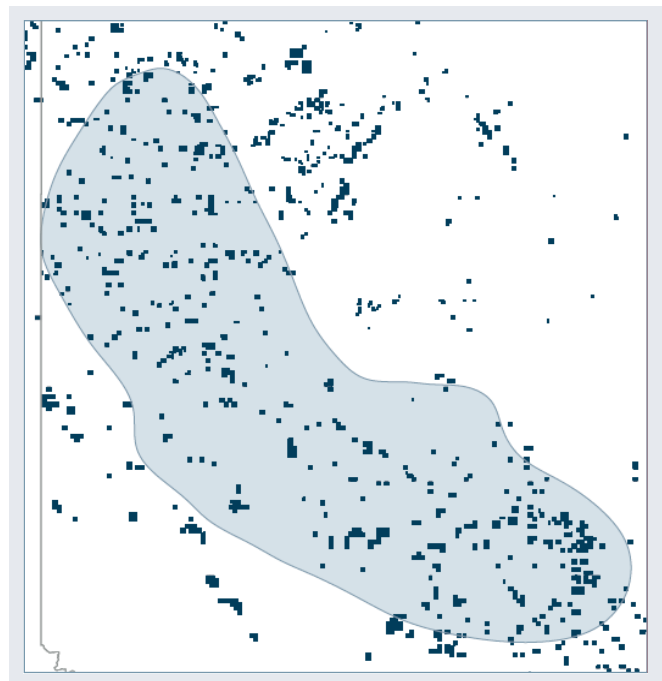


The Dunvegan oil play covers an area 260 kilometers wide in the southern part of this region. Over 900 wells have been drilled in this light oil play to date and approximately 40% of them are horizontal wells. PrairieSky has GORR Land located across the play. The average depth of the play is 1,700 meters. Operators in this

play are applying new horizontal drilling techniques to known oil accumulations.

PrairieSky received revenue from 81 wells in 2020. This is a light oil play with natural gas and NGL revenues. There is no Fee Land in the play. The average royalty on GORR Land is 5%.

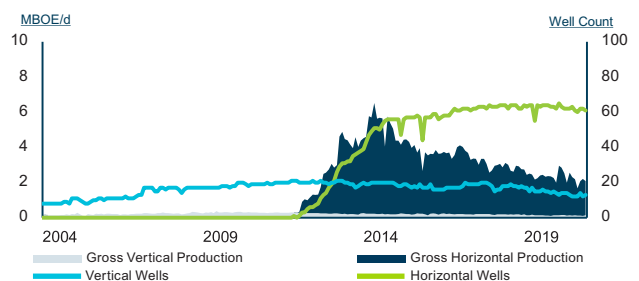
Approximately half of the historical Dunvegan oil production has come from the large Valhalla Pool near Grande Prairie. Since the pool's discovery in the 1980s many smaller pools have been found using vertical drilling. Horizontal technology has brought a resurgence of activity since 2010. In the last eight years, there have been approximately 40 wells drilled per year and all of them have been horizontal wells. Activity has centered on the Karr, Kaybob South, and Elmworth fields.



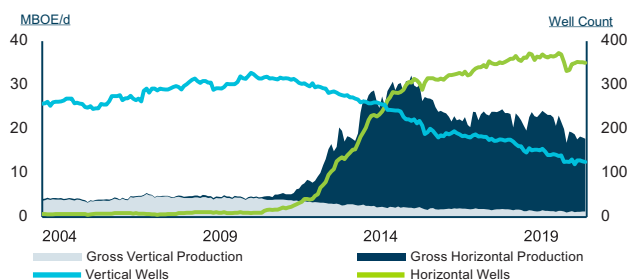
PSK Dunvegan Oil Royalty Interest Lands

Dunvegan Oil Land Summary	Acres (Thousands)	Sections
Fee	0	0
GORR	67	105
<b>Total Lands</b>	<b>67</b>	<b>105</b>

### PrairieSky Royalty Lands NW Alberta & NE British Columbia Dunvegan Oil



### Total Region NW Alberta & NE British Columbia Dunvegan Oil



### PLAY HIGHLIGHTS

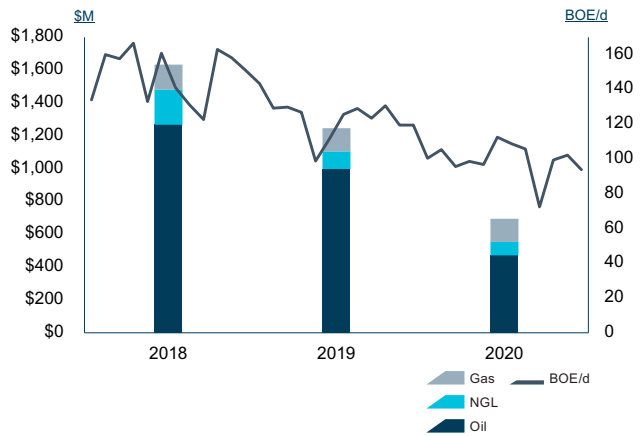
- 67,000 acres of royalty land in a light oil play
- 200 future locations identified
- Horizontal drilling application in early stages of development

Dunvegan Oil	2018	2019	2020
PSK RI Producing Wells	84	81	81
PSK RI Producing Units	0	0	0
# Wells Rig Released	0	0	2
Gross Capital (\$MM)	\$0	\$0	\$8
Net Oil Production (bbl/d)	56	43	32
Net NGL Production (bbl/d)	24	24	19
Net Gas Production (MMcf/d)	0.4	0.3	0.3
<b>Net Production (BOE/d)</b>	<b>147</b>	<b>117</b>	<b>101</b>
Net Oil Revenue (\$M)	\$1,268	\$997	\$471
Net NGL Revenue (\$M)	\$214	\$107	\$84
Net Gas Revenue (\$M)	\$152	\$142	\$140
<b>Net Revenue (\$M)</b>	<b>\$1,634</b>	<b>\$1,246</b>	<b>\$695</b>
Netback Price (\$/BOE)	\$30.45	\$29.18	\$18.80

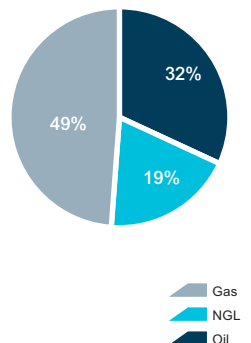
In the last two years, seven wells have been drilled in the play, with 29% of these wells on PrairieSky land.

Exploitation of Dunvegan oil reservoirs using horizontal technologies is in its early stages. Data from vertical wells has identified a broad fairway of oil which is expected to be developed over time, and well performance has improved in recent years. PrairieSky has identified 200 future locations at four wells per section in proximity to existing horizontal wells. In some areas, the Dunvegan has a second zone which could add another phase of future development, but no value has been assigned to such incremental zone in the Royalty Playbook.

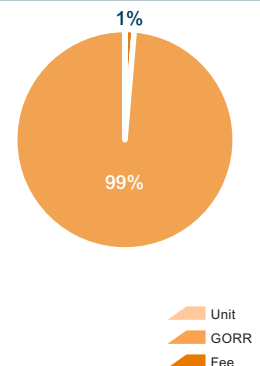
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Dunvegan Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	238
Undiscounted Booked Value (\$MM)	\$7
Future Fee Locations	0
Future GORR Locations	200
Future Potential (MBOE)	2,170
Undiscounted Future Potential (\$MM)	\$70
<b>Total Volume (MBOE)</b>	<b>2,408</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$77</b>

# SPIRIT RIVER GAS

## NW Alberta & NE British Columbia

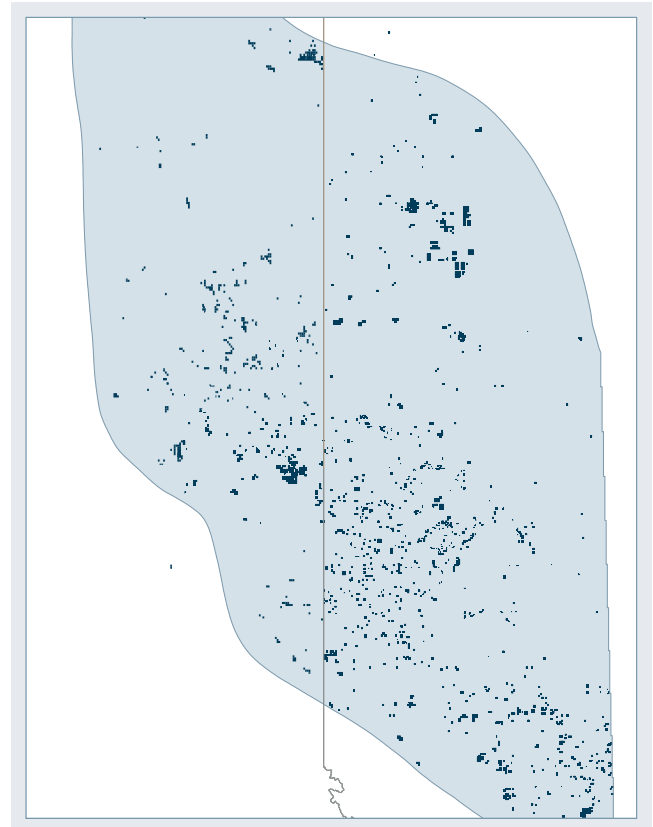


The Spirit River play in this region is comprised of a stacked sequence of sandstone reservoirs that range in depth from 300 meters in the north to over 3,000 meters in the southwest along the foothills. The Upper Mannville in the region is known as the Spirit River group. This is an active natural gas play with growth potential from the exploitation of multiple zones.

PrairieSky received revenue from 406 wells in 2020. Revenues from NGL were 31% of net revenues in the period. There is only minor Fee Land in the play and future locations have only been assigned to GORR Land. The average royalty on GORR Land is 5%.

In the 1970s, operators began drilling vertical gas wells in this play employing multi-zone completions and commingled production. Each zone required stimulation in order to produce.

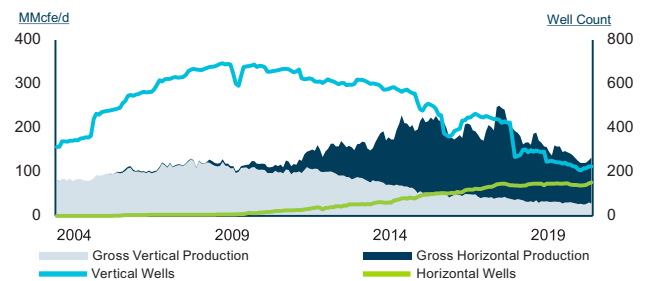
By the year 2000, horizontal wells were used to target single zones. Advancements in horizontal drilling and fracture stimulations attracted increased investment in the play after 2009, and in the last five years the play has averaged approximately 200 wells per year, drilled horizontally into numerous zones.



PSK Spirit River Gas Royalty Interest Lands

### PrairieSky Royalty Lands NW Alberta & NE British Columbia Spirit River Gas

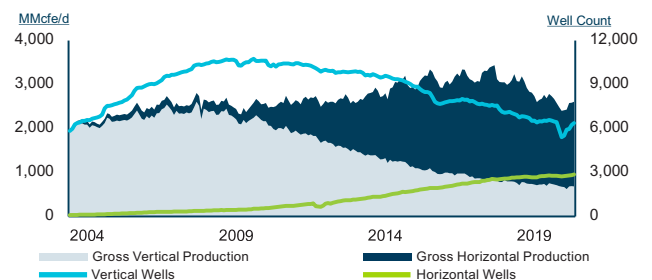
Spirit River Gas Land Summary	Acres (Thousands)	Sections
Fee	29	45
GORR	808	1,262
<b>Total Lands</b>	<b>837</b>	<b>1,307</b>



### PLAY HIGHLIGHTS

- Active, multi-zone natural gas play with important NGL production
- 840 future horizontal locations
- New completion techniques improving initial well rates
- Profitable play in a challenging natural gas price environment

### Total Region NW Alberta & NE British Columbia Spirit River Gas



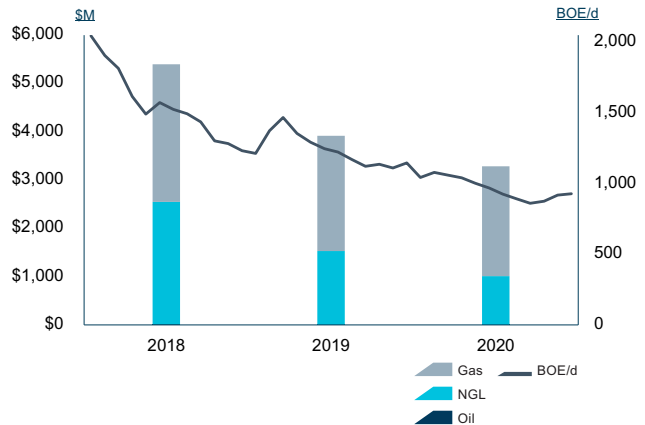
Spirit River Gas	2018	2019	2020
PSK RI Producing Wells	536	414	406
PSK RI Producing Units	2	1	0
# Wells Rig Released	5	6	5
Gross Capital (\$MM)	\$21	\$22	\$22
Net Oil Production (bbl/d)	0	0	0
Net NGL Production (bbl/d)	184	173	144
Net Gas Production (MMcf/d)	8.2	6.4	4.9
<b>Net Production (BOE/d)</b>	<b>1,551</b>	<b>1,240</b>	<b>961</b>
Net Oil Revenue (\$M)	\$7	\$0	\$0
Net NGL Revenue (\$M)	\$2,537	\$1,529	\$1,009
Net Gas Revenue (\$M)	\$2,853	\$2,383	\$2,277
<b>Net Revenue (\$M)</b>	<b>\$5,397</b>	<b>\$3,912</b>	<b>\$3,286</b>
Netback Price (\$/BOE)	\$9.53	\$8.64	\$9.34

In the past two years, approximately 200 wells were drilled in the play, 6% of these wells were on PrairieSky land. Industry investment in this play has continued during a challenging natural gas price environment due to improved well costs, higher well rates, and associated NGL sales.

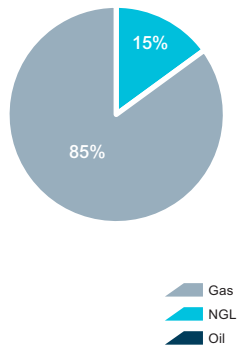
Most developments to date have employed one-mile long horizontals with four wells per section but recently extended reach horizontal wells and closer inter-well spacing are being used to increase natural gas and NGL recoveries.

PrairieSky has identified 840 future locations on lands adjacent to recent horizontal wells. An assignment of four wells per section assumes that only one zone is being exploited in each section, when in fact several natural gas reservoirs may exist on the lands. PrairieSky is positioned to benefit from new technology advancements and continued development of new horizons.

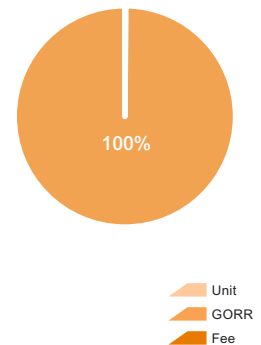
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Spirit River Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	2,373
Undiscounted Booked Value (\$MM)	\$26
Future Fee Locations	0
Future GORR Locations	840
Future Potential (MBOE)	27,967
Undiscounted Future Potential (\$MM)	\$280
<b>Total Volume (MBOE)</b>	<b>30,340</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$306</b>

# MONTNEY GAS

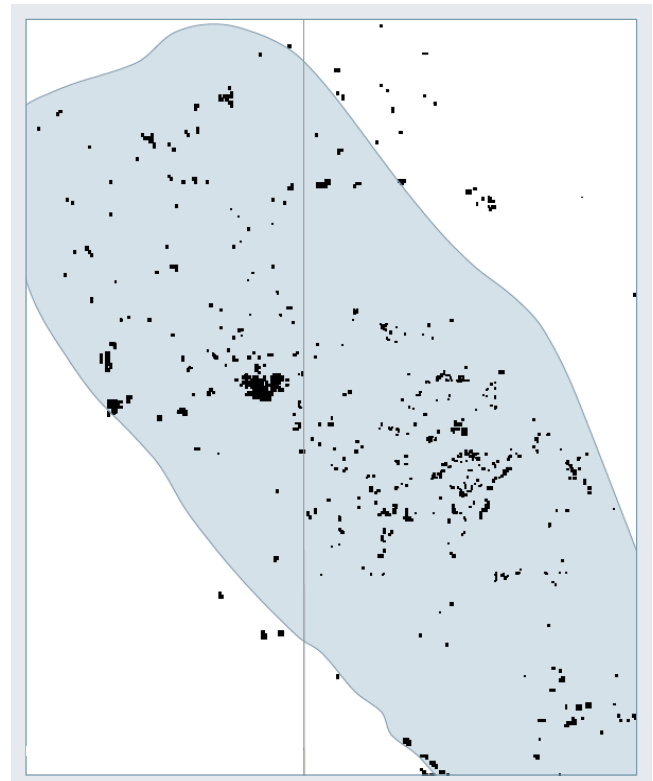
## NW Alberta & NE British Columbia



The Montney natural gas play in this region is located on the western edge of Alberta and into British Columbia. It is comprised of a variety of reservoir types but most notably it includes the Montney unconventional resource play. PrairieSky has dispersed acreage and a few consolidated positions of predominately GORR Land in this large play.

PrairieSky received revenue from 198 wells in 2020. NGL revenues were 55% of total revenue during the period. Future locations were only assigned to GORR Land. The royalty rate on GORR Land typically ranges between 3%-5%.

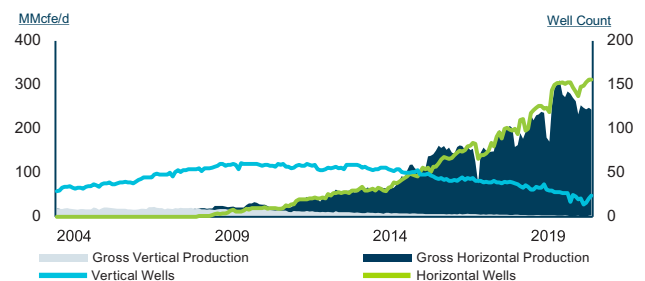
Montney conventional natural gas reservoirs were first discovered in the 1970s and were often completed with other zones in a vertical wellbore and then comingled. Some large pools were developed with this method to four wells per section. Horizontal drilling was an ideal application for this tight reservoir, and drilling activity increased rapidly in 2008 capitalizing first on areas and strata of known gas accumulations. By 2011, horizontal wells were being used to exploit multiple horizons and activity had moved into many new areas of the play.



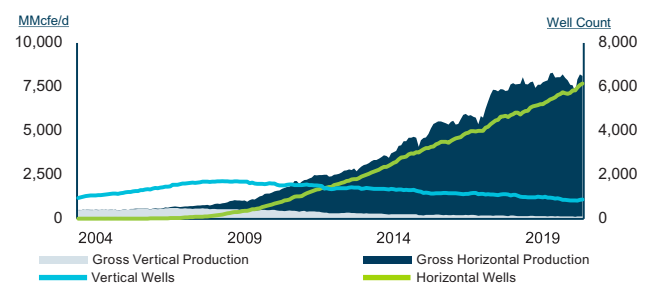
PSK Montney Gas Royalty Interest Lands

Montney Gas Land Summary	Acres (Thousands)	Sections
Fee	12	18
GORR	150	234
<b>Total Lands</b>	<b>162</b>	<b>252</b>

### PrairieSky Royalty Lands NW Alberta & NE British Columbia Montney Gas



### Total Region NW Alberta & NE British Columbia Montney Gas



### PLAY HIGHLIGHTS

- 162,000 acres of royalty lands in a large-scale natural gas resource play
- 1,070 future infill and step-out locations identified
- Important NGL revenue
- Potential for additional gas zones on current lands
- Innovation promoted by industry investment

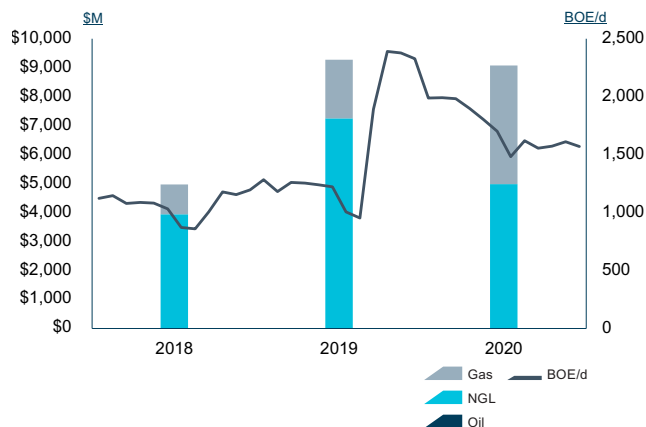


Montney Gas	2018	2019	2020
PSK RI Producing Wells	170	194	198
PSK RI Producing Units	0	0	0
# Wells Rig Released	22	28	2
Gross Capital (\$MM)	\$143	\$195	\$14
Net Oil Production (bbl/d)	1	1	0
Net NGL Production (bbl/d)	238	434	456
Net Gas Production (MMcf/d)	5.0	6.6	7.6
<b>Net Production (BOE/d)</b>	<b>1,072</b>	<b>1,535</b>	<b>1,723</b>
Net Oil Revenue (\$M)	\$15	\$10	\$4
Net NGL Revenue (\$M)	\$3,924	\$7,239	\$4,978
Net Gas Revenue (\$M)	\$1,028	\$2,023	\$4,096
<b>Net Revenue (\$M)</b>	<b>\$4,967</b>	<b>\$9,272</b>	<b>\$9,078</b>
Netback Price (\$/BOE)	\$12.69	\$16.55	\$14.40

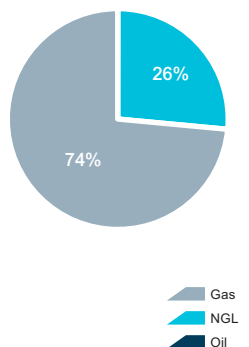
In the last two years, approximately 850 wells have been drilled in the play, 4% of these were on PrairieSky land. During the period, 60% of the wells were drilled in British Columbia and 40% in Alberta. Recent drilling on PrairieSky land was focused in Alberta, in the Wembley and Elmworth fields.

Montney natural gas drilling has continued to attract investment during a period of low natural gas prices due to improved rates and high NGL yields. Operators are drilling multiple wells from single surface pads that are targeting three or more natural gas zones within the Montney. Not all stacked zones have been assigned value in the Royalty Playbook. New play lands and future locations will also be added to inventory as new drilling expands the productive fairway.

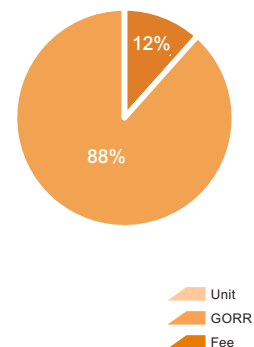
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



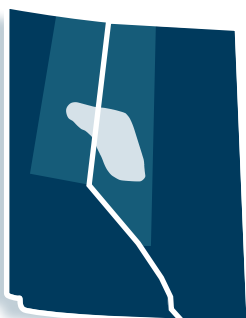
### Montney Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	3,790
Undiscounted Booked Value (\$MM)	\$57
Future Fee Locations	0
Future GORR Locations	1,070
Future Potential (MBOE)	34,609
Undiscounted Future Potential (\$MM)	\$424
<b>Total Volume (MBOE)</b>	<b>38,399</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$481</b>



# MONTNEY OIL

## NW Alberta & NE British Columbia

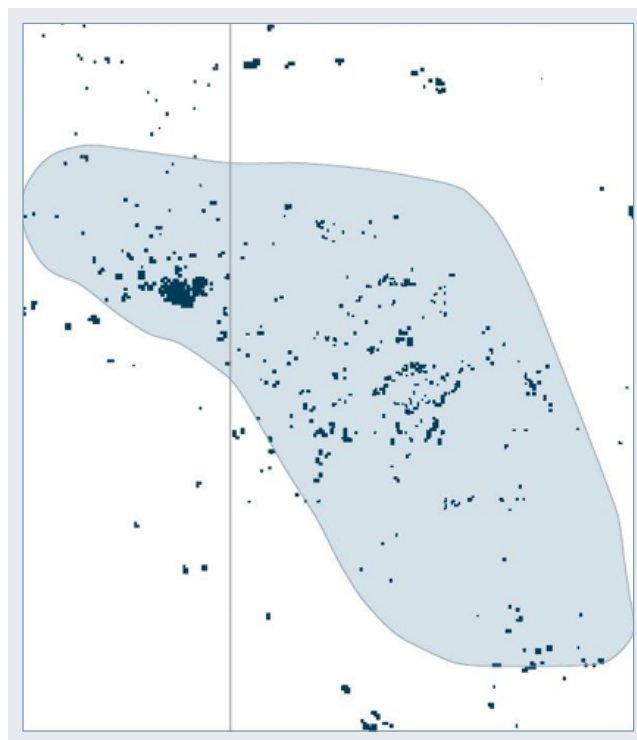


The Montney oil play straddles the Alberta-British Columbia border and covers an area 300 kilometers wide. Oil accumulations in the Montney generally occur at shallower depths and to the northeast of natural gas pools. PrairieSky play lands are dispersed throughout the region with the exception of a large contiguous

land position in Two Rivers, British Columbia. Depths of this play range from 1,000 to 2,500 meters.

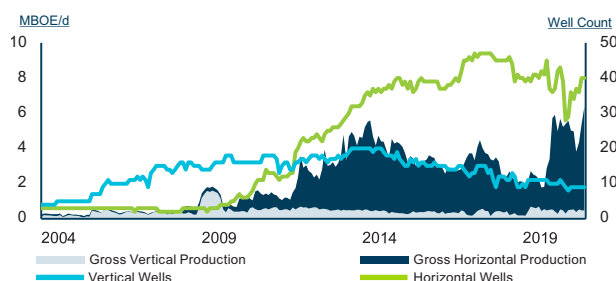
PrairieSky received revenue from 63 wells in 2020 with 73% of net revenue from liquids. PrairieSky has only minor Fee Land in the play and future locations were only assigned to GORR Lands. The average royalty rate on GORR Land is 5%.

Conventional Montney oil reservoirs were the target of exploration and development from the 1950s to the 1990s. In several pools, enhanced recovery methods have been implemented to increase oil recoveries. These include waterflood, gas re-injection, and solvent injection and these pools continue to produce today. Operators began extensive horizontal drilling in 2010 and approximately 160 wells per year have been drilled since this time.

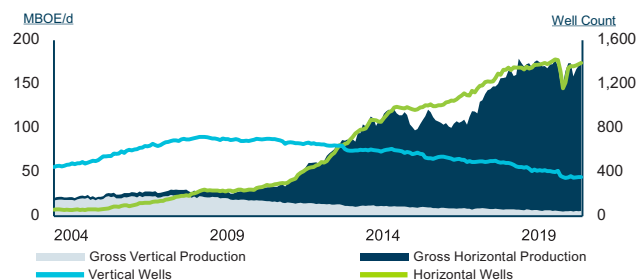


PSK Montney Oil Royalty Interest Lands

### PrairieSky Royalty Lands NW Alberta & NE British Columbia Montney Oil



### Total Region NW Alberta & NE British Columbia Montney Oil



Montney Oil Land Summary	Acres (Thousands)	Sections
Fee	3	5
GORR	76	119
<b>Total Lands</b>	<b>79</b>	<b>124</b>

### PLAY HIGHLIGHTS

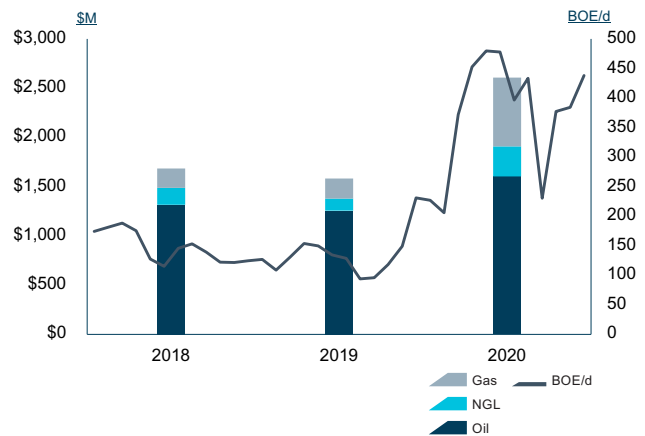
- 79,000 acres of royalty lands in an active light oil play
- 330 locations identified near recent drilling activity
- Contiguous land position in the Two Rivers area

Montney Oil	2018	2019	2020
PSK RI Producing Wells	68	62	63
PSK RI Producing Units	0	0	0
# Wells Rig Released	3	6	2
Gross Capital (\$MM)	\$21	\$33	\$12
Net Oil Production (bbl/d)	61	58	120
Net NGL Production (bbl/d)	11	12	49
Net Gas Production (MMcf/d)	0.4	0.4	1.2
<b>Net Production (BOE/d)</b>	<b>139</b>	<b>137</b>	<b>369</b>
Net Oil Revenue (\$M)	\$1,315	\$1,255	\$1,603
Net NGL Revenue (\$M)	\$171	\$123	\$306
Net Gas Revenue (\$M)	\$198	\$205	\$698
<b>Net Revenue (\$M)</b>	<b>\$1,684</b>	<b>\$1,583</b>	<b>\$2,607</b>
Netback Price (\$/BOE)	\$33.19	\$31.66	\$19.30

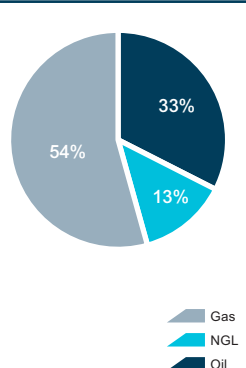
In the last 2 years, over 140 wells were drilled in the play, 6% of these wells were on PrairieSky land. Recent drilling on PrairieSky land was focused in the Wembley field, and also included an additional horizontal well on the contiguous block of GORR Lands in Two Rivers.

PrairieSky has identified 330 locations adjacent to recent drilling activity and assigned a density of four wells per section. Additional Montney zones are prospective in this play but are not valued at this time.

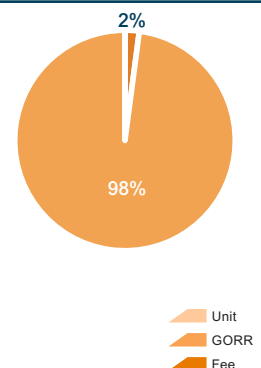
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Montney Oil - Reserves and Future Potential

Total Booked Reserves (MBOE)	822
Undiscounted Booked Value (\$MM)	\$20
Future Fee Locations	0
Future GORR Locations	330
Future Potential (MBOE)	6,438
Undiscounted Future Potential (\$MM)	\$208
<b>Total Volume (MBOE)</b>	<b>7,260</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$228</b>

## OTHER PLAYS

### NW Alberta & NE British Columbia

PrairieSky collected 705 BOE/d and \$3.6 million of net revenue from other plays in the NW Alberta & NE British Columbia region in 2020. The geology in the region is a thick stack of many prospective zones which continue to see development capital year over year.

The main contributors to production and revenue are Cretaceous natural gas plays and the Charlie Lake oil play which account for almost 50% of the revenue from these other plays. No future value has been attributed to these plays at this time, but it is expected that new drilling will continue to occur in line with trends in historical activity.

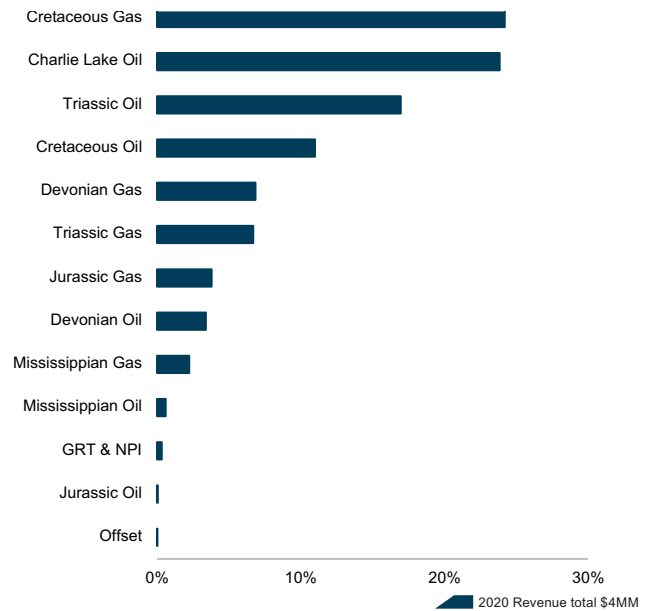
In the past two years, approximately 300 wells have been drilled in these other plays and 4% of these wells were on PrairieSky land.

#### Other Plays – Reserves and Future Potential

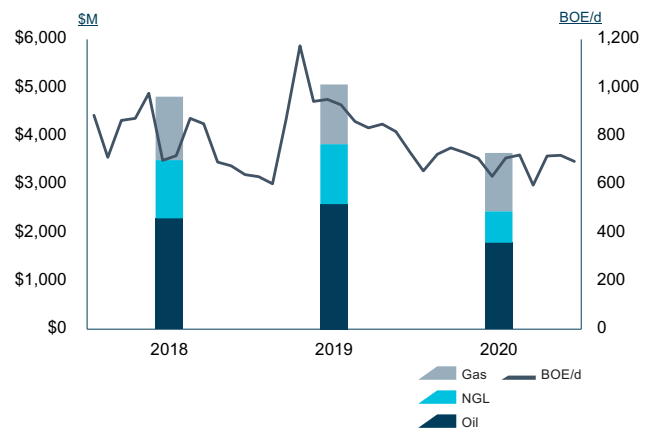
Total Booked Reserves (MBOE)	1,498
Undiscounted Booked Value (\$MM)	\$36

Other Plays	2018	2019	2020
PSK RI Producing Wells	489	462	443
PSK RI Producing Units	9	9	9
# Wells Rig Released	17	8	3
Gross Capital (\$MM)	\$101	\$31	\$10
Net Oil Production (bbl/d)	102	114	131
Net NGL Production (bbl/d)	97	121	91
Net Gas Production (MMcf/d)	3.5	3.7	2.9
<b>Net Production (BOE/d)</b>	<b>782</b>	<b>852</b>	<b>705</b>
Net Oil Revenue (\$M)	\$2,297	\$2,586	\$1,791
Net NGL Revenue (\$M)	\$1,204	\$1,244	\$649
Net Gas Revenue (\$M)	\$1,312	\$1,238	\$1,209
<b>Net Revenue (\$M)</b>	<b>\$4,813</b>	<b>\$5,068</b>	<b>\$3,649</b>
Netback Price (\$/BOE)	\$16.86	\$16.30	\$14.14

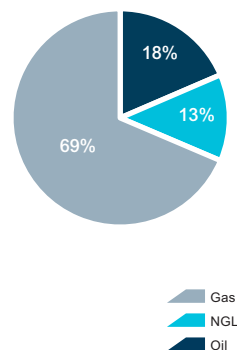
#### NW Alberta & NE British Columbia Other Plays



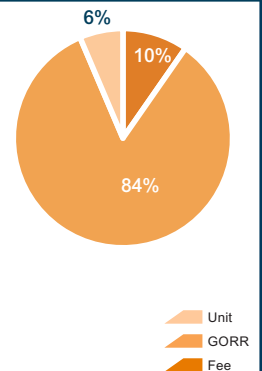
#### Net Revenue and Production



#### 2020 Net Production by Product



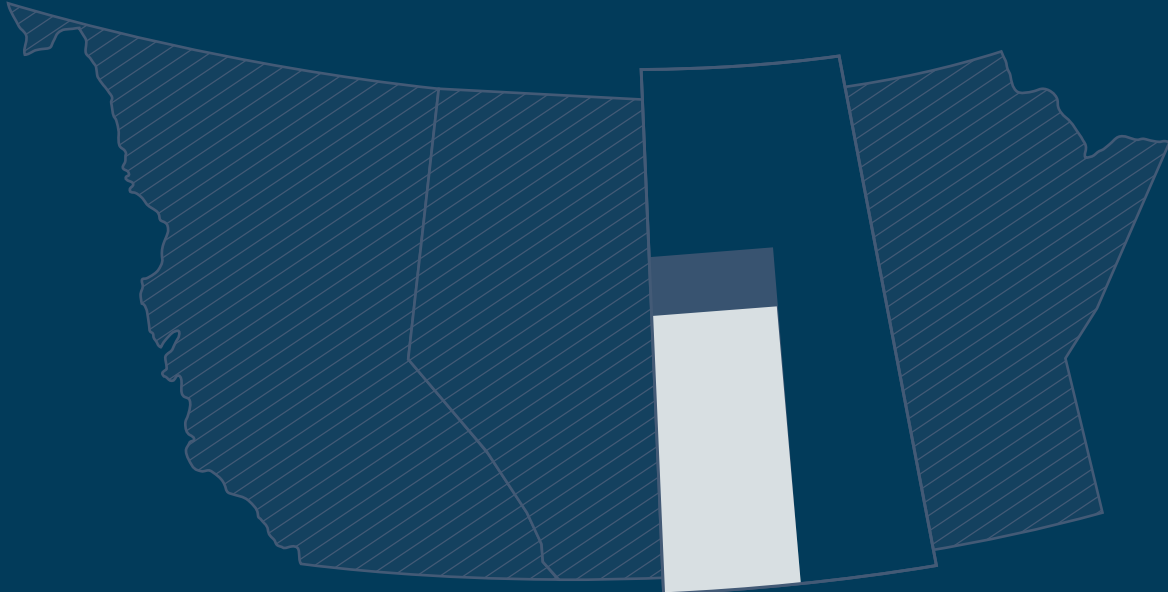
#### 2020 Net Production by Royalty Type





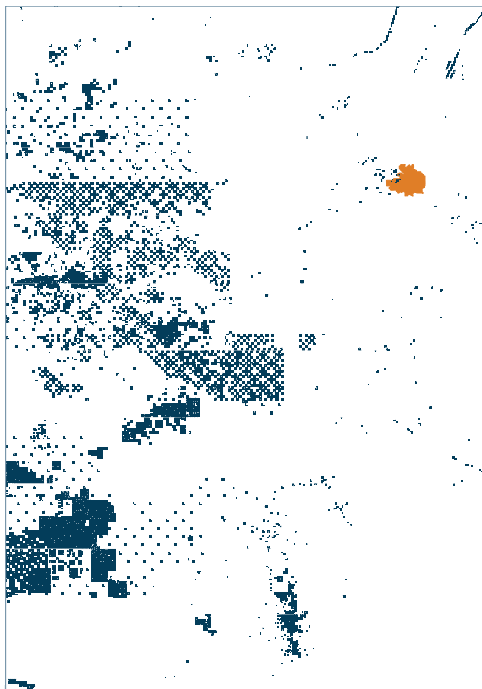
# Western Saskatchewan

Shallow Gas	107
Viking Oil	109
Mannville Oil	111
Bakken Oil	113
Other Plays	115





# Western Saskatchewan



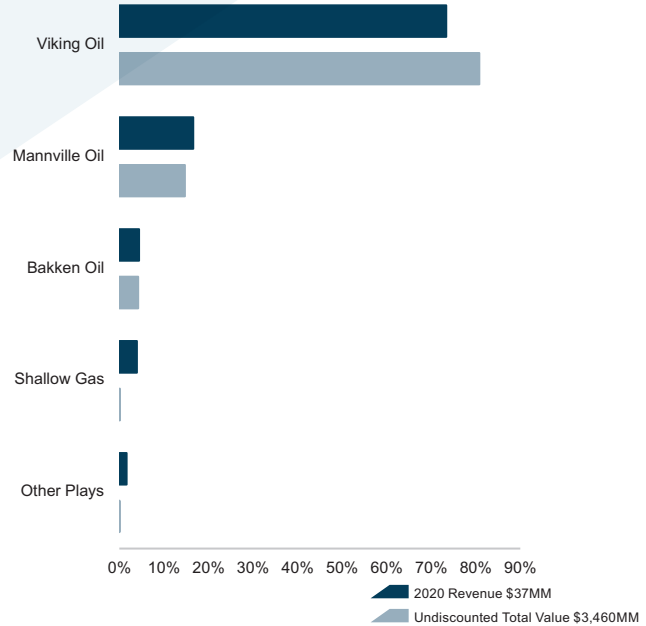
PSK Western Saskatchewan Royalty Interest Lands

The Western Saskatchewan region of PrairieSky's asset base aligns well with proven oil and natural gas trends ranging from the heavy oil pools in the north, through the centrally located prolific Viking oil trend, to the shallow natural gas properties in the south. PrairieSky has 2.7 million acres of royalty lands including approximately 1.1 million acres of Fee Lands. The Fee Lands are focused in the Viking and Mannville trends through the central portion of the land base.

PrairieSky's 2020 royalty production from this area averaged 3,197 BOE/d, generating \$37 million in net revenue. Most revenue is derived from the active Viking oil play where several operators continue to drill and employ new technology to delineate and develop the play. This region also includes the Onion Lake SAGD Project where PrairieSky collects a 3.95% GORR.

Both the Viking oil and the Mannville oil play represent significant oil growth opportunities in Western Saskatchewan.

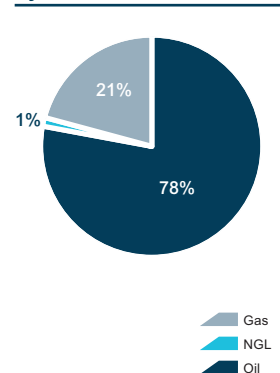
In the last two years, approximately 1,600 wells were drilled in the Western Saskatchewan region, 23% of these wells were on PrairieSky land. The vast majority of the wells were drilled in the Viking oil play.



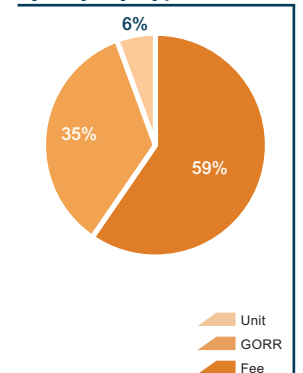
Western Saskatchewan Land Summary	Acres (Thousands)	Sections
Fee	1,086	1,696
GORR	1,568	2,450
<b>Total Lands</b>	<b>2,654</b>	<b>4,146</b>

Production and Revenue	2018	2019	2020
Net Production (BOE/d)	4,272	3,930	3,197
Net Revenue (\$MM)	\$75.3	\$71.5	\$37.2
Netback Price (\$/BOE)	\$48.29	\$49.84	\$31.79

2020 Net Production by Product



2020 Net Production by Royalty Type



SHALLOW GAS  
 BELLY RIVER  
 CRETACEOUS  
 CARDIUM  
 VIKING  
 MANNVILLE  
 JURASSIC  
 TRIASSIC  
 MISSISSIPPIAN  
 DEVONIAN  
 BAKKEN

# SHALLOW GAS

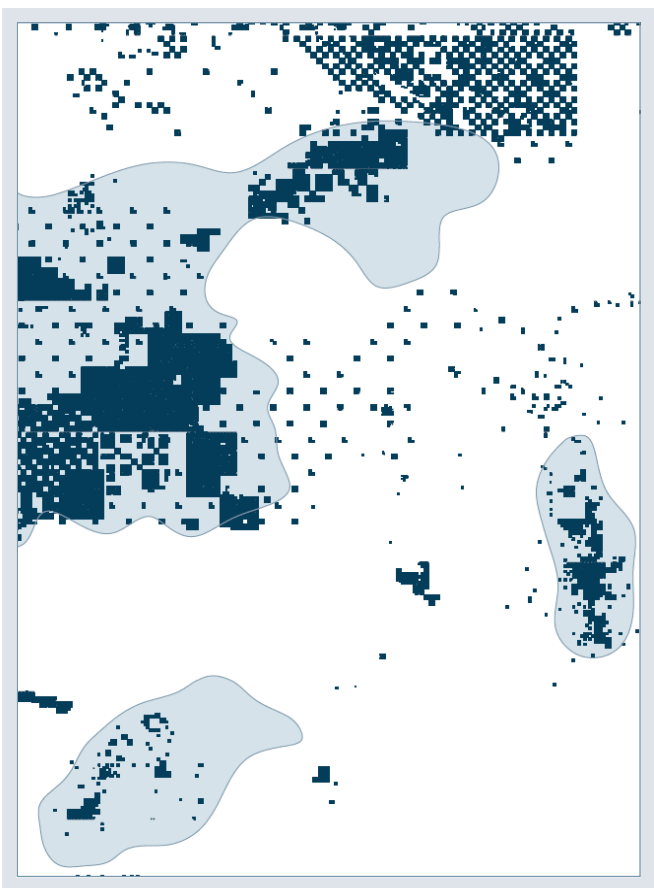
## Western Saskatchewan



Shallow gas reservoirs are located in the southwestern part of this region centered on the large Hatton and Shackleton fields. This is a multizone play where development has been predominantly in the Milk River with an average depth of 400 meters. While future development has been identified within the limits of these established fields, no value has been attributed to these locations. The play provides optionality to capture additional value in periods of higher gas prices.

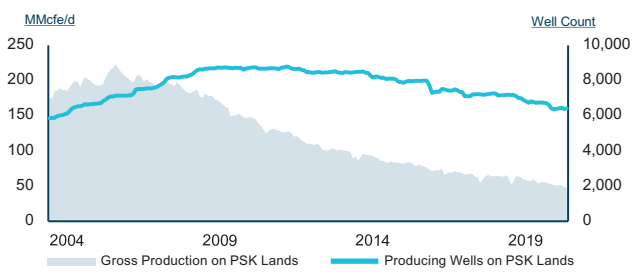
PrairieSky received revenue from over 6,700 wells in 2020. Several large operators make up almost the entirety of the royalty payments for the region. Production from shallow gas reservoirs is stable with an average annual decline rate of 4% over the past several years. Average royalties from Fee Land and GORR Land are 9% and 4%, respectively.

Over 20,000 wells have been drilled in the region for shallow gas and cumulative production is over 4.6 Tcf to date. Major development took place between 2000 and 2009 with over 10,000 wells drilled in nine years. Development density has been tested up to 16 wells per section, but the majority of the land is currently developed to four or eight wells per section.

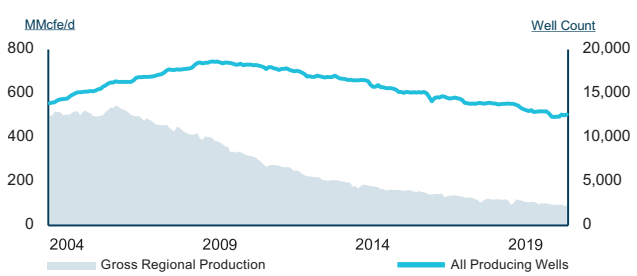


Shallow Gas Land Summary	Acres (Thousands)	Sections
Fee	81	127
GORR	818	1,278
<b>Total Lands</b>	<b>899</b>	<b>1,405</b>

### PrairieSky Royalty Lands Western Saskatchewan Shallow Gas



### Total Region Western Saskatchewan Shallow Gas



**PLAY HIGHLIGHTS**

899,000 acres of royalty lands in proven shallow gas trend

Stable, low-decline, long life production

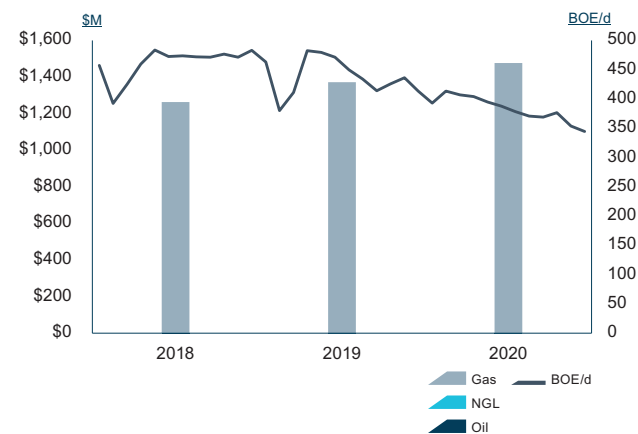
1,750 infill locations with improved natural gas pricing

Shallow Gas	2018	2019	2020
PSK RI Producing Wells	7,397	7,139	6,718
PSK RI Producing Units	0	0	0
# Wells Rig Released	0	0	0
Gross Capital (\$MM)	\$0	\$0	\$0
Net Oil Production (bbl/d)	0	0	0
Net NGL Production (bbl/d)	0	0	0
Net Gas Production (MMcf/d)	2.8	2.6	2.3
<b>Net Production (BOE/d)</b>	<b>467</b>	<b>433</b>	<b>383</b>
Net Oil Revenue (\$M)	\$1	\$0	\$0
Net NGL Revenue (\$M)	\$0	\$0	\$0
Net Gas Revenue (\$M)	\$1,261	\$1,371	\$1,476
<b>Net Revenue (\$M)</b>	<b>\$1,262</b>	<b>\$1,371</b>	<b>\$1,476</b>
Netback Price (\$/BOE)	\$7.40	\$8.67	\$10.53

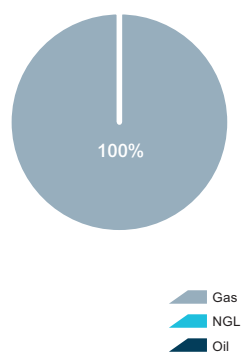
In the past two years, there have been no new wells drilled in the play. Operators have been completing additional zones and implementing well clean-out programs which continue to help stabilize the annual gas rate decline and extended the life of reserves.

Despite the lack of recent drilling, significant infill potential remains in the underdeveloped areas of the fields. Approximately 1,750 locations at four to eight wells per section remain on both Fee Land and GORR Land. No future locations were included in the Royalty Playbook due to the natural gas price assumptions used. Low drilling costs, established infrastructure and year round access will make this play an attractive investment in periods of higher natural gas prices.

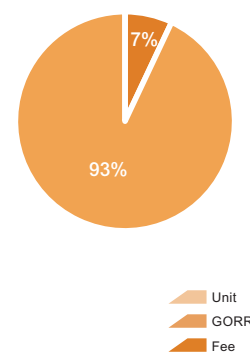
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Shallow Gas – Reserves and Future Potential

Total Booked Reserves (MBOE)	510
Undiscounted Booked Value (\$MM)	\$6
Future Fee Locations	0
Future GORR Locations	0
Future Potential (MBOE)	0
Undiscounted Future Potential (\$MM)	\$0
<b>Total Volume (MBOE)</b>	<b>510</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$6</b>



# VIKING OIL

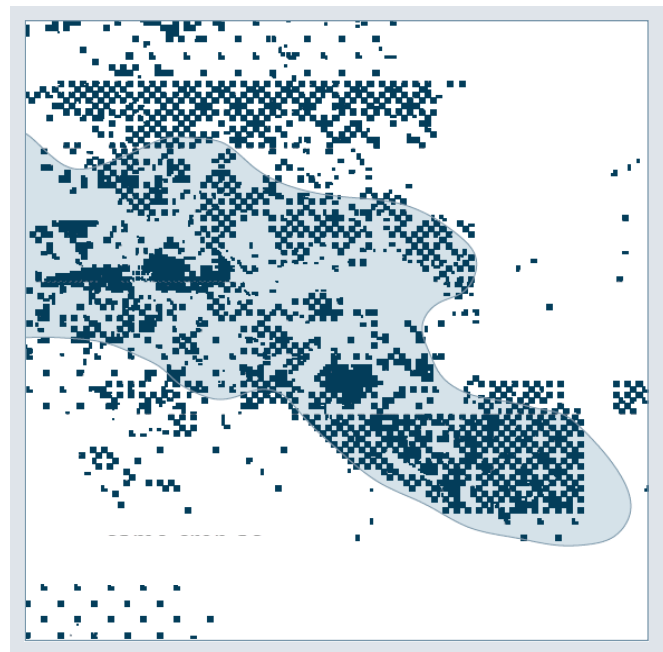
## Western Saskatchewan



The Viking oil play encompasses the Doddsland and Plato fields in the central part of the region and is approximately 1,600 square kilometers in size. PrairieSky has large Fee Land and GORR Land positions in the play. Industry continues to be attracted to this profitable play.

PrairieSky received royalty revenue from approximately 2,500 wells and seven units in 2020. Most of the oil production comes from mature wells with low decline rates. Almost 80% of current revenues are derived from wells on Fee Land. The average royalty on Fee Land is 17.5% and royalties on GORR Land typically range between 5%-10%.

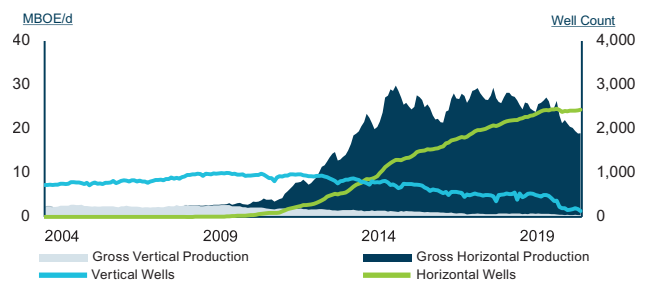
Vertical oil pools in Western Saskatchewan were initially developed in the 1950s with a second stage of infill and waterflood implementation in the 1980s. Extensive horizontal development began in 2010 allowing operators to further delineate and develop the play. Drilling has increased recovery factors in the vertical development areas and extended the pool boundaries. Over 8,600 horizontal wells have been drilled to date.



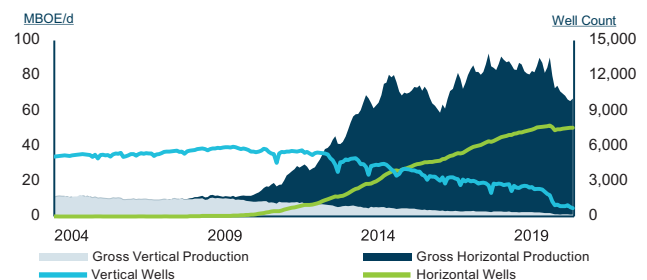
PSK Viking Oil Royalty Interest Lands

Viking Oil Land Summary	Acres (Thousands)	Sections
Fee	362	565
GORR	154	240
<b>Total Lands</b>	<b>516</b>	<b>805</b>

### PrairieSky Royalty Lands Western Saskatchewan Viking Oil



### Total Region Western Saskatchewan Viking Oil



### PLAY HIGHLIGHTS

516,000 acres of premier Viking royalty lands,  
~70% Fee Land

Play boundaries extended by recent drilling

Inventory of 6,400 infill and step-out wells

Exposure to waterflood and enhanced oil recovery potential

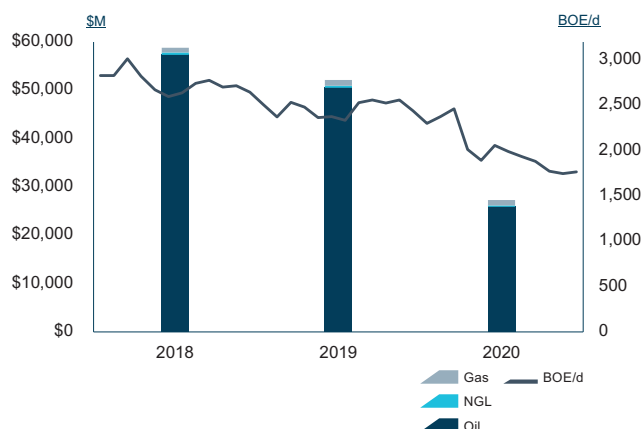
Viking Oil	2018	2019	2020
PSK RI Producing Wells	2,382	2,509	2,497
PSK RI Producing Units	7	7	7
# Wells Rig Released	279	219	105
Gross Capital (\$MM)	\$193	\$177	\$100
Net Oil Production (bbl/d)	2,447	2,170	1,752
Net NGL Production (bbl/d)	34	44	38
Net Gas Production (MMcf/d)	1.6	1.5	1.4
<b>Net Production (BOE/d)</b>	<b>2,748</b>	<b>2,464</b>	<b>2,023</b>
Net Oil Revenue (\$M)	\$57,329	\$50,522	\$25,873
Net NGL Revenue (\$M)	\$495	\$435	\$300
Net Gas Revenue (\$M)	\$968	\$1,151	\$1,131
<b>Net Revenue (\$M)</b>	<b>\$58,792</b>	<b>\$52,108</b>	<b>\$27,304</b>
Netback Price (\$/BOE)	\$58.61	\$57.94	\$36.88

In the past two years, over 1,100 wells have been drilled by industry in this play, with 28% of these wells on PrairieSky land. Operators are drilling half mile to one-mile horizontal wells with densities up to and exceeding 16 wells per section. A reduction in drilling costs over the last few years is contributing to the success of this play.

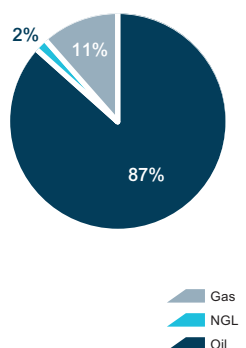
Due to the variety of current practices regarding horizontal lateral length and well densities, a simplified method was used to assign future locations for valuation. A type curve was created using historical production which consists largely of half mile horizontal wells, and densities of 16 and eight wells per section were assigned to infill and step-out wells, respectively. Adjustments to recoverable volumes and densities will be made in the future as well results and trends are updated.

Waterflood pilot projects using horizontal injectors were initiated in this play over the last few years. Continued application of waterfloods in this large field would generate important future revenue for PrairieSky not valued in the Royalty Playbook.

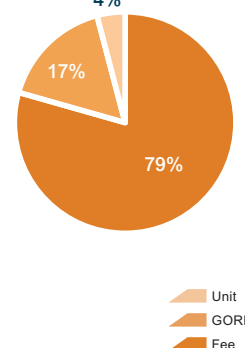
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Viking Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	2,481
Undiscounted Booked Value (\$MM)	\$129
Future Fee Locations	4,500
Future GORR Locations	1,900
Future Potential (MBOE)	49,519
Undiscounted Future Potential (\$MM)	\$2,666
<b>Total Volume (MBOE)</b>	<b>52,000</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$2,795</b>



# MANNVILLE OIL

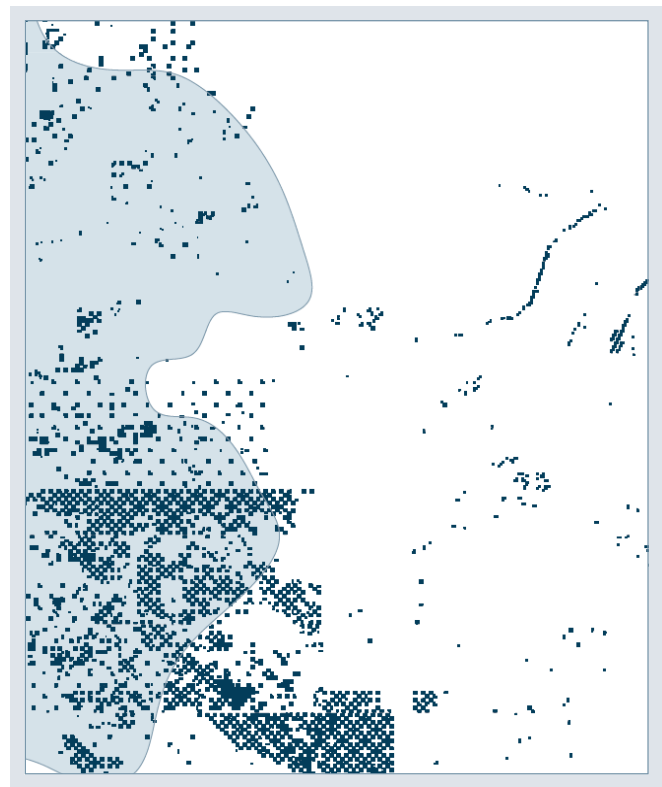
## Western Saskatchewan



The Mannville group is a sequence of oil and natural gas sandstone reservoirs that occurs throughout the westernmost part of Saskatchewan. Heavy oil may occur in multiple zones in a single well in some areas. The average pool depth for this large area is 800 meters. Heavy oil plays will benefit from future innovations in enhanced oil recovery.

PrairieSky received revenue from 241 wells and six units in the play in 2020. Heavy oil is the primary product sold with only small amounts of natural gas, and no NGL volumes. Net production volumes are weighted to the Onion Lake SAGD Project and Druid pools. Royalties on Fee Land and GORR Land typically range between 15%-20% and 3%-6%, respectively.

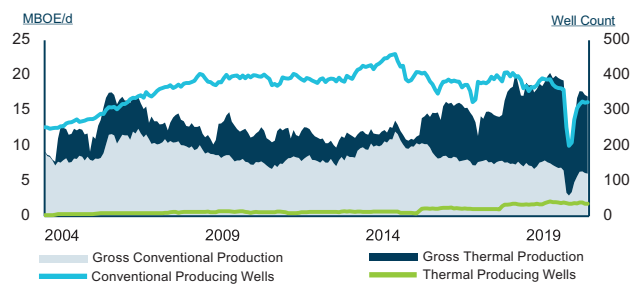
Oil operations in this region have improved in recent years with the application of horizontal drilling technology and new types of water, steam and chemical floods. Horizontal wells are extending pool boundaries as well as being incorporated into waterflood projects with promising increases in oil recovery. Steam floods such as SAGD operations allow heavy oil to flow and improve oil recovery factors. PrairieSky is the beneficiary of all these technological advancements at no cost.



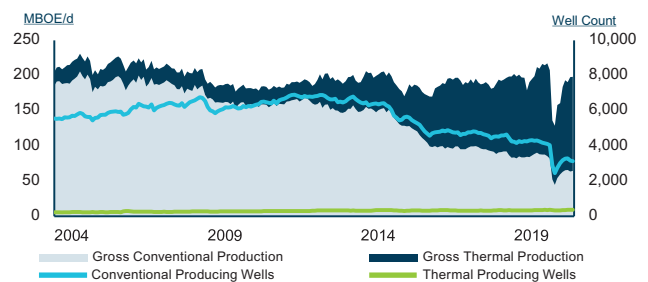
PSK Mannville Oil Royalty Interest Lands

Mannville Oil Land Summary	Acres (Thousands)	Sections
Fee	235	368
GORR	105	163
<b>Total Lands</b>	<b>340</b>	<b>531</b>

### PrairieSky Royalty Lands Western Saskatchewan Mannville Oil



### Total Region Western Saskatchewan Mannville Oil



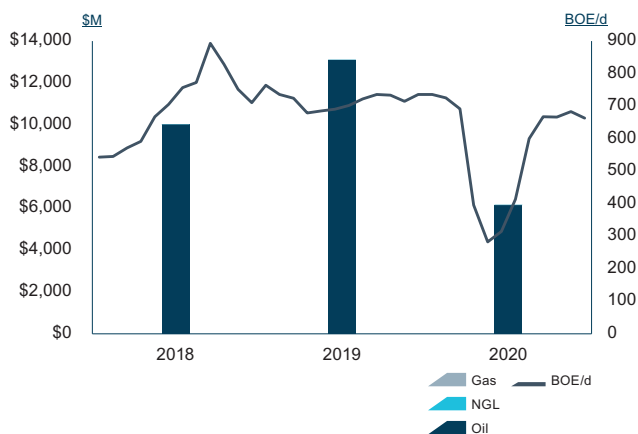
### PLAY HIGHLIGHTS

- 340,000 acres of royalty lands in a multi-zone oil play
- 360 future locations including prolific SAGD wells
- Exposure to enhanced oil recovery potential

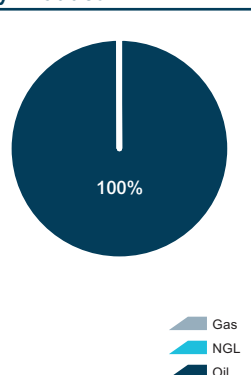


Mannville Oil	2018	2019	2020
PSK RI Producing Wells	346	294	241
PSK RI Producing Units	5	6	6
# Wells Rig Released	34	15	15
Gross Capital (\$MM)	\$51	\$14	\$10
Net Oil Production (bbl/d)	691	716	566
Net NGL Production (bbl/d)	0	0	0
Net Gas Production (MMcf/d)	0.0	0.0	0.0
<b>Net Production (BOE/d)</b>	<b>691</b>	<b>716</b>	<b>566</b>
Net Oil Revenue (\$M)	\$10,008	\$13,106	\$6,156
Net NGL Revenue (\$M)	\$0	\$0	\$0
Net Gas Revenue (\$M)	\$17	\$11	\$18
<b>Net Revenue (\$M)</b>	<b>\$10,025</b>	<b>\$13,117</b>	<b>\$6,174</b>
Netback Price (\$/BOE)	\$39.75	\$50.19	\$29.80

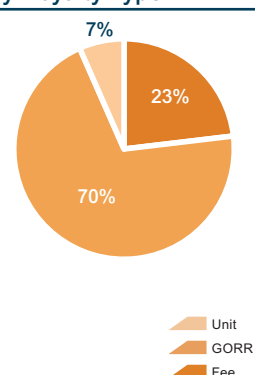
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



In the last two years, almost 250 wells have been drilled in the play, with 12% of these wells on PrairieSky land. Industry activity was focused on drilling horizontal wells in high density heavy oil pools and SAGD projects. Another common practice was to complete additional oil zones in older vertical wells.

Future development has been assigned to infills and step-out locations based on proximity to recent drilling activity in the region. Future development for the Onion Lake SAGD Project is based on mapping and recovery estimates by the previous operator of the asset. While PrairieSky expects to receive the benefit from new pool discoveries, future waterflood and EOR schemes, as well as improvements in existing schemes, none of these items have been considered in the future potential value at this time.

### Mannville Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	2,054
Undiscounted Booked Value (\$MM)	\$95
Future Fee Locations	260
Future GORR Locations	100
Future Potential (MBOE)	9,025
Undiscounted Future Potential (\$MM)	\$415
<b>Total Volume (MBOE)</b>	<b>11,079</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$510</b>



# BAKKEN OIL

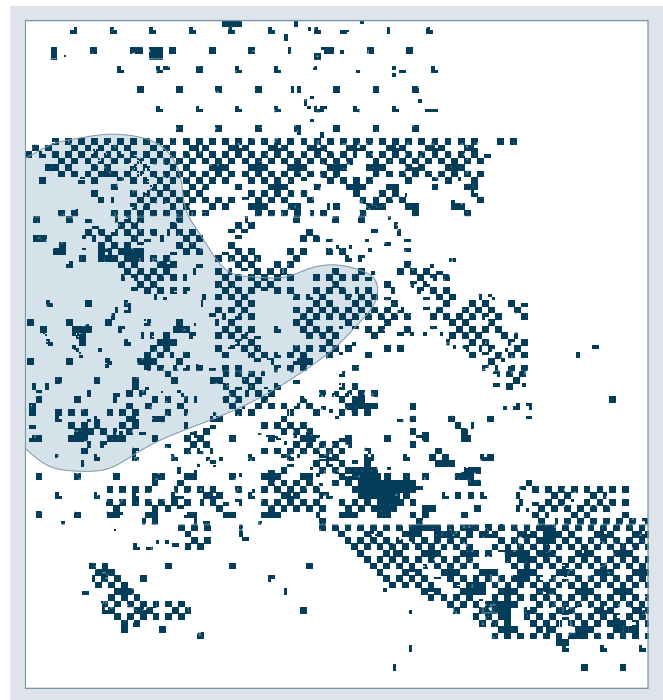
## Western Saskatchewan



The Bakken oil play is located in the west central part of the region at an average depth of 950 meters. These sandstone reservoirs underly the Mannville oil reservoirs and produce a similar quality of oil. In Western Saskatchewan, Bakken pools are typically developed using vertical rather than horizontal wells. Enhanced oil projects could add significant future value.

PrairieSky received revenue from 95 wells and four units in 2020. Only minor natural gas sales are associated with this play. Average royalties on Fee Land and GORR Land are 12% and 5%, respectively.

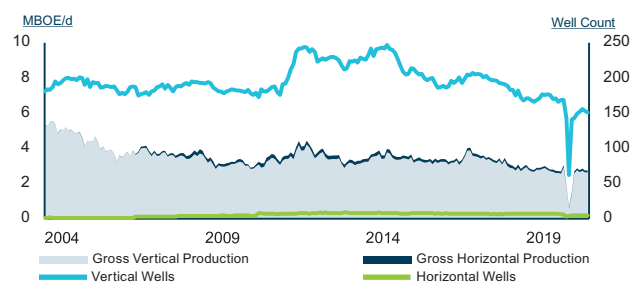
Bakken pools were initially discovered in the 1950s with major development occurring in the 1980s and 1990s. Recent development has been focused in the Cactus Lake field where the operator has been optimizing the waterflood, drilling to extend pool boundaries, and expanding a successful polymer flood.



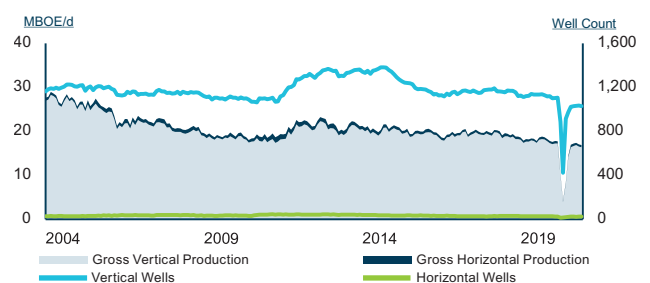
PSK Bakken Oil Royalty Interest Lands

Bakken Oil Land Summary	Acres (Thousands)	Sections
Fee	117	182
GORR	21	33
<b>Total Lands</b>	<b>138</b>	<b>215</b>

### PrairieSky Royalty Lands Western Saskatchewan Bakken Oil



### Total Region Western Saskatchewan Bakken Oil



### PLAY HIGHLIGHTS

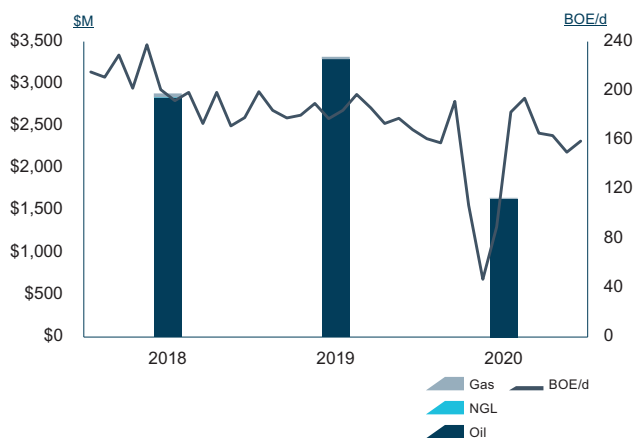
- 190 future locations in an active development play
- Potential to capture additional value through higher density drilling
- Exposure to polymer floods and future EOR technologies

Bakken Oil	2018	2019	2020
PSK RI Producing Wells	109	94	95
PSK RI Producing Units	3	3	4
# Wells Rig Released	1	0	8
Gross Capital (\$MM)	\$0	\$0	\$4
Net Oil Production (bbl/d)	189	173	144
Net NGL Production (bbl/d)	0	0	0
Net Gas Production (MMcf/d)	0.1	0.1	0.0
<b>Net Production (BOE/d)</b>	<b>206</b>	<b>190</b>	<b>144</b>
Net Oil Revenue (\$M)	\$2,838	\$3,290	\$1,636
Net NGL Revenue (\$M)	\$0	\$0	\$0
Net Gas Revenue (\$M)	\$50	\$31	\$13
<b>Net Revenue (\$M)</b>	<b>\$2,888</b>	<b>\$3,321</b>	<b>\$1,649</b>
Netback Price (\$/BOE)	\$38.41	\$47.89	\$31.29

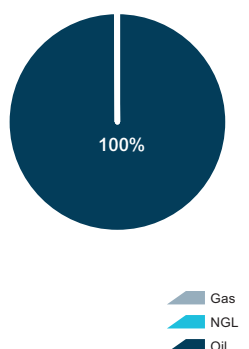
In the last two years, 19 wells have been drilled in this play, 42% of these wells were on PrairieSky land. Activity was limited to one operator drilling vertical infill wells in patterns with drilling densities of 32 wells per section. Further drilling opportunities still exist on PrairieSky land with 190 locations identified in the Royalty Playbook. Well densities of 16 and two wells per section for infill and step-out locations, respectively, have been assigned.

Although new pools may be discovered, the largest opportunity for the Bakken in Western Saskatchewan is through optimization of waterfloods and polymer floods which operators have shown to be very effective in increasing oil recoveries. As these pools have large volumes of oil remaining in the ground, even small incremental improvements in recovery factor can lead to large increases in future produced volumes. No value for new initiatives has been considered in the future potential value in this Royalty Playbook.

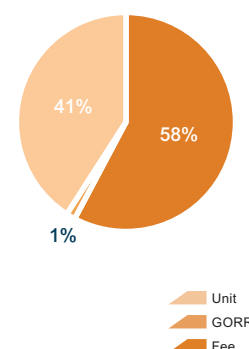
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Bakken Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	548
Undiscounted Booked Value (\$MM)	\$26
Future Fee Locations	170
Future GORR Locations	20
Future Potential (MBOE)	2,868
Undiscounted Future Potential (\$MM)	\$120
<b>Total Volume (MBOE)</b>	<b>3,416</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$146</b>



## OTHER PLAYS

### Western Saskatchewan

Similar to PrairieSky's other regions, Western Saskatchewan has many additional producing formations contributing production and revenue. In 2020, 81 BOE/d and \$0.6 million of net revenue was derived from these other formations.

In the last two years, over 200 wells were drilled in these other plays and less than 1% of these wells were on PrairieSky land.

Western Saskatchewan is a region where PrairieSky receives significant compensatory royalty revenue. Compensatory royalties (offsets) are instances where lessees are obligated to pay royalties for activity offsetting PrairieSky's lands in order to maintain their leases. Reserve volumes are not booked for compensatory royalties.

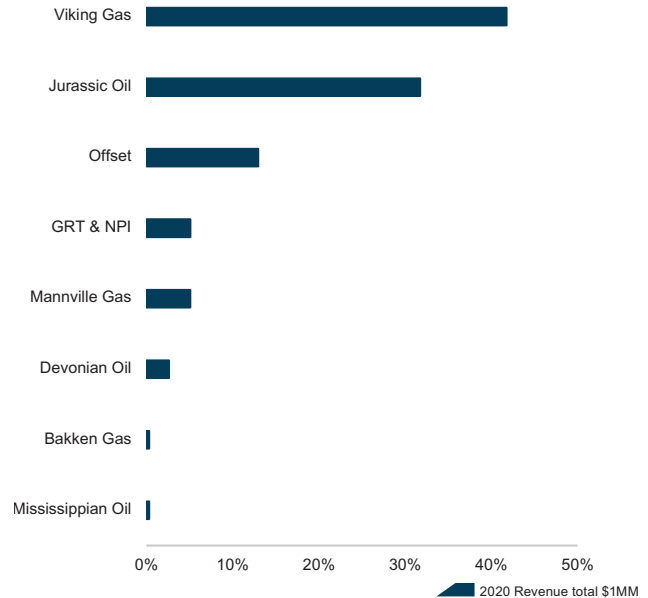
No future development for other plays or future revenue associated with compensatory royalties has been included in the undiscounted future potential. PrairieSky expects to continue to see wells drilled and new revenue from these plays.

#### Other Plays – Reserves and Future Potential

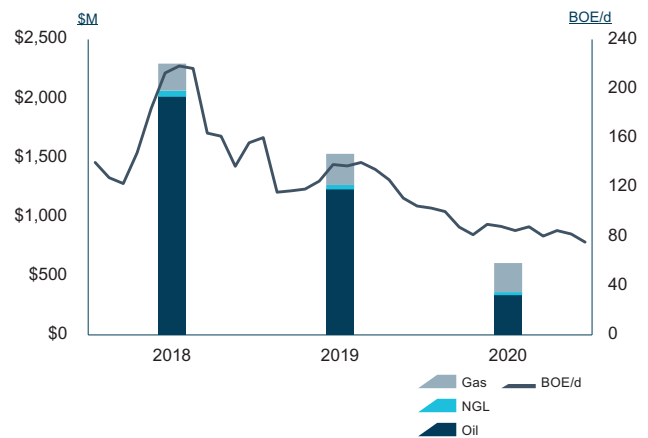
Total Booked Reserves (MBOE)	99
Undiscounted Booked Value (\$MM)	\$3

Other Plays	2018	2019	2020
PSK RI Producing Wells	266	252	231
PSK RI Producing Units	1	1	1
# Wells Rig Released	2	0	1
Gross Capital (\$MM)	\$3	\$0	\$1
Net Oil Production (bbl/d)	90	57	29
Net NGL Production (bbl/d)	3	3	2
Net Gas Production (MMcf/d)	0.4	0.4	0.3
<b>Net Production (BOE/d)</b>	<b>160</b>	<b>127</b>	<b>81</b>
Net Oil Revenue (\$M)	\$2,015	\$1,231	\$337
Net NGL Revenue (\$M)	\$52	\$39	\$24
Net Gas Revenue (\$M)	\$228	\$263	\$247
<b>Net Revenue (\$M)</b>	<b>\$2,295</b>	<b>\$1,533</b>	<b>\$608</b>
Netback Price (\$/BOE)	\$39.30	\$33.07	\$20.51

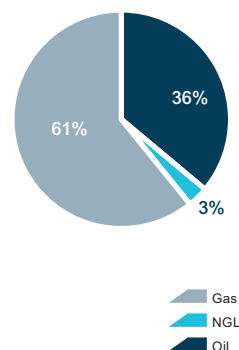
#### Western Saskatchewan Other Plays



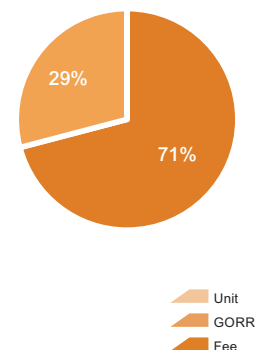
#### Net Revenue and Production



#### 2020 Net Production by Product



#### 2020 Net Production by Royalty Type

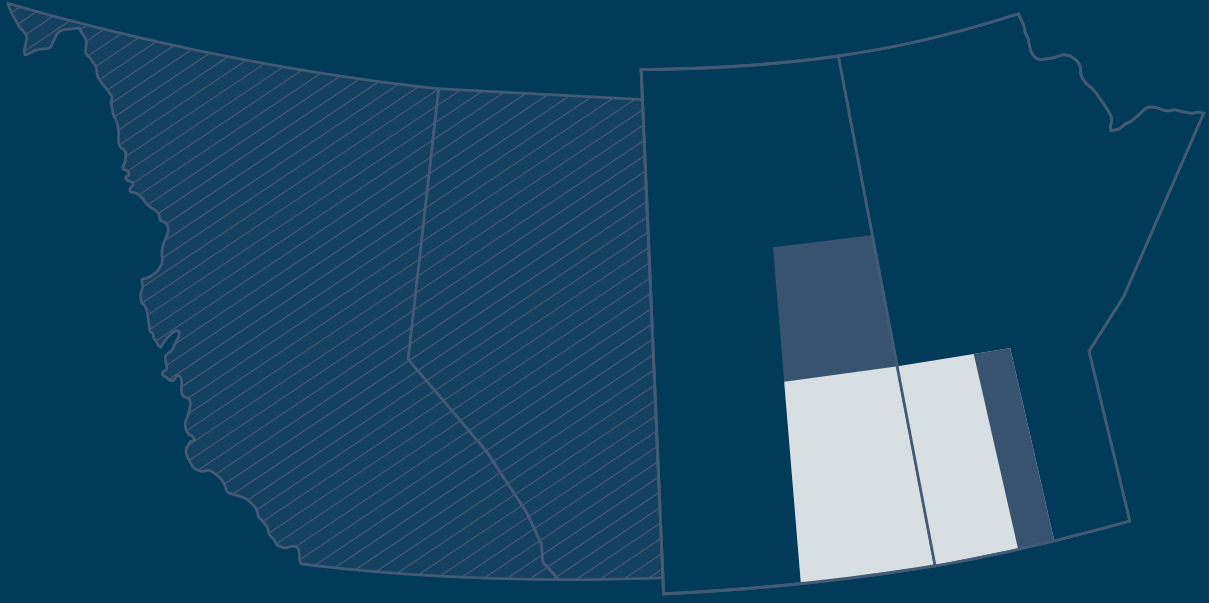




# Southeast Saskatchewan & Manitoba

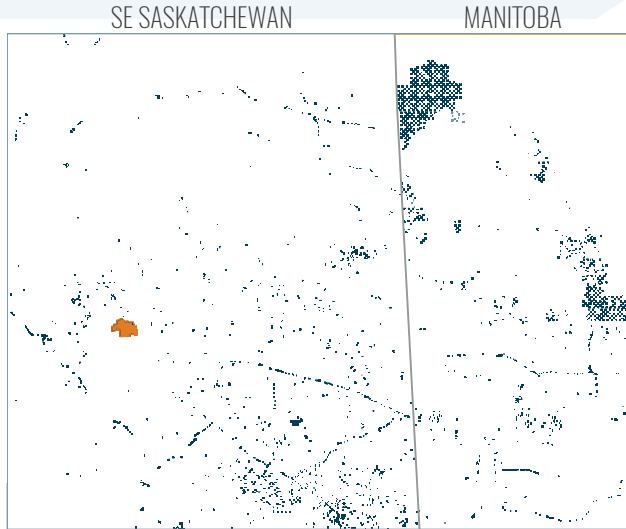
Bakken Oil	119
Mississippian Oil	121
Other Plays	123







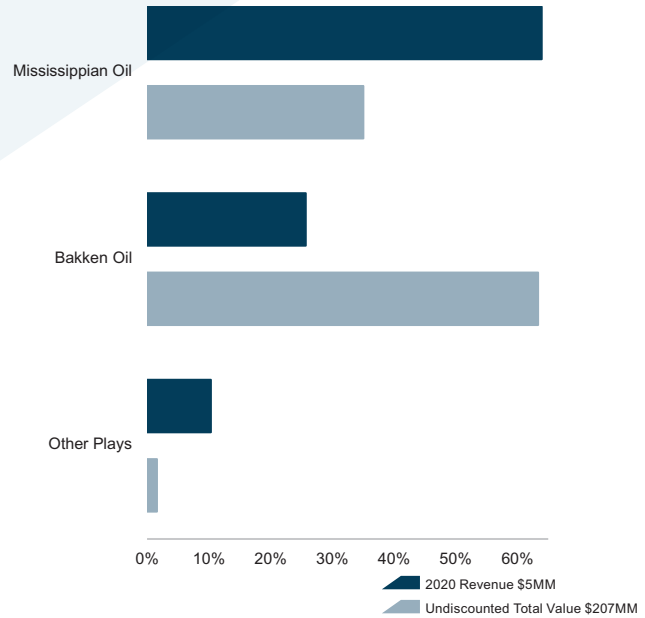
# Southeast Saskatchewan & Manitoba



PrairieSky has 535,000 acres of Fee Land and 68,000 acres of GORR Land in the Southeast Saskatchewan and Manitoba region. Mississippian oil pools are located in the southeast corner of Saskatchewan covering an area of 30,000 square kilometers. The Bakken play is featured separately from other Mississippian zones in this Royalty Playbook.

PrairieSky's royalty production volumes averaged 350 BOE/d in 2020 and generated \$4.7 million in net revenue primarily from the production of light crude oil in the region. Production from Fee Land represents 63% of total volumes with the remainder coming from GORR Lands and interests that PrairieSky has in 27 different units. Key productive zones in the area include the Bakken formation and other Mississippian oil targets including the Midale, Frobisher, Alida, and Lodgepole formations.

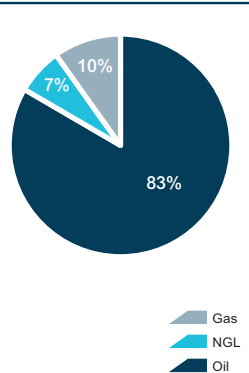
In the last two years, over 1,100 wells were drilled in the Southeast Saskatchewan and Manitoba region, with 9% of these wells on PrairieSky land. Approximately 65% of these wells were drilled in the Mississippian oil play.



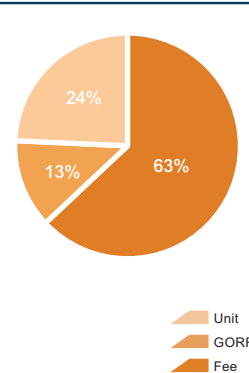
SE Sask and Manitoba Land Summary	Acres (Thousands)	Sections
Fee	535	835
GORR	68	106
<b>Total Lands</b>	<b>603</b>	<b>941</b>

Production and Revenue	2018	2019	2020
Net Production (BOE/d)	364	384	350
Net Revenue (\$MM)	\$8.1	\$8.2	\$4.7
Netback Price (\$/BOE)	\$60.97	\$58.50	\$36.69

2020 Net Production by Product



2020 Net Production by Royalty Type



# BAKKEN OIL

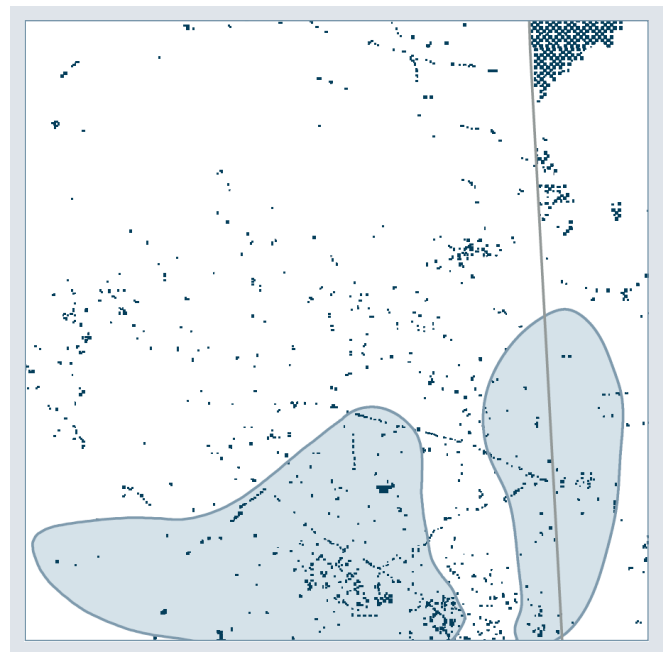
## Southeast Saskatchewan & Manitoba



The Bakken oil play is located in the southern part of the region and includes the large Viewfield oil field and the Daly field in Manitoba. This play is the northern extension of the prolific Bakken development in North Dakota. Average depths of the play are 1,500 meters in Viewfield and 1,100 meters in Daly. This is an active light oil play with large-scale waterflood implementation.

PrairieSky received revenue from 68 wells and four units in 2020. Light oil is the primary product sold, along with associated natural gas and NGL in Viewfield; whereas, Daly produces only oil. Average royalties on Fee Land and GORR Land are 15% and 5%, respectively.

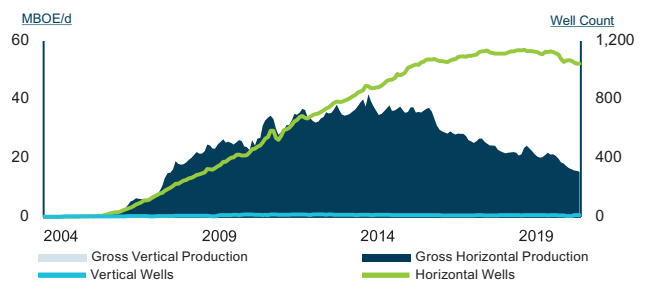
Development of the Bakken play accelerated in 2007 with the application of horizontal drilling and multi-stage completions. Operators typically drill patterns of eight one-mile horizontal wells per section in Viewfield and four to eight wells per section in Daly. Large-scale waterfloods have been implemented in both areas as well. In Viewfield, new horizontal wells first



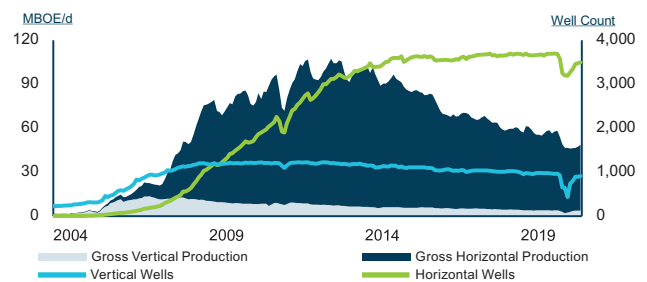
PSK Bakken Oil Royalty Interest Lands

Bakken Oil Land Summary	Acres (Thousands)	Sections
Fee	34	53
GORR	11	18
<b>Total Lands</b>	<b>45</b>	<b>71</b>

### PrairieSky Royalty Lands Southeast Saskatchewan & Manitoba Bakken Oil



### Total Region Southeast Saskatchewan & Manitoba Bakken Oil



### PLAY HIGHLIGHTS

150 potential future locations in an active light oil play

Continued waterflood implementation will extend reserve life

Potential for enhanced oil recovery in the future

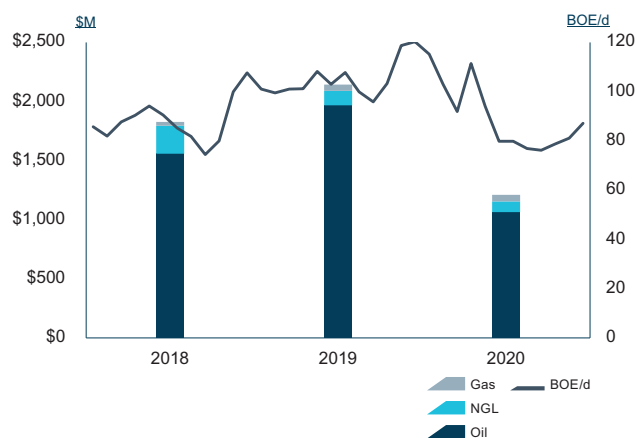
Bakken Oil	2018	2019	2020
PSK RI Producing Wells	87	88	68
PSK RI Producing Units	3	4	4
# Wells Rig Released	20	17	14
Gross Capital (\$MM)	\$27	\$23	\$20
Net Oil Production (bbl/d)	61	79	67
Net NGL Production (bbl/d)	16	15	14
Net Gas Production (MMcf/d)	0.1	0.1	0.1
<b>Net Production (BOE/d)</b>	<b>94</b>	<b>111</b>	<b>98</b>
Net Oil Revenue (\$M)	\$1,558	\$1,967	\$1,063
Net NGL Revenue (\$M)	\$239	\$122	\$91
Net Gas Revenue (\$M)	\$30	\$53	\$57
<b>Net Revenue (\$M)</b>	<b>\$1,827</b>	<b>\$2,142</b>	<b>\$1,211</b>
Netback Price (\$/BOE)	\$53.25	\$52.87	\$33.76

produce oil and then are converted to water injection with an alternating pattern of producers and injectors. In Daly, horizontal injectors are drilled to increase the productivity of existing vertical producers. Drilling will continue for many years to come to complete the infill patterns and expand the waterflood areas.

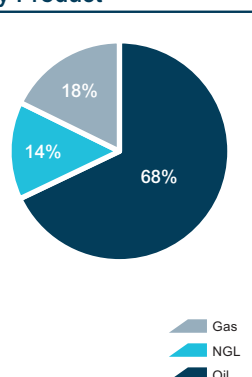
In the last two years, over 300 new oil wells have been drilled in this play, 10% of these wells were on PrairieSky land. PrairieSky development acreage and future locations have remained unchanged in the play as most of the recent drilling has occurred within Bakken units.

Future development has been assigned to infill and step-out locations using well densities of six and two wells per section, respectively. A conservative approach was used to account for conversion of some wells to water injection. Expanded waterfloods in both fields will increase long-term oil recoveries and benefit PrairieSky. No value has been assigned to incremental waterflood recovery at this time.

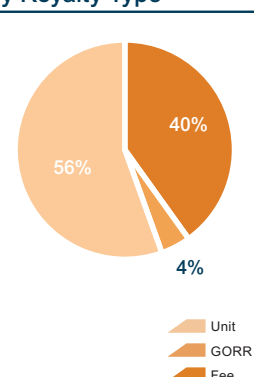
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Bakken Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	226
Undiscounted Booked Value (\$MM)	\$12
Future Fee Locations	110
Future GORR Locations	40
Future Potential (MBOE)	2,228
Undiscounted Future Potential (\$MM)	\$119
<b>Total Volume (MBOE)</b>	<b>2,454</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$131</b>



# MISSISSIPPIAN OIL

## Southeast Saskatchewan & Manitoba

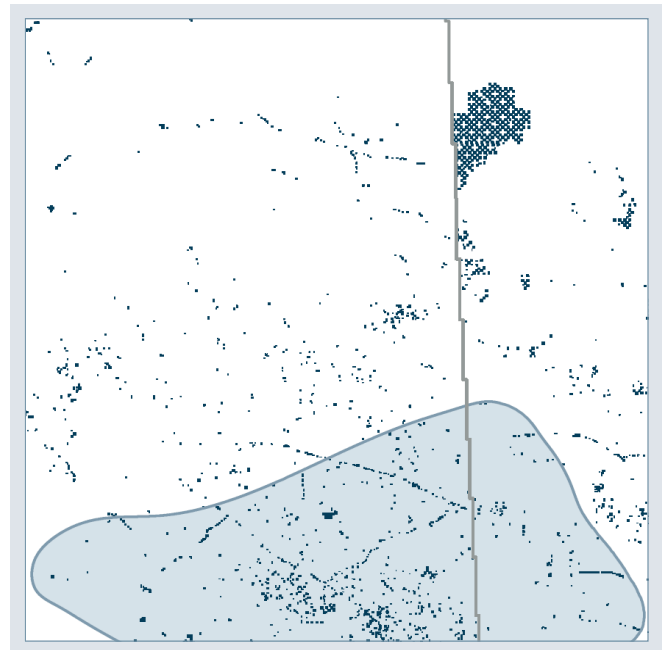


The Mississippian Oil Play is located in southeastern Saskatchewan and western Manitoba. It includes the Ratcliffe, Midale, Frobisher, Alida, Tilston, and Lodgepole Formations. Units are common in this play and have been formed by operators since

the 1950s for efficient pool management. Reservoir depths range from 1,000 to 1,600 meters. This is a light oil play with waterflood and enhanced oil recovery potential.

PrairieSky received revenue from 195 wells and 20 units in 2020. Units accounted for 11% of revenues during this period. Light oil is the primary product with only minor natural gas and NGL sales. Average royalties on Fee Land and GORR Land are 15% and 5%, respectively.

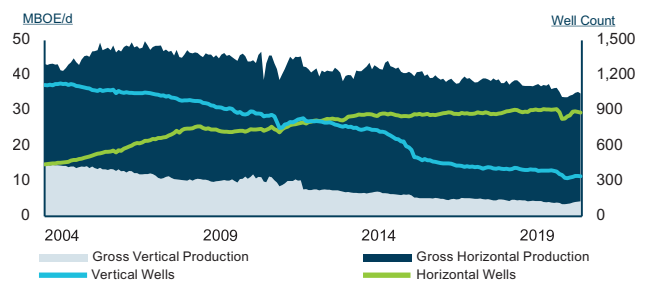
This play represents the earliest application of large-scale horizontal drilling in Western Canada. Starting in the 1990s, vertically drilled pools, sometimes already under waterflood, were developed further with horizontal wells. A typical density



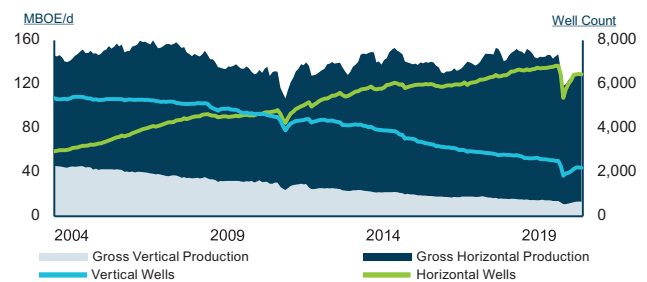
PSK Mississippiian Oil Royalty Interest Lands

Mississippiian Oil Land Summary	Acres (Thousands)	Sections
Fee	65	101
GORR	56	88
<b>Total Lands</b>	<b>121</b>	<b>189</b>

### PrairieSky Royalty Lands Southeast Saskatchewan & Manitoba Mississippiian Oil



### Total Region Southeast Saskatchewan & Manitoba Mississippiian Oil



### PLAY HIGHLIGHTS

- Active light oil play with attractive economics
- 110 infill and step-out locations in existing pools
- Potential for new pool discoveries, expanded waterfloods, and enhanced oil recovery

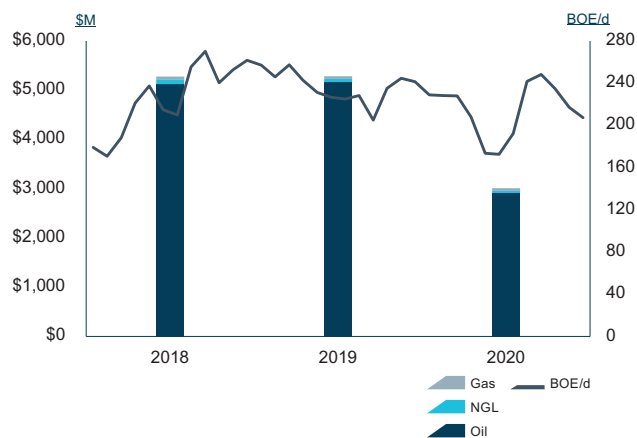
Mississippian Oil	2018	2019	2020
PSK RI Producing Wells	190	197	195
PSK RI Producing Units	19	20	20
# Wells Rig Released	57	52	14
Gross Capital (\$MM)	\$71	\$67	\$16
Net Oil Production (bbl/d)	205	216	194
Net NGL Production (bbl/d)	8	8	8
Net Gas Production (MMcf/d)	0.1	0.1	0.1
<b>Net Production (BOE/d)</b>	<b>230</b>	<b>241</b>	<b>219</b>
Net Oil Revenue (\$M)	\$5,120	\$5,162	\$2,909
Net NGL Revenue (\$M)	\$101	\$64	\$45
Net Gas Revenue (\$M)	\$53	\$57	\$57
<b>Net Revenue (\$M)</b>	<b>\$5,274</b>	<b>\$5,283</b>	<b>\$3,011</b>
Netback Price (\$/BOE)	\$62.82	\$60.06	\$37.57

of four wells per section was used, employing one-mile long horizontals to recover additional reserves. Pool boundaries were extended, and new pools were discovered. Over 8,000 horizontal wells have been drilled over the last 20 years in this play.

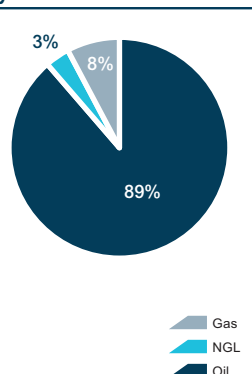
In the past two years, over 660 wells have been drilled in the play, with 10% of these wells on PrairieSky land. Many of these wells were in units. Operators still favor one-mile horizontal wells for development, but some are experimenting with half-mile laterals, and in some cases, there are infills to eight wells per section. An infill density of four wells per section was assigned in the Royalty Playbook.

Industry activity has been consistent in this play year over year. Operators are attracted by low risk, easy surface access, and strong returns from this light oil play. PrairieSky will continue to benefit from this activity at no cost.

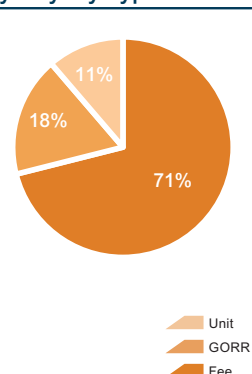
### Net Revenue and Production



### 2020 Net Production by Product



### 2020 Net Production by Royalty Type



### Mississippian Oil – Reserves and Future Potential

Total Booked Reserves (MBOE)	345
Undiscounted Booked Value (\$MM)	\$19
Future Fee Locations	60
Future GORR Locations	50
Future Potential (MBOE)	988
Undiscounted Future Potential (\$MM)	\$54
<b>Total Volume (MBOE)</b>	<b>1,333</b>
<b>Undiscounted Total Value (\$MM)</b>	<b>\$73</b>



## OTHER PLAYS

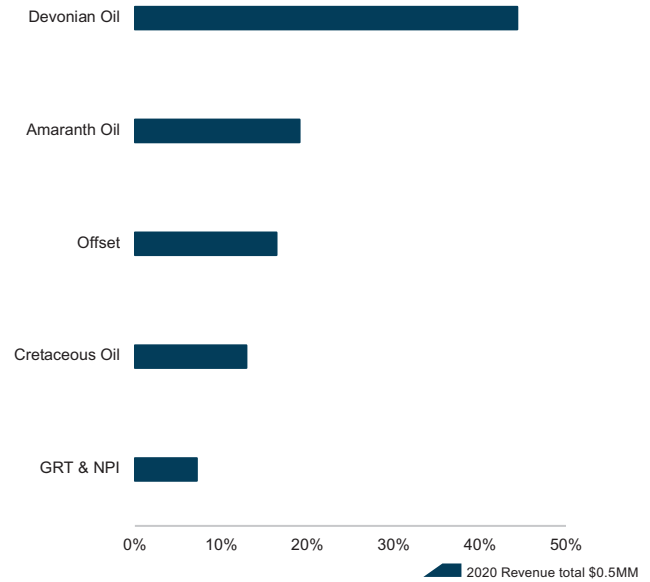
### Southeast Saskatchewan & Manitoba

PrairieSky collected 33 BOE/d and \$0.5 million in net revenue for 2020 from other plays in the Southeast Saskatchewan and Manitoba region.

In the last two years, approximately 140 wells were drilled in these other plays and 3% of these wells were on PrairieSky land.

The main contributing plays are the Amaranth and Devonian oil plays along with revenue that PrairieSky receives from compensatory royalties and GRT Interests. These other plays are expected to contribute production and revenue for years to come. PrairieSky has not assigned any future development to these plays at this time.

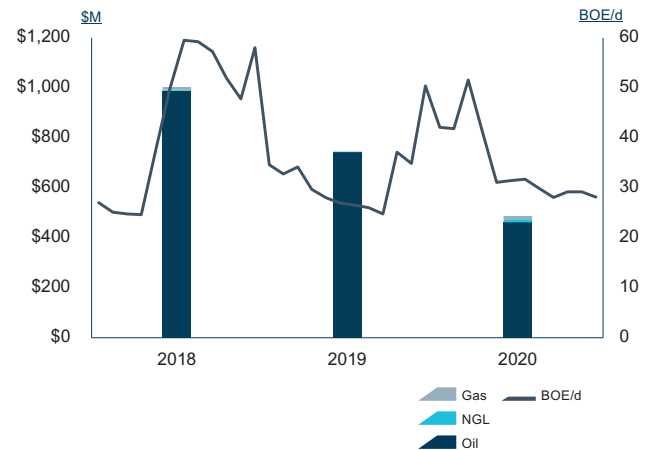
#### Southeast Saskatchewan & Manitoba Other Plays



#### Other Plays – Reserves and Future Potential

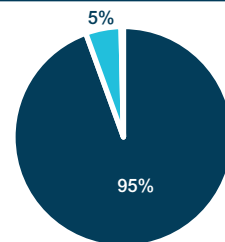
Total Booked Reserves (MBOE)	62
Undiscounted Booked Value (\$MM)	\$3

#### Net Revenue and Production

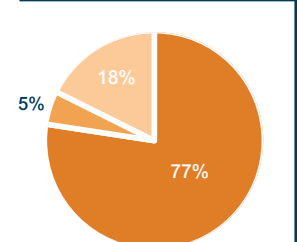


Other Plays	2018	2019	2020
PSK RI Producing Wells	28	28	30
PSK RI Producing Units	3	3	3
# Wells Rig Released	2	2	2
Gross Capital (\$MM)	\$3	\$3	\$3
Net Oil Production (bbl/d)	40	32	31
Net NGL Production (bbl/d)	0	0	2
Net Gas Production (MMcf/d)	0.0	0.0	0.0
<b>Net Production (BOE/d)</b>	<b>40</b>	<b>32</b>	<b>33</b>
Net Oil Revenue (\$M)	\$988	\$742	\$462
Net NGL Revenue (\$M)	\$4	\$2	\$13
Net Gas Revenue (\$M)	\$11	\$1	\$12
<b>Net Revenue (\$M)</b>	<b>\$1,003</b>	<b>\$745</b>	<b>\$487</b>
Netback Price (\$/BOE)	\$68.70	\$63.78	\$40.32

#### 2020 Net Production by Product



#### 2020 Net Production by Royalty Type







# Additional Information

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## BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

### **JAMES M. ESTEY, Independent, Chair of the Board**

Mr. Estey's principal occupation is as a Corporate Director. Mr. Estey is the retired Chair of UBS Securities Canada Inc., a financial services company, and has more than 40 years of experience in financial markets. Mr. Estey joined Alfred Bunting and Company as an institutional equity salesperson in 1980 after working at A.E. Ames & Co. for seven years. In 1994, Mr. Estey became the head of the Canadian Equities business, and in 2002 Mr. Estey was appointed President & Chief Executive Officer of UBS Securities Canada Inc. In January 2008, Mr. Estey assumed the role of Chair of UBS Securities Canada Inc. Mr. Estey is a director and Chair of Gibson Energy Inc., a TSX-listed crude oil and natural gas infrastructure company. Mr. Estey also serves on the Advisory Board of the Edwards School of Business at the University of Saskatchewan.

### **P. JANE GAVAN, Independent Director**

Ms. Gavan is President, Asset Management of Dream Unlimited Corp., having held increasingly senior positions since joining Dream's predecessor organization in 1998. Ms. Gavan also served as Chief Executive Officer of Dream Global Real Estate Investment Trust (Dream Global), a TSX-listed real estate investment income trust (REIT) prior to its acquisition by The Blackstone Group Inc. in December 2019, and previously served as Chief Executive Officer of Dream Office REIT. Ms. Gavan has more than 30 years of executive business and leadership experience across a number of industries, including acting as a senior legal advisor prior to joining Dream Global. Ms. Gavan earned an Honours Bachelor of Commerce degree from Carleton University and a Bachelor of Laws degree from Osgoode Hall, York University. Ms. Gavan currently sits on the board of directors of Colliers International, Dream Unlimited Corp., Dream Office REIT and is on the Patron's Council for Community Living Toronto.

### **MARGARET A. MCKENZIE, Independent Director**

Ms. McKenzie's principal occupation is a Corporate Director. Ms. McKenzie was the Vice President, Finance and Chief Financial Officer of Range Royalty and prior thereto was Vice President, Finance and Chief Financial Officer of Profico Energy Management Ltd. (a private oil and natural gas company). Ms. McKenzie holds a Bachelor of Commerce degree (with distinction) from the University of Saskatchewan and has been a member of the Chartered Professional Accountants of Alberta since 1985. She obtained her ICD.D designation from the Institute of Corporate Directors in 2013. Ms. McKenzie is an experienced director and currently sits as a director of Canadian National

Railway Company, a TSX and NYSE-listed North American transportation and logistics company and is a director and Chair of Inter Pipeline Ltd., a TSX-listed petroleum transportation, storage and natural gas liquids extraction company.

### **ANDREW M. PHILLIPS, President and Chief Executive Officer and Director**

Mr. Phillips is the President and Chief Executive Officer of the Company and has over 20 years of experience in the petroleum and natural gas industry in the areas of exploration, geology, business development, asset evaluation and executive management. Prior to his appointment as President and Chief Executive Officer of the Company, Mr. Phillips was the President and Chief Executive Officer and a director of Home Quarter Resources Ltd. (Home Quarter), a private oil and natural gas company founded by Mr. Phillips in 2010 with producing properties and royalty interests in southwest Saskatchewan and Alberta. Home Quarter was successfully divested to a public oil and natural gas company in 2014. Prior thereto, Mr. Phillips was the Vice President, Exploration at Evolve Exploration Ltd., a private junior oil and natural gas company with assets in Western Canada, and an exploration geologist at each of Profico Energy Management Ltd. and Renaissance Energy Ltd., both of which were Canadian oil and natural gas exploration companies. Mr. Phillips holds a Bachelor of Science, Geology degree from the University of Calgary and is a member of the Association of Professional Engineers and Geoscientists of Alberta and the Canadian Society of Petroleum Geologists. Mr. Phillips is a member of the Board of Directors of the Alberta Children's Hospital Foundation.

### **ROBERT E. ROBOTTI, Independent Director**

Mr. Robotti is the founder and Chief Investment Officer of Robotti & Company Advisors, LLC, a U.S. registered investment adviser. Mr. Robotti is also currently Chair of Pulse Seismic Inc., a TSX-listed issuer which provides the leading seismic library data to the Western Canadian energy industry. Mr. Robotti is also a director of AMREP Corporation, a NYSE-listed real estate business focused in New Mexico. Mr. Robotti received his Bachelor of Science in Business Administration from Bucknell University (Pennsylvania) in 1975 followed by an MBA in Accounting from Pace University (New York). Mr. Robotti is a member of the CFA Society New York.

### **MYRON M. STADNYK, Independent Director**

Mr. Stadnyk's principal occupation is as a Corporate Director. Mr. Stadnyk has over 35 years of domestic and international oil and gas experience and is the former President and Chief Executive Officer and a Director of ARC Resources Ltd., a position Mr. Stadnyk held from 2013 until his retirement in 2020.

Mr. Stadnyk holds a Bachelor of Science in Mechanical Engineering from the University of Saskatchewan and is a graduate of the Harvard Business School Advanced Management Program. He is a professional engineer and a member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Stadnyk currently serves on the Board of Directors of Crescent Point Energy Corp., a TSX-listed oil and natural gas company, is the Chair of the University of Saskatchewan Engineering Advancement Trust and is a former Governor of the Canadian Association of Petroleum Producers.

#### **SHELDON B. STEEVES, Independent Director**

Mr. Steeves' principal occupation is as a Corporate Director. Mr. Steeves is a director of Enerplus Corporation and NuVista Energy Ltd., each of which is a crude oil and natural gas company listed on the TSX. From January 2001 until April 2012, Mr. Steeves was Chair and Chief Executive Officer of Echoex Ltd., a private junior oil and natural gas company, and spent over 15 years at Renaissance Energy Ltd., a Canadian oil and gas exploration company, where he was appointed Chief Operating Officer & Executive Vice President in 1997. Mr. Steeves holds a Bachelor of Science degree in Geology from the University of Calgary and is a member of the Association of Professional Engineers and Geoscientists of Alberta, the Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists.

#### **GRANT A. ZAWALSKY, Independent Director**

Mr. Zawalsky is the Managing Partner of Burnet, Duckworth & Palmer LLP (Barristers and Solicitors) where he has been a partner since 1994. Mr. Zawalsky holds a B.Comm and LL.B. from the University of Alberta and is a member of the Law Society of Alberta. Mr. Zawalsky is an experienced director and currently sits on the board of directors of Whitecap Resources Inc. and NuVista Energy Ltd. each of which is a TSX-listed oil and natural gas company.

#### **CAMERON M. PROCTOR, Chief Operating Officer**

Mr. Proctor is the Chief Operating Officer of the Company, as well as the Corporate Secretary of the Company, and has experience in the petroleum and natural gas industry managing several business units including legal, business development, regulatory, human resources, corporate governance, government and stakeholder relations, sustainability, information technology and business services. Prior to joining the Company, Mr. Proctor was the Executive Vice-President and Chief Legal Officer and a member of the board of directors of Sinopec Canada, working for Sinopec Canada and its predecessor companies from 2010 to 2014, including as Vice President, General Counsel and Corporate Secretary of Daylight Energy Ltd. Prior thereto and since 2003, Mr. Proctor was a barrister and solicitor at

Blake, Cassels & Graydon LLP, specializing in corporate, securities and mergers and acquisitions law. Mr. Proctor holds a Bachelor of Arts degree from the University of Victoria and a Bachelor of Laws from the University of Calgary.

#### **PAMELA P. KAZEIL,**

##### **Vice President, Finance and Chief Financial Officer**

Ms. Kazeil is the Vice President, Finance & Chief Financial Officer of the Company, and has significant experience in the petroleum and natural gas industry managing finance, accounting, treasury, tax and risk management. Prior to joining the Company, Ms. Kazeil held the Chief Financial Officer position at Sinopec Canada. Ms. Kazeil's experience includes serving as Vice President, Finance of Daylight Energy Ltd. from 2008 to 2011, and prior thereto Ms. Kazeil held increasingly senior finance roles with Sword Energy Ltd. and its predecessor Thunder Energy Trust from 2004 to 2008, including as Vice President, Finance and Chief Financial Officer. Ms. Kazeil started her accounting career at KPMG LLP in 2001. Ms. Kazeil is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Ottawa and a Bachelor of Education degree from the University of Saskatchewan. Ms. Kazeil is a member of the Board for the Wood's Homes Society, a multi-service children's mental health center and the United Way Calgary and Area.

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## **THE PRAIRIESKY TEAM**

PrairieSky has a team of 59 staff headquartered in Calgary, Alberta. This includes:

Our technical team which is comprised of professional geologists, geophysicists and engineers who focus on:

- › evaluating and presenting prospects to operators to generate activity on PrairieSky's acreage;
- › providing seismic interpretation and data rooms for technical teams;
- › preparing reserves, budgeting, forecasting and mapping, and evaluating acquisition opportunities.

Our land department includes negotiating land professionals that work with industry participants to negotiate and enter into new leasing arrangements on PrairieSky lands. The land department also includes contract analysts and land administrators that manage tens of thousands of files. The lease and royalty compliance groups focus on ensuring that our partners are following the terms of their leases and paying their royalties correctly. From our IPO to December 31, 2020, the team has collected over \$60 million in compliance revenue. The finance and accounting group prepare, analyze and report on our royalty production and financial results on approximately 37,000 wells.



# Glossary of Terms

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In this glossary, unless otherwise indicated or the context otherwise requires, capitalized terms not defined shall have the meaning indicated in the AIF and the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa.

**AIF** means PrairieSky's 2020 Annual Information Form dated February 8, 2021;

**Board** means the board of directors of the Company as it may be comprised from time to time;

**Carbon Capture, Utilization and Storage (CCUS)** means technologies which involve the capture of carbon dioxide (CO<sub>2</sub>) from fuel combustion or industrial processes, the transport of this CO<sub>2</sub> via shipping or pipeline, and either its use as a resource to create valuable products or services or its permanent storage deep underground in geological formations. CCUS technologies also provide the foundation for carbon removal or "negative emissions" when the CO<sub>2</sub> comes from bio-based processes or directly from the atmosphere.

**CBM** or **coal bed methane** means natural gas extracted from coal beds;

**CNRL** means Canadian Natural Resources Limited or any of its affiliates;

**COGE Handbook** means The Canadian Oil and Gas Evaluation Handbook published by the Society of Petroleum Engineers;

**Common Shares** means the common shares in the capital of the Company;

**Crown Interest Lands** means certain lands in which the Company holds or

has acquired a lessee mineral interest in a petroleum and/or natural gas lease or license, as more particularly detailed throughout this Royalty Playbook, which are undeveloped with no wells, tangibles or other similar liabilities, and which the Company intends to farmout, sell or otherwise exchange for consideration of a GORR Interest;

**Deep Basin Acquisition** in Q1 2021, PrairieSky acquired 640,000 acres of producing and undeveloped royalty interests including 170,000 net acres of fee mineral title;

**Encana** means Encana Corporation, which effective January 24, 2020 became Orintiv Inc.;

**EOR** or **enhanced oil recovery** generally refers to the process of obtaining stranded oil not otherwise recovered or recoverable from an oil reservoir through certain extraction processes. EOR includes methods such as thermal recovery, chemical flood and solvent flood;

**Fee Lands** means lands prospective for petroleum, natural gas and certain other mines and minerals in which the Company holds a fee simple interest as more particularly detailed throughout this Royalty Playbook;

**GAAP** means those accounting standards issued from time to time by the International Accounting Standards Board that are generally accepted in Canada for public enterprises;

**GLJ** means GLJ Ltd., independent qualified reserves evaluators;

**GLJ Report** means the independent engineering evaluation of the crude oil,

natural gas and NGL reserves relating to the Royalty Properties, prepared by GLJ with an effective date of December 31, 2020, and a preparation date of January 20, 2021;

**GORR Interests** means royalty and similar non-working interests (other than Lessor Interests), including overriding royalty interests, gross overriding royalty interests, net profit interests and production payments on lands and, where the context permits, includes GRT Interests and Crown Interest Lands;

**GORR Lands** means certain lands in respect of which the Company holds GORR Interests as more particularly detailed throughout this Royalty Playbook;

**gross** has the meaning given in the AIF and, in relation to estimated Gross Capital, includes the total capital invested by oil and gas producers on the Royalty Properties for drilling, completion and tie-in of wells;

**GRT Interests** means a trust or series of trusts settled by indenture or agreement which hold and collect, for the benefit of its unit holders, mineral interests and/or royalty payments in the form of lessor royalties;

**GRT Lands** means certain lands in which the Company holds GRT Interests as more particularly detailed throughout this Royalty Playbook;

**hydrocarbons** means a solid, liquid or gas made up of compounds of carbon and hydrogen in varying proportions;

**IPO** means the initial public offering of the Company, pursuant to a secondary offering by Encana, completed on May 29, 2014;

**IFRS** means International Financial Reporting Standards;

**Lessor Interests** means lessor interests in and to leases that are currently issued in respect of certain Fee Lands;

**Lindbergh SAGD Project** means Strathcona Resources Ltd.'s SAGD thermal oil project which is located in the Cold Lake area of Alberta;

**MD&A** means PrairieSky's Management's Discussion and Analysis for the fiscal year ended December 31, 2020;

**NCIB** means the Company's normal-course issuer bid;

**net** has the meaning given in the AIF;

**NGL** or **natural gas liquids** means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons;

**offset** means compensatory royalty payments made by fee lease holders to PrairieSky, as the lessor, where well activity is offsetting undrilled Fee Lands. Payments are contractually based on terms set forth in the fee lease and are equivalent to the lessor royalty percentage of the gross well production from the offsetting wells;

**Onion Lake SAGD Project** means International Petroleum Corp.'s long-life heavy and thermal oil project at Onion Lake, Saskatchewan, including future phases;

**OOIP** or **Original Oil in Place** is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production;

**play** means a single geologic formation or a group of formations related by reservoir type or geologic age, specific to the primary product oil or gas, determined by PrairieSky to describe the Royalty Properties in the Royalty Playbook. The Viking play is an example of a play limited to a single geologic formation;

**PrairieSky, PSK** or the **Company** means PrairieSky Royalty Ltd.;

**Range Royalty** means Range Royalty Limited Partnership;

**Royalty Playbook** means this publication and includes all exhibits and attachments referenced herein;

**Royalty Properties** means collectively, the Fee Lands, the GORR Lands and the GRT Lands;

**SAGD** means steam assisted gravity drainage;

**SEDAR** means the System for Electronic Document Analysis and Retrieval; and

**working interest** means the rights granted to a lessee of a property to explore for and produce petroleum and/or natural gas on the leased lands, upon which such lessee bears the operating costs, capital costs, environmental liabilities or reclamation obligations associated with petroleum and natural gas development.



## Abbreviations & Conversions

In this Royalty Playbook, the following abbreviations have the meanings set forth below that are consistent with Appendices B and C of the COGE Handbook, where applicable:

<b>API</b>	American Petroleum Institute
<b>bbbl</b>	barrel
<b>bbbl/d</b>	barrels per day
<b>Bcf</b>	billion cubic feet
<b>BOE</b>	barrel of oil equivalent
<b>BOE/d</b>	barrels of oil equivalent per day
<b>cP</b>	centipoise
<b>°C</b>	degrees Celsius
<b>Hz</b>	horizontal
<b>km</b>	kilometer
<b>kPa</b>	kilopascal
<b>m</b>	meter
<b>Mbbl</b>	thousands of barrels
<b>Mbbl/d</b>	thousands of barrels per day
<b>MBOE</b>	thousands of barrels of oil equivalent
<b>MBOE/d</b>	thousands of barrels of oil equivalent per day
<b>Mcf</b>	thousand cubic feet
<b>Mcf/d</b>	thousand cubic feet per day
<b>Mcfe</b>	thousand cubic feet equivalent
<b>mD</b>	millidarcy
<b>MMbbl</b>	millions of barrels
<b>MMBOE</b>	million barrels of oil equivalent
<b>MMbtu</b>	million British thermal units
<b>MMcf</b>	million cubic feet
<b>MMcf/d</b>	million cubic feet per day
<b>MPa</b>	megapascal
<b>\$M</b>	thousands of dollars
<b>\$MM</b>	millions of dollars
<b>nD</b>	nanodarcy
<b>Tcf</b>	trillion cubic feet
<b>TOC</b>	total organic carbon

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units) consistent with Appendix C of the COGE Handbook:

To convert from	To	Multiply by
Mcf	cubic meters	28.174
cubic meters	cubic feet	35.494
bbbl	cubic meters	0.159
cubic meters	bbbl	6.292
feet	meters	0.305
meters	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

### CONVERSION OF NATURAL GAS TO BARRELS OF OIL EQUIVALENT

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (BOE). PrairieSky uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 BOE ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the BOE ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio based on the current price of crude oil to natural gas is significantly different from the 6:1 energy equivalency ratio, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.

Numbers in certain tables in this Royalty Playbook may not add due to rounding.

## Non-GAAP Measures

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Certain measures in this Royalty Playbook do not have any standardized meaning as prescribed by IFRS and therefore, are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures are commonly used in the oil and natural gas industry and by the Company to provide potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Non-GAAP measures include operating netback and operating netback per BOE. Management's use of these measures is discussed further below.

"Operating Netback" represents the cash margin for products sold. Operating netback is calculated as royalty revenue less production and mineral taxes and cash administrative expenses. Operating netback provides a consistent measure of the cash generating and operating performance of the Royalty Properties to assess the comparability of the underlying performance between years.

"Operating Netback per BOE" represents the cash margin for products sold on a BOE basis. Operating netback per BOE is calculated by dividing the operating netback by the average daily production volumes for the period. Operating netback per BOE is used to assess the cash generating and operating performance per unit of product sold. Operating netback per BOE measures are commonly used in the crude oil and natural gas industry to assess performance comparability. Refer to the Operating Results table in PrairieSky's MD&A for a summary of operating netback calculations.

For further information on non-GAAP measures including a reconciliation to the most comparable IFRS measures please see PrairieSky's MD&A for the applicable period on PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.com) or under PrairieSky's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## Disclaimer & Cautionary Statements

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### THIRD-PARTY AND PUBLIC INFORMATION

Except where otherwise stated, the disclosure in this Royalty Playbook relating to the Royalty Properties and operations on such properties is based on information publicly disclosed by the operators of these properties and information/data available in the public domain as at March 31, 2021, and certain of this information has been independently verified by PrairieSky. As a royalty owner, PrairieSky may not have complete, current and accurate information relating to the Royalty Properties described in this Royalty Playbook. Additionally, PrairieSky may, from time to time, receive operating, technical and financial information from operators on the Royalty Properties, which it is not permitted to disclose to the public. PrairieSky is dependent on operators on the Royalty Properties and their qualified persons to provide information to PrairieSky or on publicly available information to prepare required disclosure pertaining to the Royalty Properties and generally has limited ability to independently verify such information. Although PrairieSky does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate. Some information publicly reported by operators may relate to a larger property than the area covered by PrairieSky's royalty interest. PrairieSky's royalty interests often cover only a portion of the publicly reported reserves and production of the property.

### CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Royalty Playbook contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, which may include, but are not limited to: statements with respect to future events or future performance; management's expectations regarding PrairieSky's growth and realization of future value from the Royalty Properties; PrairieSky's intention to distribute the majority of cash flow in the form of dividends and share repurchases over time; results of operations of third parties active on the Royalty Properties; estimated future revenues; carrying book value of assets and future potential values related thereto; future dividends and share buybacks; requirements for additional capital; reserves and resource estimates including OOIP; production estimates; costs and revenue; future demand for and prices of commodities; business prospects and opportunities; future application of

EOR schemes and other secondary and tertiary recovery methods to improve recovery factors on the Royalty Properties, including CCUS; expectations regarding downspacing and infill drilling; PrairieSky's intention to distribute the majority of cash flow in the form of dividends and share repurchases over time; expectations regarding continued improvement in technology and application of new drilling and completion techniques, including application of horizontal drilling in areas otherwise largely delineated with vertical wells; expectations regarding ongoing and continued activity levels on the Royalty Properties; estimated gross capital spent on the Royalty Properties and capital efficiencies related thereto, and future capital spend on the Royalty Properties; expectations regarding infill drilling and future development of the Lindbergh SAGD Project and the Onion Lake SAGD Project including timing thereof and production rates therefrom; expectations regarding new discoveries and the contribution to the reserves, production and financial results of the Company; expectations regarding optimization efforts on certain plays, including shallow natural gas plays, and the resulting effect on declines in production; expectations of advancements of current and future CCUS projects on PrairieSky's Fee Lands; PrairieSky's ability to lease large amounts of land, and its corresponding ability to attract associated bonus consideration revenues and capital spent on the Royalty Properties; expectations that data from drilling activities will lead to exploitation of additional zones and substances that were not otherwise targeted; estimates regarding deductions and transportation and processing costs in certain play areas and processing and transportation capacity in the future; PrairieSky's intention to farmout certain Crown Interest Lands in exchange for a GORR Interest; expectations regarding the future development on the Company's Clearwater and Duvernay land positions, including expectations that it will add significant growth to royalty production revenue over time and that the Clearwater inventory will grow materially; and the prospectivity of lands that are not included in the play reviews included in this Royalty Playbook and the Company's expectations regarding the same. In addition, statements (including data in tables) relating to reserves and resources, including OOIP, are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such reserves and resources will be realized. Such forward-looking statements reflect management's current

beliefs and are based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “predicts”, “projects”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of PrairieSky to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual events or results to differ materially from any forward-looking statement, including, without limitation: fluctuations in the prices of crude oil, natural gas and NGL that drive royalty production revenue; changes in national, provincial and local government legislation and regulations, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory and political or economic developments in any of the jurisdictions where properties in which PrairieSky holds a royalty interest are located; risks related to the operators of the properties in which PrairieSky holds a royalty interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by PrairieSky; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which PrairieSky holds a royalty interest; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which PrairieSky holds a royalty interest; actual hydrocarbon content may differ materially from the reserves and resource estimates contained in technical reports; rate and timing of production differences from resource estimates and other technical reports; risks and hazards associated with the business of exploration and development on any of the properties in which PrairieSky holds a royalty interest, including, but not limited to unusual or unexpected geological conditions, natural disasters, terrorism, civil unrest or a political change; and the integration of acquired assets including the Deep Basin Acquisition. The statements contained in this Royalty Playbook are based upon

assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which PrairieSky holds a royalty interest by the owners or operators of such properties in a manner consistent with good oilfield practices and all applicable regulations; the availability of capital to such operations to further develop such properties; the accuracy of public statements and disclosures made by the operators on the Royalty Properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; no material changes to existing tax treatment; no adverse development in respect of any significant property in which PrairieSky holds a royalty interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; the accuracy of assumptions and information used in PrairieSky’s internal assessments of its Royalty Properties and the prospectivity thereof, including with respect to acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and investors are cautioned that forward-looking statements are not guarantees of future performance. PrairieSky cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to the “Risk Factors” section of our most recent AIF filed with the Canadian securities regulatory authorities available at [www.sedar.com](http://www.sedar.com) and on our website at [www.prairiesky.com](http://www.prairiesky.com). The forward-looking statements herein are made as of March 31, 2021 only and PrairieSky does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

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#### **CAUTIONARY STATEMENT REGARDING FUTURE-ORIENTED FINANCIAL INFORMATION**

This Royalty Playbook also contains future-oriented financial information and financial outlook information (collectively,

“FOFI”) about our prospective results, funds from operations, future development of the Royalty Properties, future drilling locations, future reserve additions and in each case values associated therewith, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI and forward-looking statements. PrairieSky’s actual results, performance, realization or achievement of anticipated values could differ materially from those expressed in, or implied by, these forward-looking statements and FOFI, or if any of them do so, what benefits PrairieSky will derive therefrom. PrairieSky has included the forward-looking statements and FOFI in this Royalty Playbook in order to provide readers with a more complete perspective on PrairieSky’s future value proposition and future development potential and such information may not be appropriate for other purposes. PrairieSky disclaims any intention or obligation to update or revise any forward-looking statements or FOFI, whether as a result of new information, future events or otherwise, except as required by law.

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### **CAUTIONARY STATEMENT REGARDING PRESENTATION OF OIL AND NATURAL GAS RESERVES, PRODUCTION INFORMATION AND ACREAGE INFORMATION**

This Royalty Playbook contains information relating to crude oil, natural gas and NGL and other information prepared in accordance with the requirements of Canadian securities laws in effect in Canada. Reference should be made to the reserves and other information with respect to the Royalty Properties in the AIF which has been prepared and are presented in accordance with NI 51-101 - Standards of Disclosure for Oil and Gas Activities. See “Reserves and Other Oil and Gas Information – Notes and Definitions” in the AIF for additional information.

All acreage information with respect to the Fee Lands, GRT Lands, Crown Interest Lands and GORR Lands in this Royalty Playbook have been presented on a gross acre basis. For the Fee Lands, gross acres refer to the total percentage undivided interest acres in which the Company holds fee simple mineral title and the associated mines and minerals rights. For the GRT Lands and GORR Lands, gross acres refer to the total acres

related to the leasehold or title interests held by a third party in the lands on which the Company holds the GRT Interests or GORR Interests (each as defined herein). Gross acres for the GRT Lands or GORR Lands do not account for the Company’s net GRT or GORR percentage royalty ownership interest held in such lands. Gross acreage for Crown Interest Lands is the acres covered by the lease and the net acres are the Company’s ownership share of the gross acres. The presentation of gross acres for the Fee Lands, GRT Lands and GORR Lands is consistent with the presentation by certain of the Company’s peers that hold a royalty interest on lands leased to or by third parties. All references in this Royalty Playbook to working interest means the rights granted to a lessee of a property to explore for and produce petroleum and/ or natural gas on the leased lands, upon which such lessee bears the operating costs, capital costs, environmental liabilities or reclamation obligations associated with petroleum and natural gas development. Readers are strongly advised to refer to the detailed reserves and other information contained in the AIF starting on page 17 under the heading “Reserves Data and Other Oil and Gas Information”, and the cautionary statements under the heading “Advisories” commencing on page 3 of the AIF.

References to “OOIP” or “Original Oil in Place” in this Royalty Playbook is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. OOIP estimates and recovery rates are as at December 31, 2020 and are based on current accepted technology.

# Corporate Information

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## BOARD OF DIRECTORS

James M. Estey – Chair of the Board  
P. Jane Gavan  
Margaret A. McKenzie  
Andrew M. Phillips  
Robert E. Robotti  
Myron M. Stadnyk  
Sheldon B. Steeves  
Grant A. Zawalsky

## OFFICERS

Andrew M. Phillips  
President & Chief Executive Officer  
  
Pamela P. Kazeil  
Vice President, Finance  
& Chief Financial Officer  
  
Cameron M. Proctor  
Chief Operating Officer

## TSX TRADING SYMBOL

PSK

## AUDITORS

KPMG LLP

## INDEPENDENT RESERVE EVALUATORS

GLJ Ltd.

## TRANSFER AGENT

TSX Trust Company

## CORPORATE OFFICE

Suite 1700 – 350 7th Ave SW  
Calgary, AB T2P 3N9

## MAILING ADDRESS

PO Box 780 Station M  
Calgary, AB T2P 2J6

## WEBSITE

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## CONTACT US

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E: [investor.relations@prairiesky.com](mailto:investor.relations@prairiesky.com)

Andrew Phillips  
T: 587.293.4005

Pamela Kazeil  
T: 587.293.4089

Cameron Proctor  
T: 587.293.4006

## RESPONSIBILITY REPORTING

[www.prairiesky.com/responsibility/our-approach](http://www.prairiesky.com/responsibility/our-approach)







	REVENUE	FUNDS FROM OPERATIONS	DIVIDENDS	NCIB	TOTAL RETURNED	CUMULATIVE RETURNED
2014	\$ 198,700,000	\$ 158,700,000	\$ 98,300,000	\$ –	\$ 98,300,000	\$ 98,300,000
2015	\$ 215,000,000	\$ 177,800,000	\$ 206,500,000	\$ –	\$ 206,500,000	\$ 304,800,000
2016	\$ 224,200,000	\$ 200,200,000	\$ 186,700,000	\$ 26,000,000	\$ 212,700,000	\$ 517,500,000
2017	\$ 345,700,000	\$ 290,200,000	\$ 176,200,000	\$ 42,200,000	\$ 218,400,000	\$ 735,900,000
2018	\$ 273,800,000	\$ 229,700,000	\$ 182,100,000	\$ 45,700,000	\$ 227,800,000	\$ 963,700,000
2019	\$ 268,400,000	\$ 220,400,000	\$ 182,100,000	\$ 19,000,000	\$ 201,100,000	\$ 1,164,800,000
2020	\$ 171,400,000	\$ 146,800,000	\$ 86,100,000	\$ 90,900,000	\$ 177,000,000	\$ 1,341,800,000
Q1 2021	\$ 59,500,000	\$ 48,800,000	\$ 14,500,000	\$ –	\$ 14,500,000	\$ 1,356,300,000
TOTAL	\$ 1,756,700,000	\$ 1,472,600,000	\$ 1,132,600,000	\$ 223,700,000	\$ 1,356,300,000	

\$ 1,356,300,000  
TOTAL RETURNED