PROPOSED VIRDEN ROSELEA UNIT NO. 7

APPLICATION FOR ENHANCED OIL RECOVERY WATERFLOOD PROJECT

LODGEPOLE FORMATION

VIRDEN, MANITOBA

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Corex Resources Ltd.

Table of Contents

List of Tables

List of Figures

List of Appendices

INTRODUCTION

The Virden Lodgepole C Pool is located in Townships 9 to 10 Ranges 25 to 26 W1M. The field was originally developed with vertical wells, but recent exploitation has shifted to horizontal development. The first horizontal well in the application area was drilled in August 2018 at 100/10-05-010-25W1M and is currently operated by Corex Resources Ltd. ("Corex"). Since that time, an additional three (3) horizontal wells have been drilled within the proposed unit lands.

Corex believes potential exists for incremental production and reserves from an Enhanced Oil Recovery ("EOR") waterflood project in the Lodgepole formation. Corex is the operator of the lands within the application area that contains four (4) horizontal wells and two (2) vertical wells, both of which were dry and abandoned. We anticipate drilling two horizontal well injectors from existing surface leases when implementing the EOR waterflood project.

Corex hereby applies to establish Virden Roselea Unit No. 7 and implement an EOR Waterflood Project within the Lodgepole formation (Figure 1).

The proposed Virden Roselea Unit No. 7 falls within the Virden Lodgepole C Pool (Figure 2).

SUMMARY

1. The proposed Virden Roselea Unit No. 7 is to include eight (8) wells:
    - 2 vertical wells that were drilled and abandoned,
    - 3 producing horizontal wells,
    - 1 horizontal injection well conversion,
    - 2 future horizontal injection wells,

    All these wells are completed in the Lodgepole formation (Figure 1).

2. The original oil in place (OOIP) for the proposed Virden Roselea Unit No. 7 is calculated as 642.8 10^3m^3 (4,043 Mbbl), for an average of 29.2 10^3m^3 (183.8 Mbbl) per LSD.

3. Cumulative production in the proposed Virden Roselea Unit No. 7 to the end of January 2026 is 3.456 10^3m^3 (21.74 Mbbl) of oil. This represents a 0.54% recovery factor of the total OOIP.

4. In August 2018, the first horizontal well was drilled at 100/10-05-010-25W1M and put on production in September 2018. It produced until March 2021 when it was shut-in due to low production rates. As of January 2026, the proposed Virden Roselea Unit No. 7 was producing 2.98 m^3/d (18.7 bbl/d) of oil and 68.6 m^3/d (431.7 bbl/d) of water, at a water cut of 95.8%. Peak production for the proposed unit occurred in December 2023 with 00/13-05-010-25W1

the only producing well in the unit at that time, 6.9 m^3/d (43.5 bbl/d) of oil and 51.4 m^3/d (323.2 bbl/d) of water, giving a water cut of 88.2%.

5. The Estimated Ultimate Recovery (EUR) of oil on primary production within the proposed Virden Roselea Unit No. 7 using decline analysis is 10.1 10^3m^3 (63.7 Mbbl), with 6.8 10^3m^3 (42.6 Mbbl) remaining as of January 2026. The Estimated Ultimate Recovery Factor (EURF) on primary would be 1.58% of the total OOIP in the Lodgepole section.

6. With the implementation of a waterflood within the Scallion member of the Lodgepole formation, incremental reserves of 30.6 10^3m^3 (192.4 Mbbl) are expected. Based on the total OOIP for the Lodgepole formation, the incremental recovery factor is expected to be 4.76%, for an overall recovery factor of 6.33%.

7. The development plan will be to continue producing the existing 00/11-05 and 00/13-05 horizontal wells, convert the 00/08-05 producer to injection (Figure 4), restart the 00/10-05 production well, and drill 2 horizontal injection wells. Waterflooding will commence in the fourth quarter of 2026. This timing is contingent upon the approval of the unitization and EOR waterflood application. All horizontal wells in the proposed Virden Roselea Unit No. 7 are or will be completed open hole.

GEOLOGY

Stratigraphy

The Lodgepole formation in the proposed unit area conformably overlies the Bakken formation and contains a number of hydrocarbon-bearing intervals. It was deposited in a gently sloping carbonate ramp setting and has been subdivided by Corex into a series of laterally continuous, shallowing upwards cycles. In ascending order, the sequence consists of a non-reservoir cycle, the Routledge Shale, which is overlain by two reservoir cycles, the Scallion and the Sandhill/Oolites, and is then capped by three non-reservoir cycles, the Virden, the Whitewater Lake and the Flossie Lake. The Flossie Lake member of the Lodgepole has been eroded over most of the proposed unit area. The Whitewater Lake and Virden members are eroded over parts of the proposed Unit, and are generally only present along the southern and northern edges. The Lodgepole formation is unconformably overlain by the red silts and shales of the Lower Amaranth, which are in turn overlain by the anhydrites and shales of the Upper Amaranth that form the top seal for the Lodgepole hydrocarbon system. The stratigraphy of the Lodgepole formation is shown on a structural cross section which runs west to east through the proposed unit (Appendix I).

Sedimentology

Starting at the base of the Lodgepole section and working upwards, the first cycle immediately overlying the Bakken formation is the Routledge Shale. The Routledge Shale is a black to dark

grey to, occasionally, brown fissile calcareous shale. This shale cycle was deposited in a relatively deep, low energy, distal ramp environment. The Routledge Shale is non-reservoir, and it is capped by the Scallion.

The overlying Scallion is the first reservoir quality cycle deposited within the Lodgepole Formation. It is comprised of cream to tan microcrystalline limestone with varying amounts of chert and anhydrite, and occasional vertical fracturing. This unit is typically biofragmental with minor argillaceous interbeds. Bioclastic components are dominated by crinoids and shell fragments. All of this indicates deposition in a relatively quiet shallow marine proximal ramp environment. Most of the wells in the proposed unit area do not go through the entire Scallion reservoir interval. Therefore, reservoir parameters and fluid contacts have been interpreted from the available data in these wells along with data in offset vertical wells. The Scallion reservoir thickness varies across the area, as seen from the isopach (gross pay) map (Appendix II). The reservoir thins as the structure drops off into a salt collapse feature to the north, and as structure drops down to the southwest. It also thins very quickly as the reservoir tightens to the east. The net pay values, using a 9% porosity cutoff and 1mD permeability cutoff, have an interpreted range of 0 to 9m with gross reservoir thickness (above the oil/water contact) ranging from 0 to 11m (Appendices III and II respectively). Porosity ranges from 9 to 18% and permeability ranges from 1 to over 100mD in the nearby wells with core analysis data. The Scallion is the primary target for horizontal wells drilled by Corex and for the proposed waterflood.

The Sandhill/Oolites is the next reservoir unit and consists of a package of five thin shallowing upwards cycles, indicating frequent sea level changes. Each cycle consists of an oil-bearing cream to tan oolitic wackestone that is capped by a barren pink to maroon argillaceous mudstone. Anhydrite is present in minor amounts, and in the proposed unit area the upper two cycles are more dolomitized. There is also occasional vertical fracturing. The oolitic wackestones are indicative of deposition in a relatively high energy but shallow water environment, while the argillaceous limestones are indicative of a relative sea level fall and the development of a lower energy, shallow, restricted environment. This is typical of a proximal to restricted ramp setting. The thickness of the Sandhill/Oolites section is relatively consistent in the proposed unit area, with gross thickness values ranging from 7 to 10m (Appendix VI) and net pays from 0 to 2m (Appendix VII), using a 9% porosity cutoff and 1mD permeability cutoff. There are very few nearby wells with core analysis data, but going farther away from the proposed Unit and estimating from drill cuttings in the horizontal wells gives porosity ranges from 9 to 15% and permeability ranges from 1 to over 100mD in the reservoir zones. The Sandhill/Oolites are generally tight throughout much of the proposed unit area but are a secondary target for drilling and waterflood in the northwest corner (Appendix VII).

The Virden is a cream to tan cryptocrystalline dolomite with varying amounts of anhydrite and minor argillaceous components. The Virden is eroded over parts of the proposed Unit area, and is mainly present along the southern and northern edges. Deposition of this shallowing upward sequence occurred in a more lagoonal, shallow marine, restricted ramp environment. Where it is present within the proposed unit area, the Virden is tight and is considered non-reservoir. The member varies in gross thickness from 0 to 8m.

The next cycle of the Lodgepole sequence is the Whitewater Lake. It is also eroded over much of the proposed Unit area and is present mainly along the southern and northern edges. It is thickest in the south west corner. The Whitewater Lake is a cream to tan to grey micritic dolomudstone to cryptocrystalline dolomite. Anhydrite is common, as are minor argillaceous partings. There is a minor bioclastic component composed of skeletal fragments. Deposition of this cycle occurred in a very shallow water, nearshore lagoon, restricted ramp environment. Where it is present within the proposed unit area, the Whitewater Lake is tight and is considered non-reservoir. The gross isopach ranges from 0 to 13m.

The final cycle of the Lodgepole sequence in the proposed unit area is the Flossie Lake. It has been eroded across most of the proposed unit and is only present to the north, where structure drops down into a salt collapse feature, and in the extreme south west corner. Where it is present, it is very thin and discontinuous. The Flossie is a cream to off-white microcrystalline to cryptocrystalline dolomite with very common anhydrite partings and nodules. Deposition of this cycle occurred in very shallow, near shore restricted water to a partially exposed sabkha environment. Within the proposed unit area, the Flossie is tight and is considered non-reservoir. The gross isopach across the proposed unit ranges from 0 to 6m and is generally less than 4m.

Structure

The structure within the proposed unit area dips gently down to the south and to the west from a high in the southeast corner. To the north and east, the structure drops harder into a salt dissolution feature that was identified on 3D seismic and confirmed in the horizontal wells. In this dissolution event, the Scallion reservoir drops below the oil-water contact. There is no direct evidence from wells or 3D seismic indicating significant faulting at the Lodgepole level in the vicinity of the proposed unit area. Structure maps for the two reservoir units are included in Appendices X and XI.

Reservoir

Maps for each of the two reservoir units were generated using available open-hole logs and core data, and include net pay, porosity-thickness, and permeability-thickness. These maps are in Appendices III to V for the Scallion and VII to IX for the Sandhill/Oolites. Pore volume and permeability-thickness values could only be calculated for wells with core analysis data, which is a very small number of the wells in and around the proposed unit area. Net pay for the Scallion and Sandhill/Oolites was calculated using a 9% porosity cutoff and a 1mD permeability cutoff. Both reservoir units are considered conventional reservoirs and are produced from open-hole completions. Weighted average permeability and porosity were calculated using the same cutoffs as used for net pay.

Fluid Contacts

The oil/water contact in the proposed unit area is interpreted at -202m SS from log and core data in vertical wells that drilled through the contact, along with mud gas data and drill cuttings from

several of the horizontal wells that also penetrated the contact. In the proposed unit area this contact lies mainly within the Scallion reservoir unit, although in those areas where the structure has dropped down it lies within the Sandhill/Oolites.

OIL IN PLACE, PRODUCTION HISTORY AND ESTIMATED RECOVERY

Original Oil in Place

The original-oil-in-place (OOIP) for the proposed Virden Roselea Unit No. 7 is 642.8 10^3m^3 (4,043 Mbbl), for the Lodgepole formation. The OOIP was calculated in-house. Values of thickness, porosity, and water saturation of each LSD for the various reservoir zones are used to calculate the OOIP on an individual LSD basis. Details of the calculations are summarized in Table 1.

Historical Production

Figure 3 shows the production history of the wells within the proposed Virden Roselea Unit No. 7. The application area contains four (4) horizontal wells and two (2) vertical wells. The vertical wells were dry and abandoned. Three (3) horizontal wells are currently producing and one (1) is shut-in due to low pressure. Historically, there has been no injection or disposal into the Lodgepole formation within the proposed Virden Roselea Unit No. 7. Production from the producing wells is from the Lodgepole formation.

Up to and including the month of January 2026, the proposed Virden Roselea Unit No. 7 has produced cumulative volumes of oil of 3.456 10^3m^3 (21.74 Mbbl) and water of 52.18 10^3m^3 (328.2 Mbbl). The current recovery factor is 0.54%.

Development began in September 1964, with one (1) vertical well, 100/02-05-010-05W1M which was drilled & abandoned. A 2nd vertical well, 100/01-05-010-05W1M was drilled & abandoned in October 1967 and had 391 bbl of water production recorded at that time. In August 2018, a horizontal well was drilled at 100/10-05-010-25W1M and put on production in September 2018. Corex drilled another three (3) horizontal wells within the proposed unit area. Two (2) additional horizontal well injectors are planned within the proposed unit area.

At the end of January 2026, the proposed Virden Roselea Unit No. 7 was producing 3.0 m^3/d (18.7 bbl/d) of oil and 66.6 m^3/d (419.2 bbl/d) of water, at a water cut of 95.8%. Peak production for the proposed unit occurred in December 2023, with 6.9 m^3/d (43.5 bbl/d) of oil and 51.4 m^3/d (323.2 bbl/d) of water, giving a water cut of 88.2%. Presently, there is no water injection or disposal; all fluids are flowlined to the Routledge Unit No. 1 battery.

Primary Recovery

Table 3 lists the wells within the proposed unit area; together with the cumulative oil production to the end of January 2026 and the estimated ultimate recovery (EUR) using decline analysis. The total EUR of oil on primary production within the proposed Virden Roselea Unit No. 7 using

decline analysis is 10.1 10^3m^3 (63.7 Mbbl), for a recovery factor of 1.58% of the total OOIP in the Lodgepole section.

Secondary Recovery

Within the Lodgepole formation, the proposed waterflood will target the Scallion member, which contains 96% of the total OOIP. Analogue data from Routledge Unit No. 1 was used to estimate the expected incremental recovery from waterflooding the Scallion member. Analogue data suggests converting producers into injections wells will result in an incremental recovery factor from waterflood of 4.76%. Additional information on the reservoir model is included in Appendix XII. The total EUR for the proposed Virden Roselea Unit No. 7 is 40.7 10^3m^3 (256.1 Mbbl), for a recovery factor of 6.33% of the total OOIP in the Lodgepole section

UNITIZATION

The basis for unitization is to implement a waterflood to increase the ultimate recovery of the OOIP from the proposed project area.

Unit Name

Corex proposes the name of the new unit shall be Virden Roselea Unit No. 7.

Unit Operator

Corex will be the Operator for Virden Roselea Unit No. 7.

Unitized Zones

The unitized zone to be waterflooded in Virden Roselea Unit No. 7 will be the Lodgepole Formation.

Unit Wells

The proposed Virden Roselea Unit No. 7 will include eight (8) wells:

- 2 vertical well that were drilled and abandoned
- 4 producing horizontal wells, 1 is planned to be converted to injection
- 2 horizontal injection wells to be drilled

Unit Lands

The Virden Roselea Unit No. 7 will consist of 13 LSDs as follows:

- LSD 13 of Section 32 of Township 009, Range 25, W1M
- LSDs 1, 2, 4, 5, 6, 7, 8, 10, 11, 12, 13 & 14 of Section 5 of Township 010, Range 25, W1M

The lands included in the 40 acre tracts are outlined in Appendix XIII.

Tract Factors

The proposed Virden Roselea Unit No. 7 will consist of thirteen (13) tracts based on remaining OOIP per LSD using maps created internally by Corex as of January 31 2026, with the production from the horizontal wells being divided according to the existing production allocation agreements. The calculation of the tract factors is outlined in Table 1.

Working Interest Owners

Appendix XIII outlines the working interest for each recommended tract within the proposed Virden Roselea Unit No. 7. Corex will have a 100% WI across all tracts.

WATERFLOOD DEVELOPMENT

The objective of implementing a waterflood is to provide pressure support and improve recovery. The Lodgepole formation is relatively shallow, with undersaturated oil having low solution gas-oil ratios and as such, there is not much drive energy within the system. Corex believes additional energy is required to improve the recovery. Waterflooding will enhance the recovery by providing pressure support as well as displacing the oil from the injectors towards the producers.

Corex intends to convert one (1) horizontal producer to injection in 2026 and drill 2 horizontal injection wells. Waterflood is expected to commence in Q4 2026, although this timing will be dependent upon the approval of the Unitization and Waterflood application, as well as the various stake holders coming to agreement.

Rock and Fluid Properties

Rock and fluid properties for the Lodgepole formation are summarized in Table 4. These properties were estimated using standard correlations in the literature and using existing oil analysis and PVT data.

Using Corex's internal database on step rate tests in the Lodgepole, the fracture gradient for the Lodgepole formation in the Virden area is estimated to be 22 kPa/m. Based on the average fracture

gradient a surface fracturing pressure of 7,400 kPa is anticipated. Using a safety factor of 90%, the maximum allowable is calculated to be 6,700 kPa. As Routledge Unit No. 1 has a maximum allowable injection pressure (MAP) of 6,700 kPa, Corex feels 6,700 kPa is appropriate for the proposed Virden Roselea Unit No. 7.

Estimated Recovery

Using the results from analogs within the area, incremental reserves of 30.6 10^3m^3 (192.4 Mbbl) are expected. Based on the total OOIP for the Lodgepole formation, the incremental recovery factor is expected to be 4.76%, for an overall recovery factor of 6.33%.

Economic Limit

The economic limit will be when the net oil rate and net oil price revenue stream becomes less than the current producing operating costs. Based on current price forecasts, the economic limit for the project would be 1 m^3/d.

Source of Injection Water and Waterflood Facilities

The source of the injection water will be from the Lodgepole formation and water supply will come from the offsetting unit, Routledge Unit No. 1 (RU #1). This unit is also operated by Corex Resources. RU #1 produces from the Lodgepole formation and already has facilities in place for water injection. Flowlines will be installed from the RU #1 high pressure injection system to the injectors in Virden Roselea Unit #7. Figure 5 shows the wellbore schematic for a typical injector.

A simplified process flow diagram of the gathering and injection system is located in Figure 6a. All producing wells will flow to test separators before entering gathering system in Routledge Unit #1. All injection wells will have turbine meters (totalizers) at the wellhead to record water injection volumes. The Process and Instrumentation Diagram for the RU #1 injection facility is showing in Figure 6b. There will be no additional waterflood facilities required at Routledge Unit No. 1.

Water injection volumes and balancing will be utilized to monitor the entire system measurement and integrity on a daily basis. The corrosion control program outlining the planned system design and operational practices to prevent corrosion is located in Figure 7.

Operating Strategy

The proposed injection scheme within the proposed Virden Roselea Unit No. 7 can be seen in Figure 4. One horizontal well will be converted into an injector, and 2 horizontal injection wells will be drilled, forming alternating producer-injector pairs.

Injection rates are expected to be in the range of 50 m^3/d to 100 m^3/d, subject to a maximum injection pressure of 6,700 kPa at the well head. Initially, injection will target a monthly voidage

replacement ratio (VRR) between 1.25 and 1.75. This over-injection will serve to replace the existing voidage within the proposed unit area. Once a cumulative VRR of one (1.0) is attained, the injection rate will be scaled back to maintain the VRR at one (1.0), both on a monthly basis and a cumulative basis.

All producers will be kept at pump-off condition.

Pressure

The initial pressure for the proposed unit area is assumed to be normally pressured. A normally pressured reservoir for this formation would be expected to have pressures in the range of 6,300kPa to 6,500 kPa. The current average reservoir pressure is around 3,400 kPa. The pressure is lower than the initial pressure due to production depleting the reservoir. Waterflooding will help to re-pressurize and add energy to the reservoir, and to displace oil from the injectors to the producers. Upon conversion, during the initial over-injection period, the reservoir pressure is expected to increase from the current level. Once the cumulative VRR reaches one (1.0), a monthly VRR of one (1.0) will be maintained.

Wellbore and Surface Piping Specifications and Corrosion Control

All injection flowlines will have a maximum operating pressure of at least 9,928 kPa (consistent with injection systems in RU #1). Typical operating pressure is expected to be around 5,000 to 6,000 kPa.

Maximum pump discharge from the RU #1 injection pump is controlled to be less than 6,500 kPa, limiting maximum wellhead pressure to less than the proposed 6,700 kPa maximum. All wellheads are rated to 21,000 kPa.

All emulsion flowlines will have a maximum operating pressure of 3,365 kPa (consistent with the RU #1 gathering system). Typical operating pressure is around 800 kPa.

Corex's planned corrosion control program is as follows:

Pipelines

- All pipelines are composite or fiberglass. No corrosion inhibitor is required.

Surface piping

- All above ground piping and wellheads are internally coated for producing wells. Injection well piping will be either internally coated or stainless steel. No corrosion inhibitor is required.

Producing Wells (Downhole)

- Continuous corrosion inhibition down annulus as required.

- Cathodic protection on casing

Injection Wells (Downhole)

- Inhibited fluid in annulus
- Internally coated packer and tubing
- Cathodic protection on casing

Waterflood Surveillance

Waterflood response within the proposed Virden Roselea Unit No. 7 will be closely monitored with the following:

- Regular production well testing to monitor fluid rate and water cut to watch for waterflood response
- Real time monitoring of injection rates and pressures
- Monitor monthly and cumulative voidage replacement ratio by pattern and overall unit
- Evaluation of Hall plots
- New injection targets will be sent to the field on a regular basis

Project Schedule

Horizontal drilling in the area has been successful. After a period of primary recovery, Corex intends to implement a waterflood by converting horizontal producers into injection to support the remaining producers.

The injection conversions are expected to start in the second half of 2026. This schedule is contingent upon the approval of the Unitization and Waterflood application, as well as the various stake holders consenting to same.

NOTIFICATIONS

Corex will notify all surface and mineral owners of the proposed EOR project and formation of the Virden Roselea Unit No. 7. Copies of the Notices, and proof of service, to all surface and mineral owners within the application area and mineral owners offsetting the application area will be forwarded to the Petroleum Branch, when available, to complete the Virden Roselea Unit No. 7 Application.

Unitization and execution of the formal Virden Roselea Unit No. 7 agreement by affected mineral owners will occur once the Petroleum Branch has reviewed and approved the tract factors. Copies of the agreement will be forwarded to the Petroleum Branch to complete the Virden Roselea Unit No. 7 application.

Should you have any comments and/or questions regarding this application, please contact Peter Parkinson (at 403-718-6371 or peterp@corexresources.ca), or Dan Hompoth, Engineering, (at 587-390-0293 or danielh@corexresources.ca).

Yours truly,

Corex Resources Ltd.

[redacted]

David McGuinness
Executive VP Land

Table 1 – Summary of Original Oil In Place and Tract Factor Calculations

Proposed Virden Roselea Unit No. 7
Lodgepole Unit

Tract LSD	Tract Weighting	Total	13-32 13-32-009-25	01-05 01-05-010-25	02-05 02-05-010-25
Tract Factor		100.000000000%	6.002882422%	3.746522494%	21.599878576%
Virden					
Area (ac)		520	40	40	40
h (m)					
Vb (ac-ft)		0	0	0	0
phi					
Sw					
HCPV			0.000	0.000	0.000
OOIP (Mrb)		0	0	0	0
OOIP (Mstb)		0	0	0	0
OOIP (10^3m^3)		0	0	0	0
Sandhill/Oolites					
Area (ac)		520	40.0	40.0	40.0
h (m)			0.2	0.0	0.1
Vb (ac-ft)		261	31	0	9
phi			12.3%		11.0%
Sw			25%		25%
HCPV		0	0.022	0.000	0.006
OOIP (Mrb)		158.1	23	0	6
OOIP (Mstb)		147.7	21	0	5
OOIP (10^3m^3)		23.5	3	0	1
Scallion					
Area (ac)		520	40.0	40.0	40.0
h (m)			2.6	1.8	8.9
Vb (ac-ft)		5,707	337	239	1,169
phi			12.2%	11.6%	13.6%
Sw			25%	25%	25%
HCPV		4	0.235	0.158	0.909
OOIP (Mrb)		4,168.0	239	161	925
OOIP (Mstb)		3,895.3	224	151	865
OOIP (10^3m^3)		619.3	36	24	137
Total Lodgepole					
Total OOIP (Mstb)		4,043.06	**244.82**	**150.66**	**870.24**
Total OOIP (10^3m^3)		642.80	38.92	23.95	138.36
Cumulative Oil (Mstb)		**21.74**	**3.42**	**0.00**	**1.64**
OOIP-Cum Prd (Mstb)	**100%**	**4,021.32**	**241.39**	**150.66**	**868.60**
Avg per LSD (103m3)		29.2			
Avg per LSD (mstb)		183.8			
Comments:			**Cumulative production to 2026-01-31**		
Bo			**1.07**		

Well 1	100/13-05-010-25W1/00	100/08-05-010-25W1/00	100/08-05-010-25W1/00
Factor (%)	22.36	34.26	22.90
Cumulative Oil (Mstb)	15.3	0.0	0.0
Well 2			100/10-05-010-25W1/00
Factor (%)	0.00	0.00	41.23
Cumulative Oil (Mstb)	0.0	0.0	4.0

Table 1 – Summary of Original Oil In Place and Tract Factor Calculations (continued)

Proposed Virden Roselea Unit No. 7
Lodgepole Unit

Tract LSD	Tract Weighting	Total	04-05 04-05-010-25	05-05 05-05-010-25	06-05 06-05-010-25
Tract Factor		100.000000000%	7.163479582%	11.057808544%	16.956518341%
Virden					
Area (ac)		520	40	40	40
h (m)					
Vb (ac-ft)		0	0	0	0
phi					
Sw					
HCPV			0.000	0.000	0.000
OOIP (Mrb)		0	0	0	0
OOIP (Mstb)		0	0	0	0
OOIP (10^3m^3)		0	0	0	0
Sandhill/Oolites					
Area (ac)		520	40.0	40.0	40.0
h (m)			0.1	0.1	0.1
Vb (ac-ft)		261	10	7	7
phi			11.0%	11.0%	11.0%
Sw			25%	25%	25%
HCPV		0	0.007	0.004	0.004
OOIP (Mrb)		158.1	7	4	4
OOIP (Mstb)		147.7	6	4	4
OOIP (10^3m^3)		23.5	1	1	1
Scallion					
Area (ac)		520	40.0	40.0	40.0
h (m)			3.5	4.8	7.9
Vb (ac-ft)		5,707	461	629	1,041
phi			11.4%	13.0%	12.0%
Sw			25%	25%	25%
HCPV		4	0.300	0.467	0.714
OOIP (Mrb)		4,168.0	306	475	727
OOIP (Mstb)		3,895.3	286	444	679
OOIP (10^3m^3)		619.3	45	71	108
Total Lodgepole					
Total OOIP (Mstb)		4,043.06	**291.83**	**448.30**	**683.01**
Total OOIP (10^3m^3)		642.80	46.40	71.27	108.59
Cumulative Oil (Mstb)		**21.74**	**3.77**	**3.63**	**1.14**
OOIP-Cum Prd (Mstb)	**100%**	**4,021.32**	**288.07**	**444.67**	**681.88**
Avg per LSD (103m3)		29.2			
Avg per LSD (mstb)		183.8			
Comments:					
Bo					

Well 1	100/11-05-010-25W1/00	100/11-05-010-25W1/00	100/11-05-010-25W1/00
Factor (%)	0.04	0.08	39.68
Cumulative Oil (Mstb)	2.9	2.9	2.9
Well 2	100/13-05-010-25W1/00	100/13-05-010-25W1/00	
Factor (%)	24.59	23.71	0.00
Cumulative Oil (Mstb)	15.3	15.3	0.0

Table 1 – Summary of Original Oil In Place and Tract Factor Calculations (continued)

Proposed Virden Roselea Unit No. 7
Lodgepole Unit

Tract LSD	Tract Weighting	Total	07-05 07-05-010-25	08-05 08-05-010-25	10-05 10-05-010-25
Tract Factor		100.000000000%	13.997625392%	0.102899268%	1.014396223%
Virden					
Area (ac)		520	40	40	40
h (m)					
Vb (ac-ft)		0	0	0	0
phi					
Sw					
HCPV			0.000	0.000	0.000
OOIP (Mrb)		0	0	0	0
OOIP (Mstb)		0	0	0	0
OOIP (10^3m^3)		0	0	0	0
Sandhill/Oolites					
Area (ac)		520	40.0	40.0	40.0
h (m)			0.0	0.0	0.0
Vb (ac-ft)		261	0	0	0
phi					
Sw					
HCPV		0	0.000	0.000	0.000
OOIP (Mrb)		158.1	0	0	0
OOIP (Mstb)		147.7	0	0	0
OOIP (10^3m^3)		23.5	0	0	0
Scallion					
Area (ac)		520	40.0	40.0	40.0
h (m)			6.2	0.1	0.6
Vb (ac-ft)		5,707	818	7	76
phi			12.7%	11.6%	10.0%
Sw			25%	25%	25%
HCPV		4	0.593	0.004	0.044
OOIP (Mrb)		4,168.0	604	4	44
OOIP (Mstb)		3,895.3	565	4	41
OOIP (10^3m^3)		619.3	90	1	7
Total Lodgepole					
Total OOIP (Mstb)		4,043.06	**564.63**	**4.14**	**41.39**
Total OOIP (10^3m^3)		642.80	89.77	0.66	6.58
Cumulative Oil (Mstb)		**21.74**	**1.74**	**0.00**	**0.00**
OOIP-Cum Prd (Mstb)	**100%**	**4,021.32**	**562.89**	**4.14**	**40.79**
Avg per LSD (103m3)		29.2			
Avg per LSD (mstb)		183.8			
Comments:					
Bo					

Well 1	100/08-05-010-25W1/00	100/08-05-010-25W1/00	100/10-05-010-25W1/00
Factor (%)	14.09	22.70	15.04
Cumulative Oil (Mstb)	0.0	0.0	4.0
Well 2	100/10-05-010-25W1/00		
Factor (%)	43.73	0.00	0.00
Cumulative Oil (Mstb)	4.0	0.0	0.0

Table 1 – Summary of Original Oil In Place and Tract Factor Calculations (continued)

Proposed Virden Roselea Unit No. 7

Lodgepole Unit

Tract LSD	Tract Weighting	Total	11-05 11-05-010-25	12-05 12-05-010-25	13-05 13-05-010-25
Tract Factor		100.000000000%	5.593837901%	8.792151056%	3.816587006%
Virden					
Area (ac)		520	40	40	40
h (m)					
Vb (ac-ft)		0	0	0	0
phi					
Sw					
HCPV			0.000	0.000	0.000
OOIP (Mrb)		0	0	0	0
OOIP (Mstb)		0	0	0	0
OOIP (10^3m^3)		0	0	0	0
Sandhill/Oolites					
Area (ac)		520	40.0	40.0	40.0
h (m)			0.0	0.7	0.9
Vb (ac-ft)		261	0	85	112
phi				10.0%	10.0%
Sw				25%	25%
HCPV		0	0.000	0.049	0.064
OOIP (Mrb)		158.1	0	50	65
OOIP (Mstb)		147.7	0	46	61
OOIP (10^3m^3)		23.5	0	7	10
Scallion					
Area (ac)		520	40.0	40.0	40.0
h (m)			2.6	3.4	1.0
Vb (ac-ft)		5,707	346	440	133
phi			12.0%	13.0%	13.0%
Sw			25%	25%	25%
HCPV		4	0.238	0.327	0.098
OOIP (Mrb)		4,168.0	242	333	100
OOIP (Mstb)		3,895.3	226	311	94
OOIP (10^3m^3)		619.3	36	49	15
Total Lodgepole					
Total OOIP (Mstb)		4,043.06	**226.08**	**357.17**	**154.36**
Total OOIP (10^3m^3)		642.80	35.94	56.79	24.54
Cumulative Oil (Mstb)		**21.74**	**1.13**	**3.61**	**0.88**
OOIP-Cum Prd (Mstb)	**100%**	**4,021.32**	**224.95**	**353.56**	**153.48**
Avg per LSD (103m3)		29.2			
Avg per LSD (mstb)		183.8			
Comments:					
Bo					

Well 1	100/11-05-010-25W1/00	100/11-05-010-25W1/00	100/13-05-010-25W1/00
Factor (%)	39.43	0.08	5.75
Cumulative Oil (Mstb)	2.9	2.9	15.3
Well 2		100/13-05-010-25W1/00	
Factor (%)	0.00	23.58	0.00
Cumulative Oil (Mstb)	0.0	15.3	0.0

Table 1 – Summary of Original Oil In Place and Tract Factor Calculations (continued)

Proposed Virden Roselea Unit No. 7
Lodgepole Unit

Tract LSD	Tract Weighting	Total	14-05 14-05-010-25
Tract Factor		100.000000000%	0.155413195%
Virden			
Area (ac)		520	40
h (m)			
Vb (ac-ft)		0	0
phi			
Sw			
HCPV			0.000
OOIP (Mrb)		0	0
OOIP (Mstb)		0	0
OOIP (10^3m^3)		0	0
Sandhill/Oolites			
Area (ac)		520	40.0
h (m)			0.0
Vb (ac-ft)		261	0
phi			
Sw			
HCPV		0	0.000
OOIP (Mrb)		158.1	0
OOIP (Mstb)		147.7	0
OOIP (10^3m^3)		23.5	0
Scallion			
Area (ac)		520	40.0
h (m)			0.1
Vb (ac-ft)		5,707	13
phi			9.0%
Sw			25%
HCPV		4	0.007
OOIP (Mrb)		4,168.0	7
OOIP (Mstb)		3,895.3	6
OOIP (10^3m^3)		619.3	1
Total Lodgepole			
Total OOIP (Mstb)		4,043.06	**6.42**
Total OOIP (10^3m^3)		642.80	1.02
Cumulative Oil (Mstb)		**21.74**	**0.17**
OOIP-Cum Prd (Mstb)	**100%**	**4,021.32**	**6.25**
Avg per LSD (103m3)		29.2	
Avg per LSD (mstb)		183.8	
Comments:			
Bo			

Well 1	100/11-05-010-25W1/00
Factor (%)	6.03
Cumulative Oil (Mstb)	2.9
Well 2	
Factor (%)	0.00
Cumulative Oil (Mstb)	0.0

Table 2 – Well List – Status

Well ID	Well Type	Prod./Inject. Formation	First Prod YYYY/MM	Last Prod YYYY/MM
100/01-05-010-25W1/00	Vertical	Mlodgepl	1967-11-01	1967-11-30
100/02-05-010-25W1/00	Vertical	Drld & ABD		
100/08-05-010-25W1/00	Horizontal	Mscallion	2026-01-01	2026-01-31
100/10-05-010-25W1/00	Horizontal	Mscallion	2018-09-01	2021-03-31
100/11-05-010-25W1/00	Horizontal	Mlodgepl	2025-02-01	2026-01-31
100/13-05-010-25W1/00	Horizontal	Mscallion	2023-11-01	2026-01-31

Table 3 – Cumulative Oil Production and Estimated Primary Ultimate Recovery

Well ID	Well Type	Cumulative OIL (Mbbl)	Expected Ultimate Recovery (Mbbl)
100/01-05-010-25W1/00	Vertical	0	0
100/02-05-010-25W1/00	Vertical	0	0
100/08-05-010-25W1/00*	Horizontal	0.005	0.00
100/10-05-010-25W1/00	Horizontal	3.98	46.84
100/11-05-010-25W1/00^	Horizontal	2.87	62.41
100/13-05-010-25W1/00	Horizontal	15.31	155.65

* Note: 100/08-05 is 93.9498872% in the proposed new unit. It was drilled in Dec 2025 and completed and put on production in Jan 2026. The volumes listed above are the total amount for the well. It is planned to be converted to injection once the unit is approved.

^ Note: 100/11-05 is 85.3352323% in the proposed new unit. The volumes listed above are the total amount for the well.

Table 4 – Summary of Rock and Fluid Properties

Proposed Virden Roselea Unit No. 7		
Rock and Fluid Properties		
Initial Formation Pressure	Kpa	6,500
Oil Gravity	°API	34.6
Solution Gas-Oil Ration	m^3/m^3	16
Oil Formation Volume Factor	Rm^3/Sm^3	1.07
Average Porosity	fraction	0.12
Average Air Permeability	mD	19.8

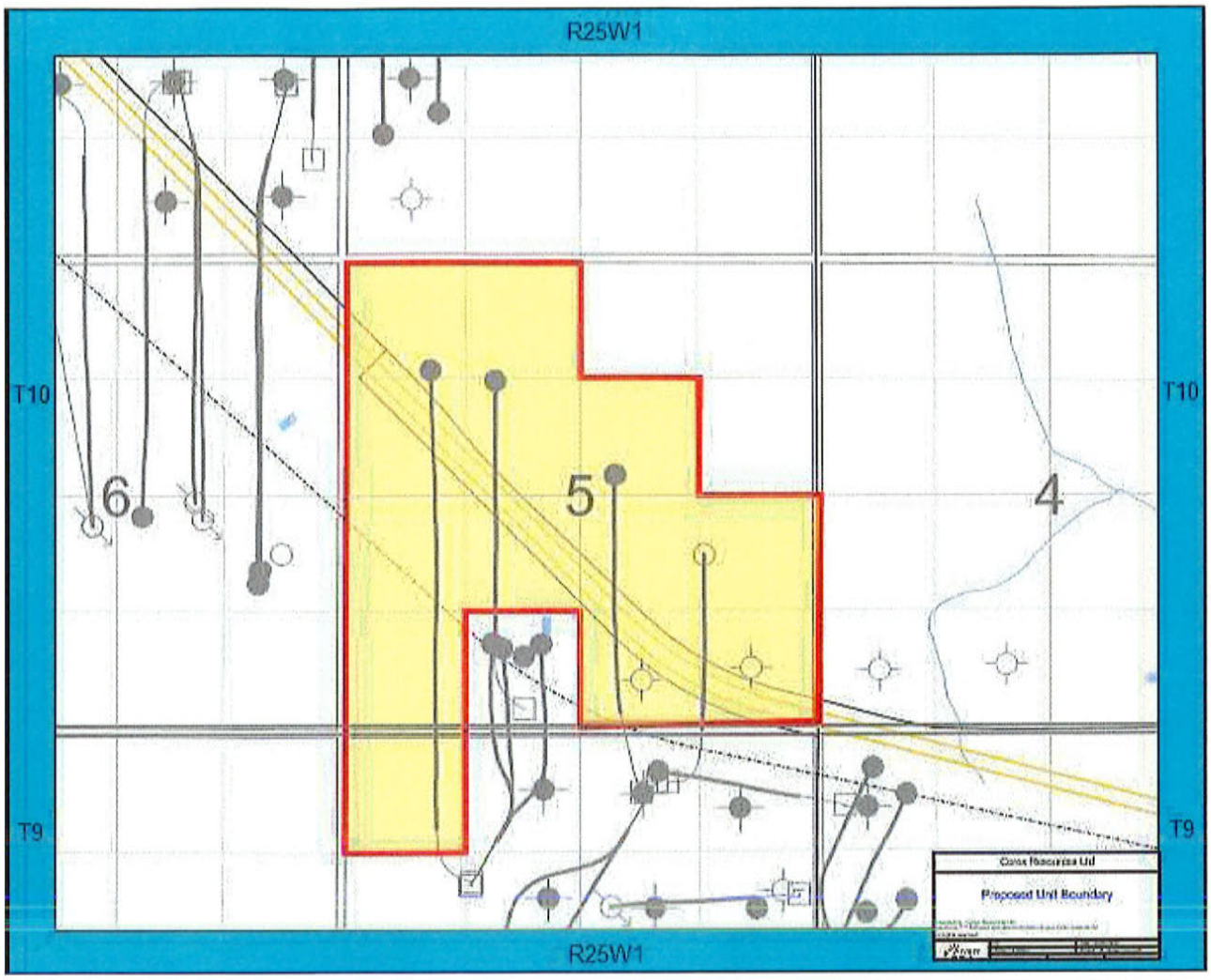


Figure 1 – Location of Proposed Virden Roselea Unit No. 7

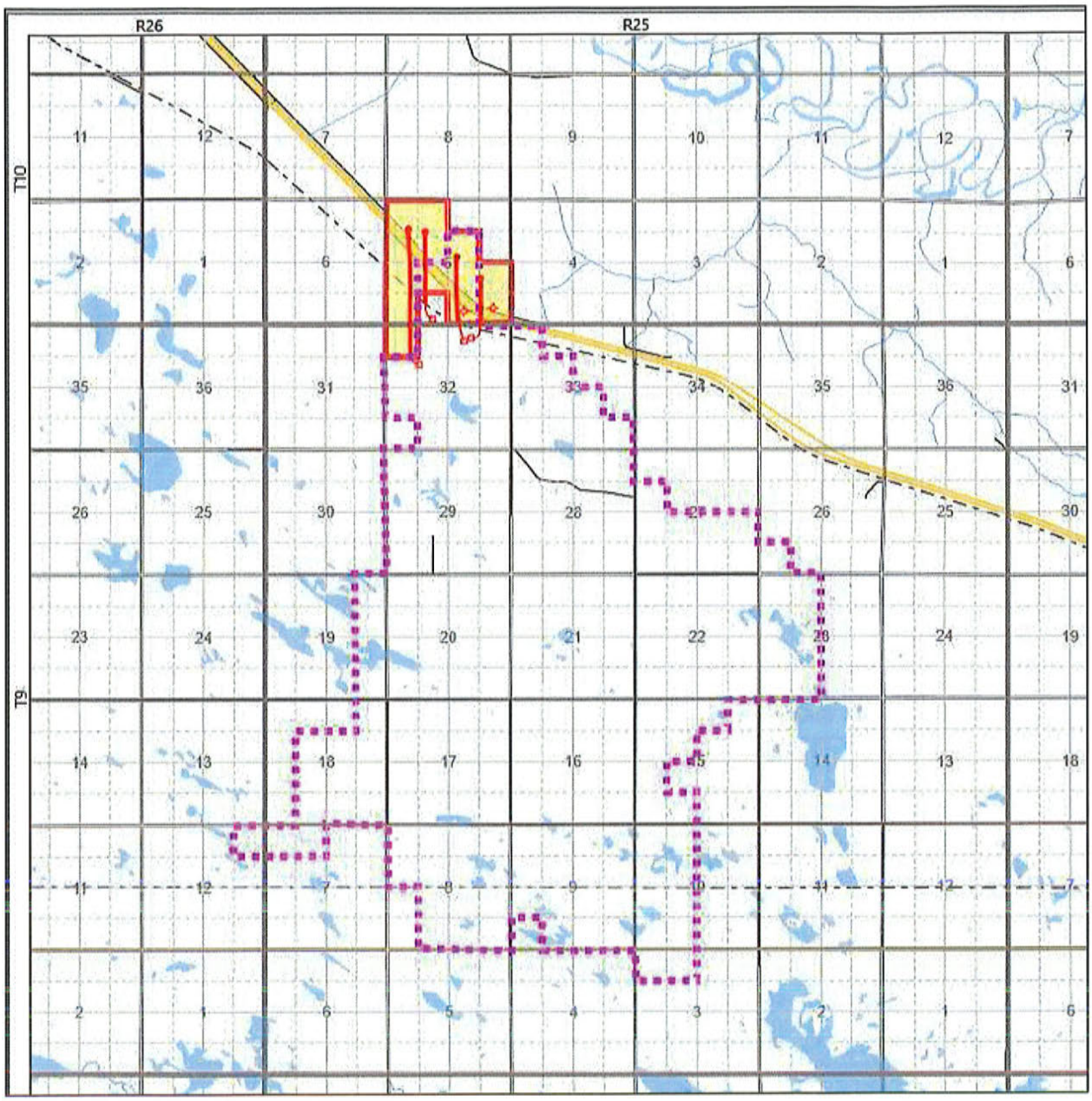


Figure 2 – Location of Proposed Virden Roselea Unit No. 7 within the Virden Lodgepole C Pool

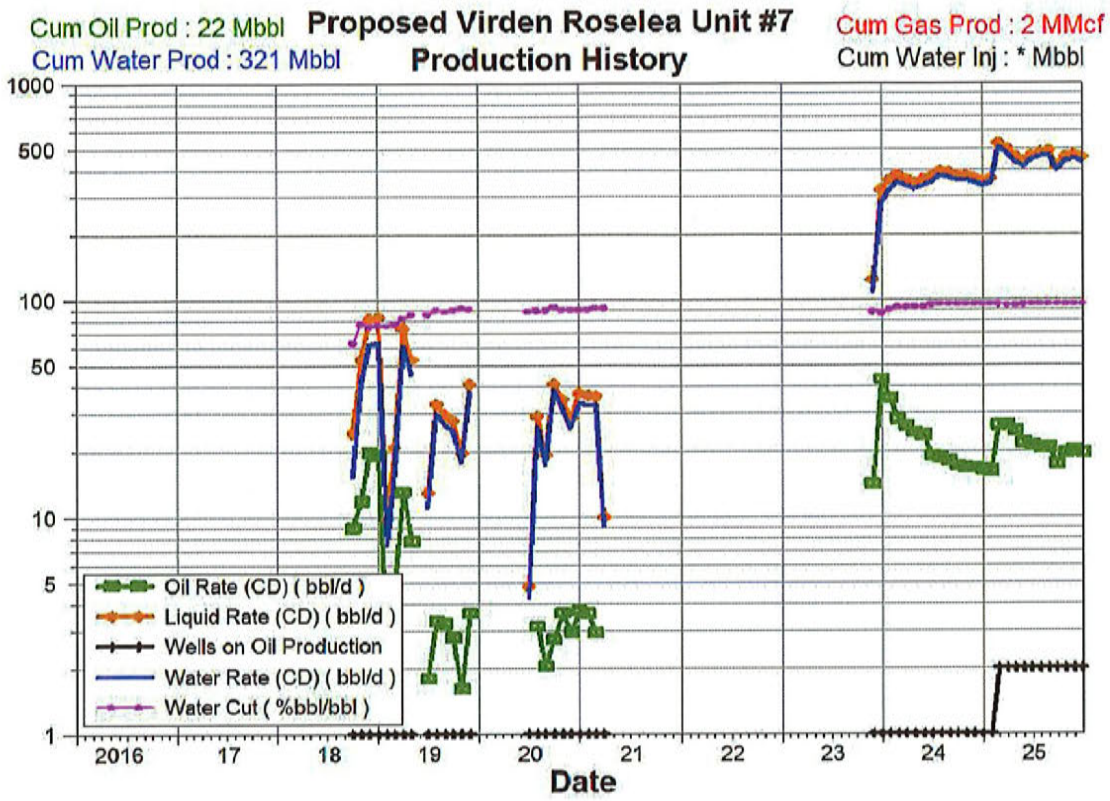


Figure 3 – Production History of Wells within Proposed Virden Roselea Unit No. 7

Note: the water production from 00/01-05-010-25 has been excluded.

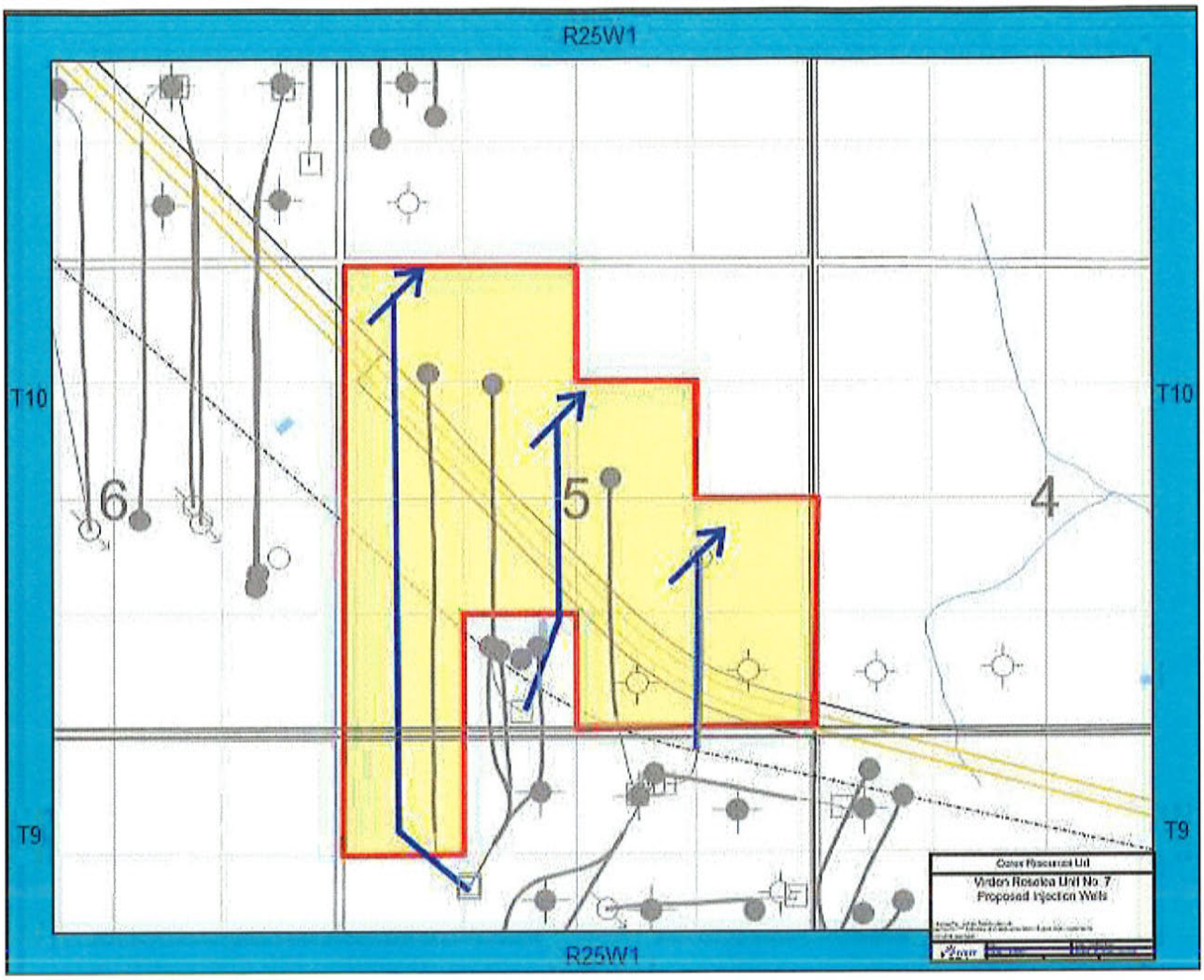


Figure 4 – Proposed Injection Well Locations

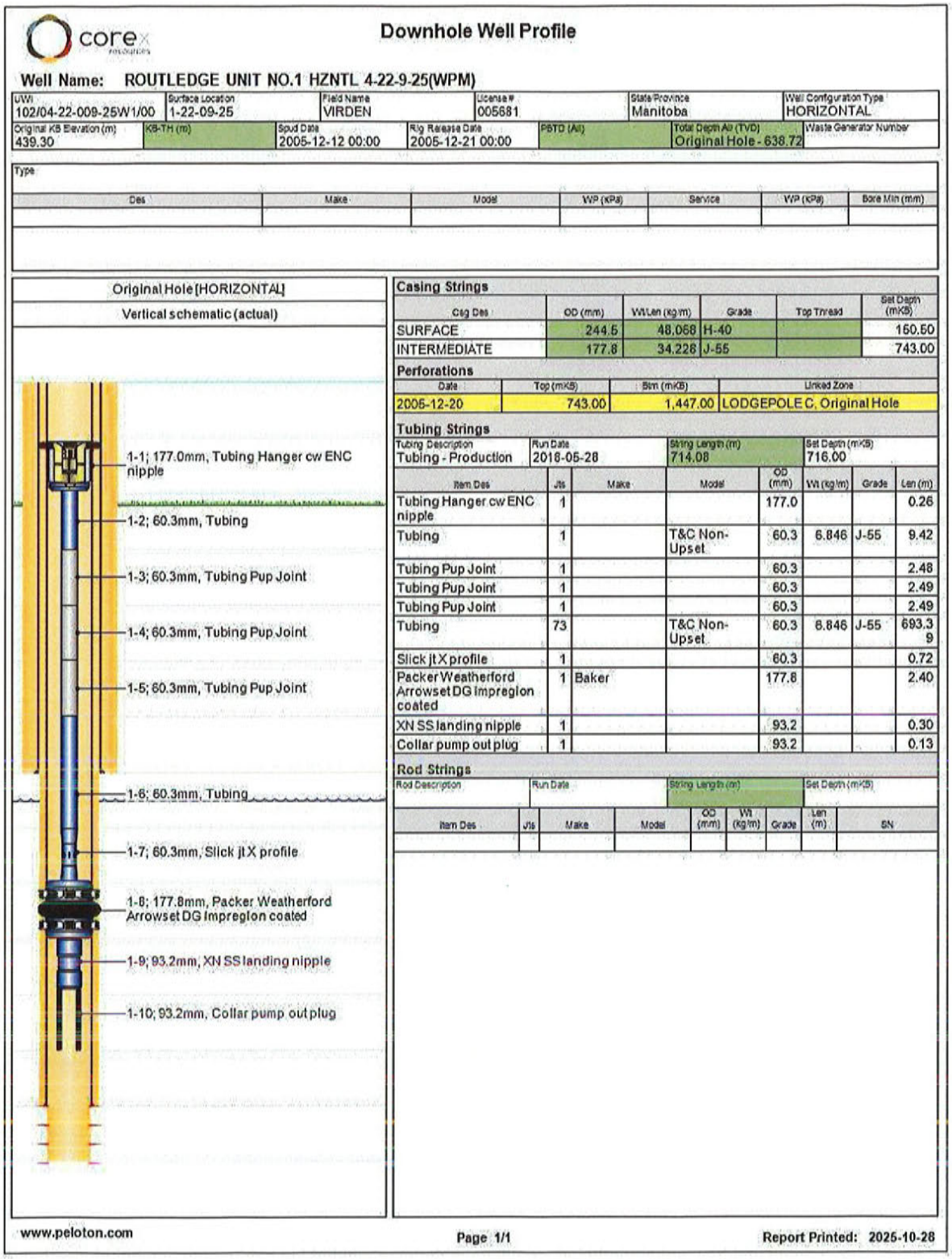
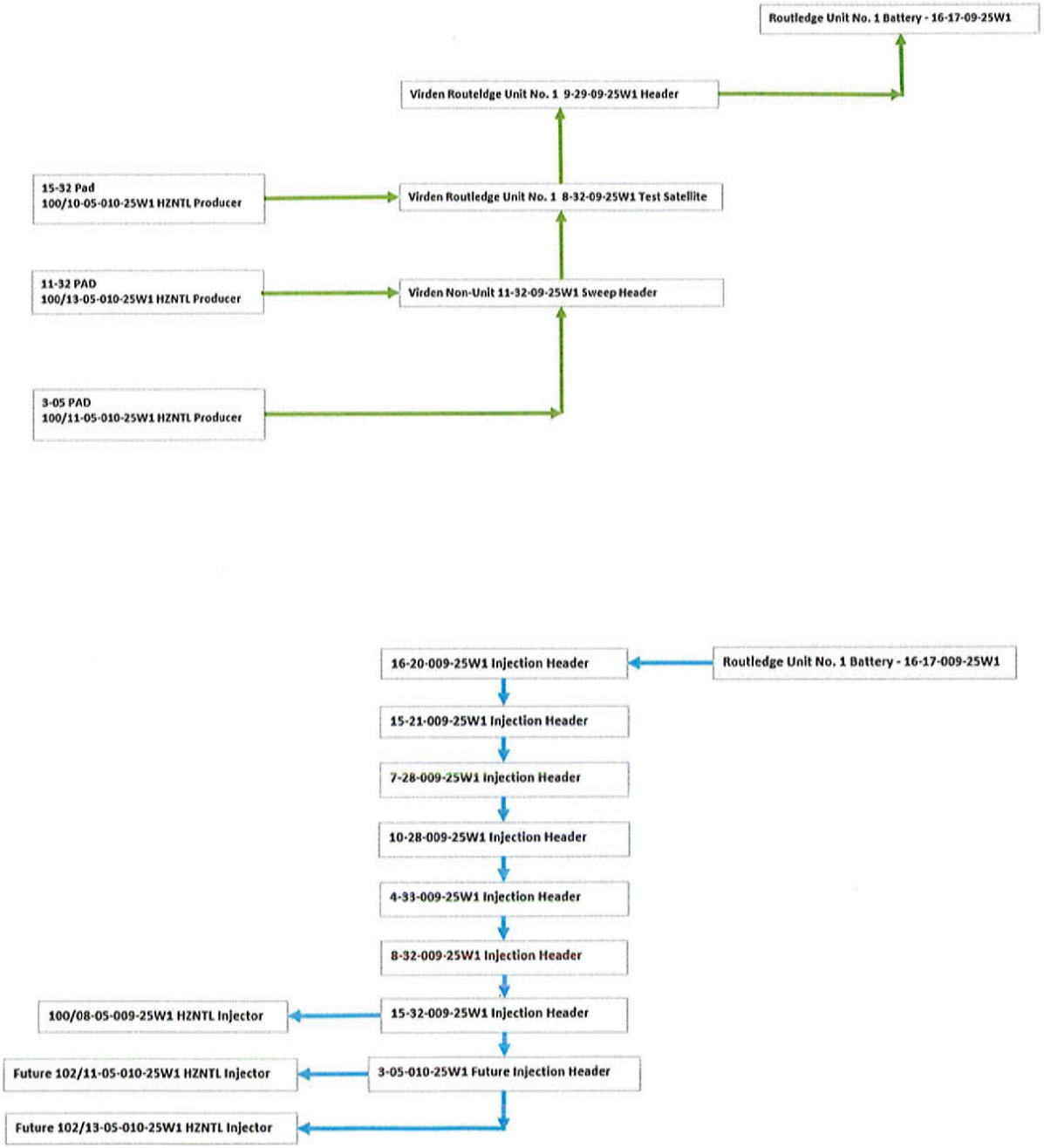


Figure 5 – Wellbore Schematic for Typical Injector (RU #1 102/04-22-009-25)



Oil rates for all wells are measured at the test satellites shown above. Injection rates are measured through turbine meters at the wellhead An injection pump is located at the 16-17-009-25W1 Battery.

Figure 6a – Simplified Flow Diagram and Metering

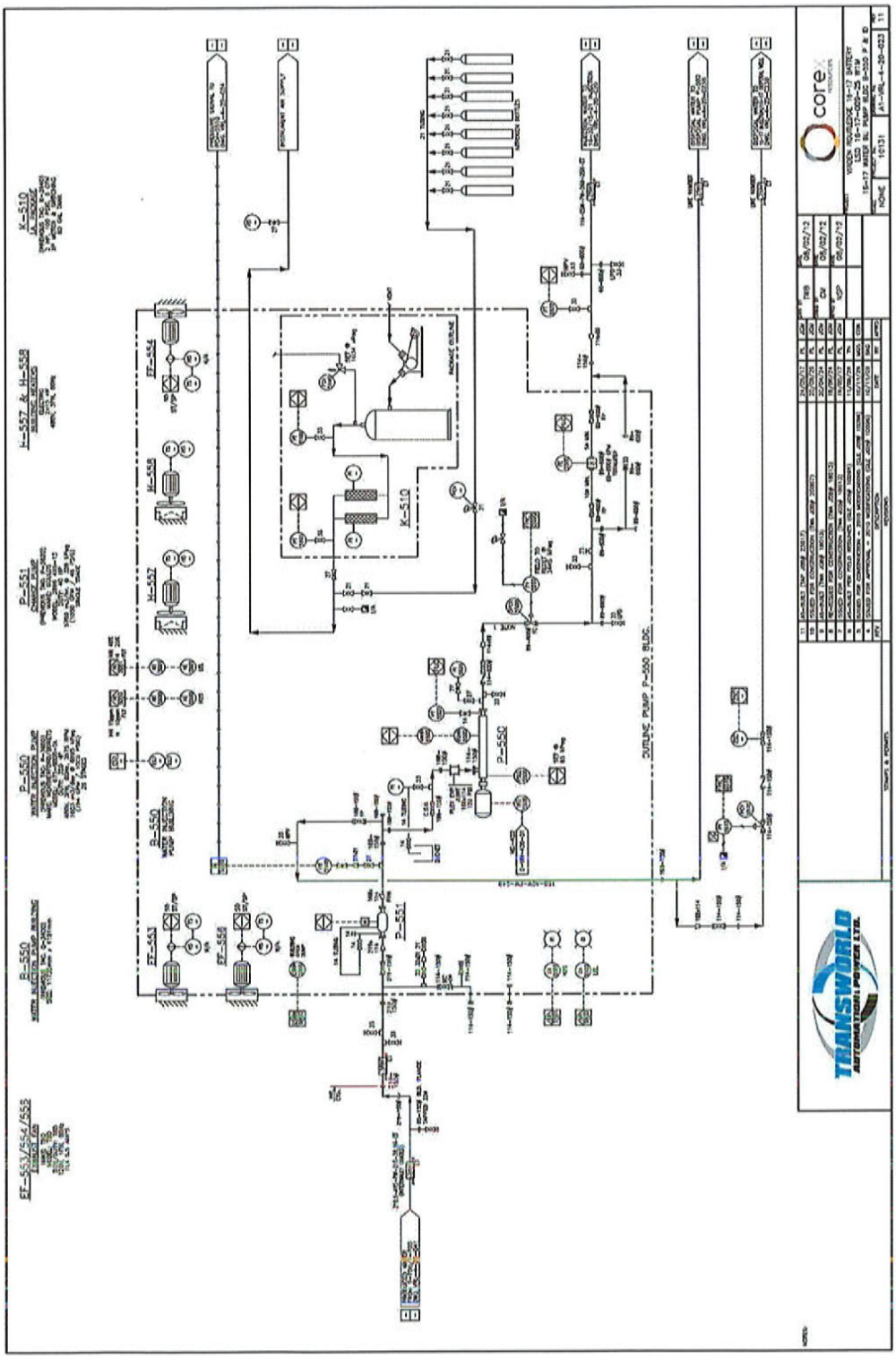


Figure 6b – Injection Pump at 16-17-009-25W1 Battery

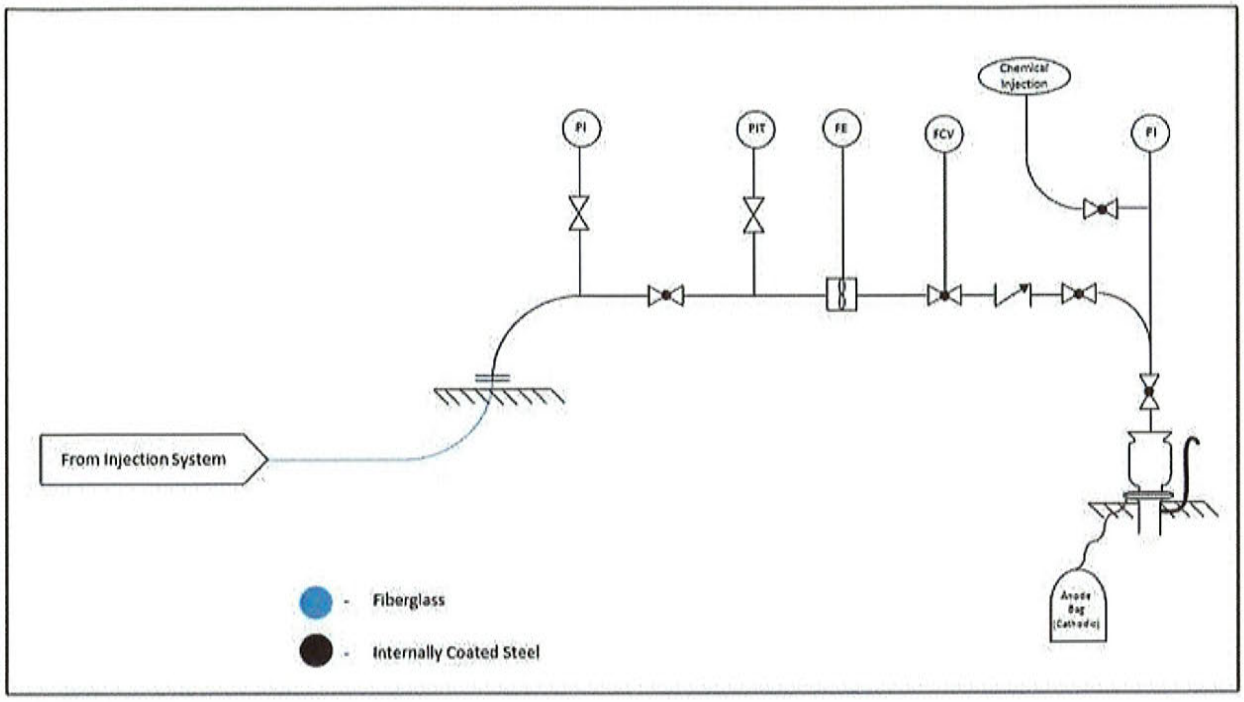
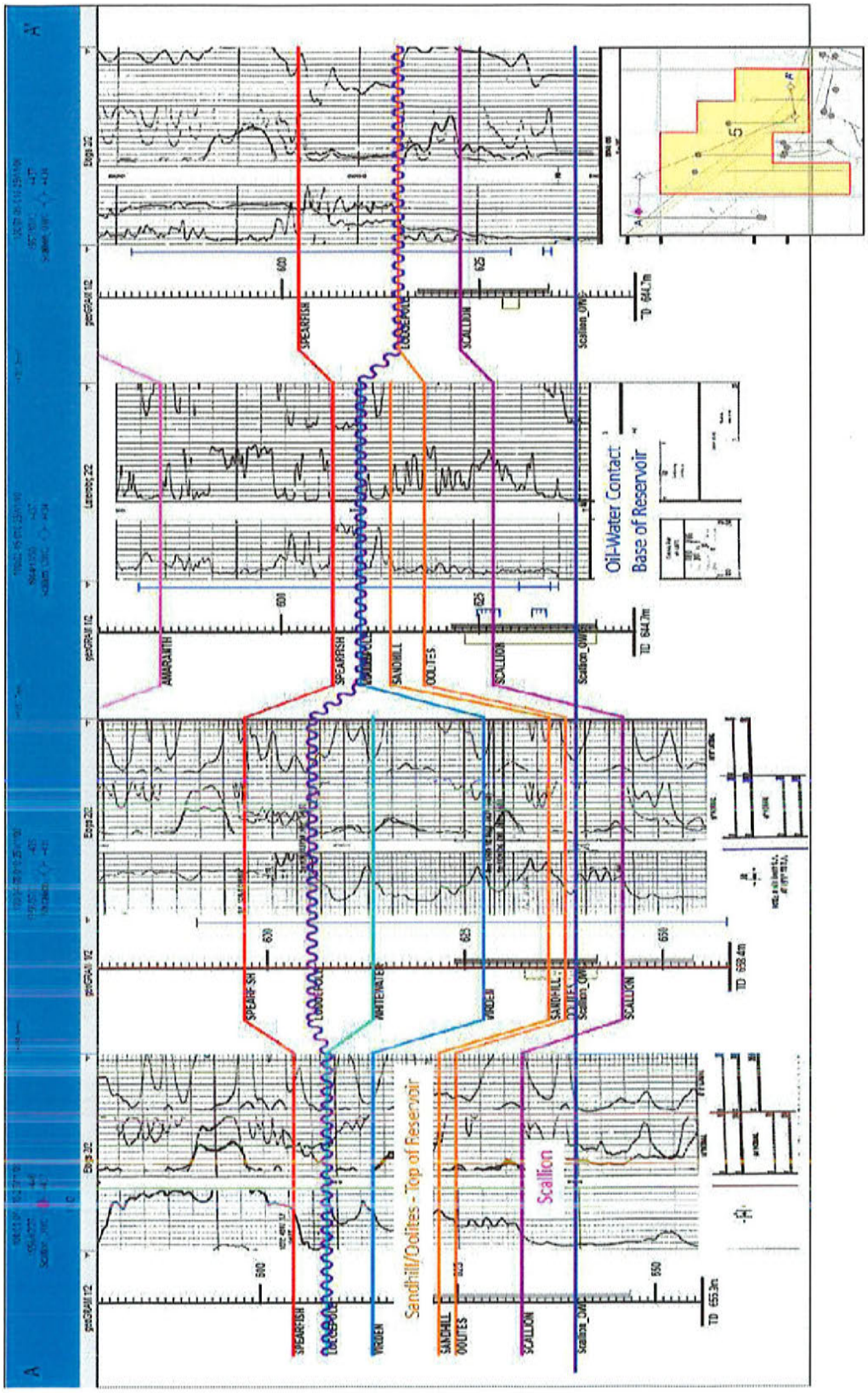
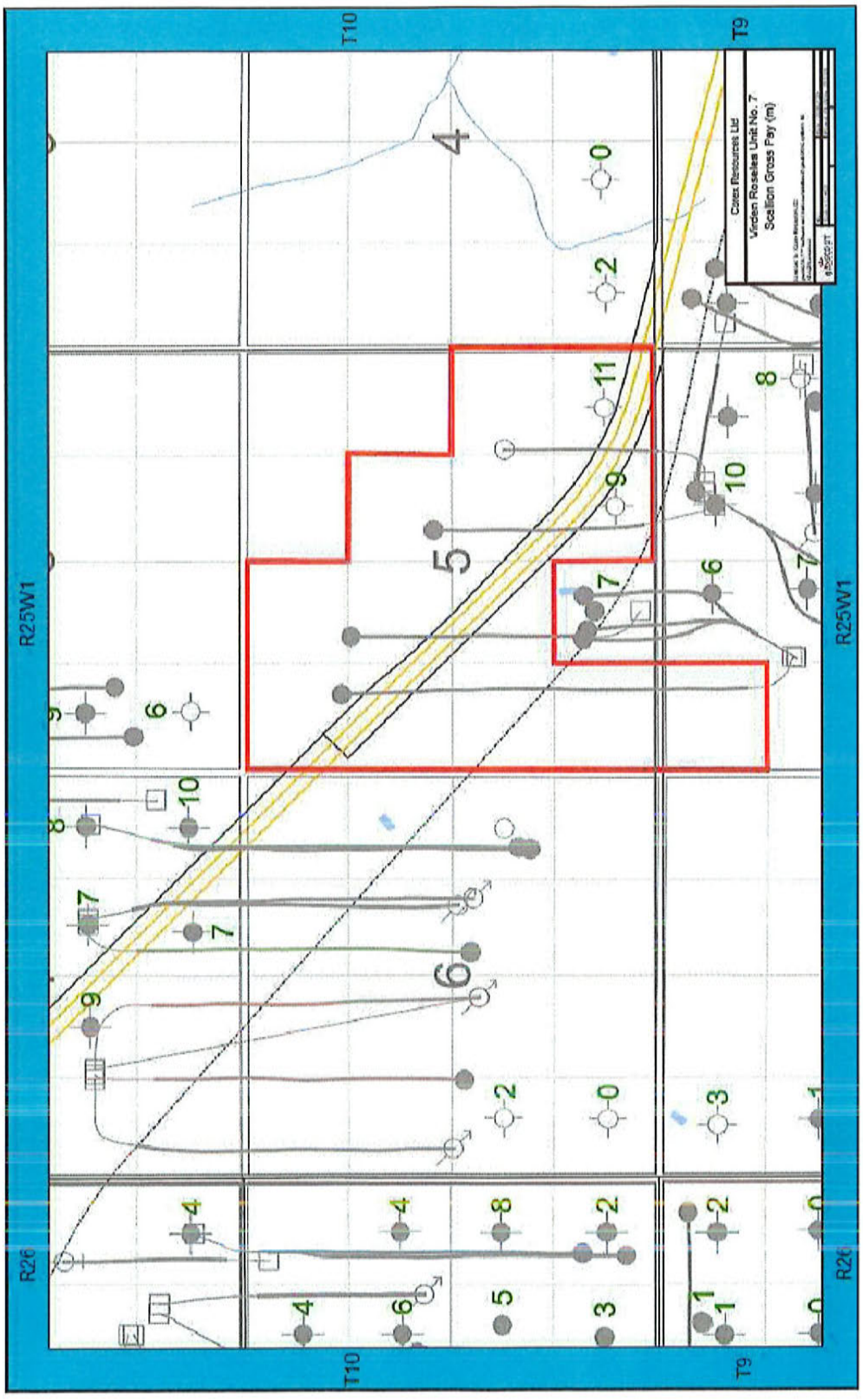


Figure 7 – Corrosion Control System

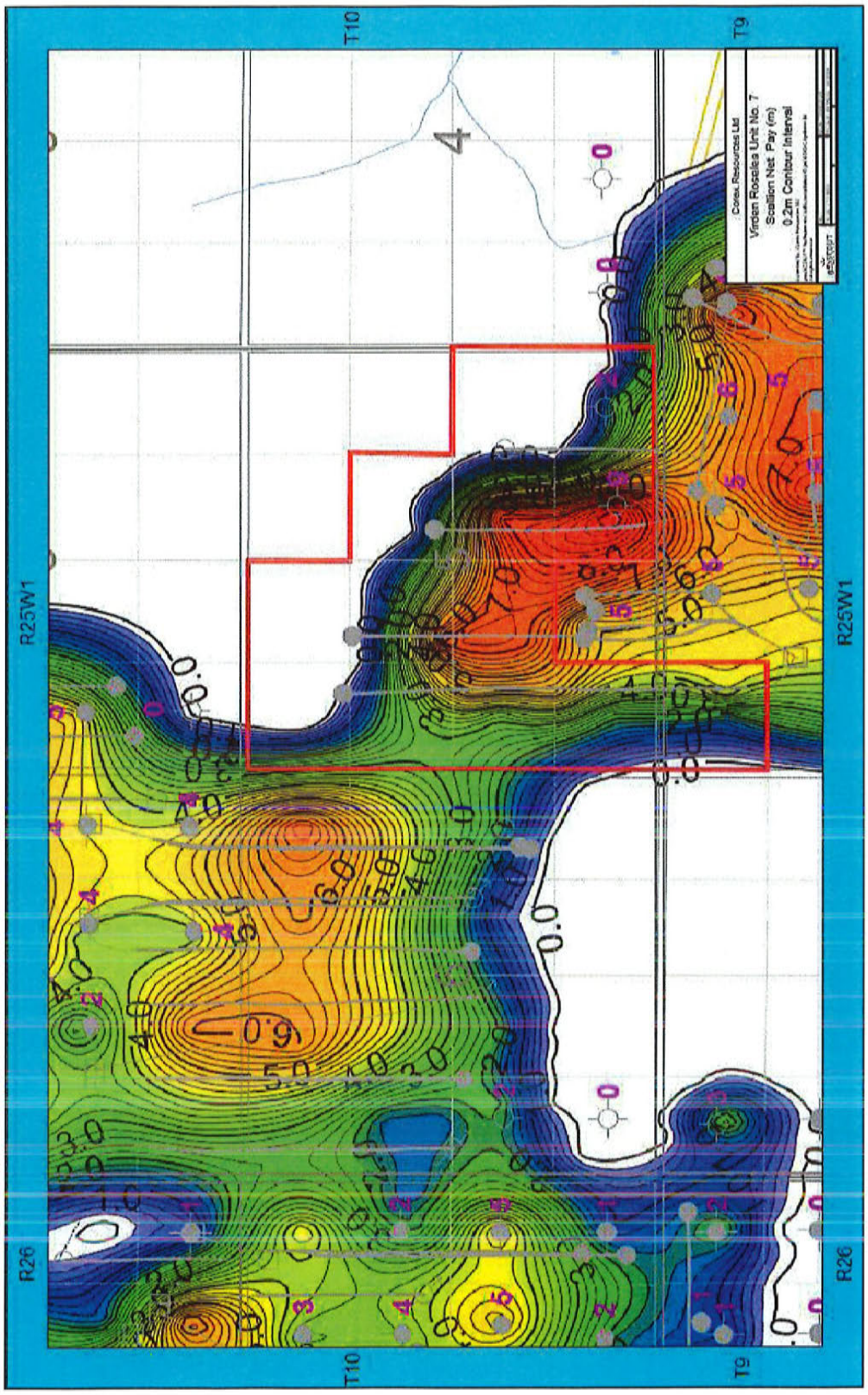
Appendix I – Stratigraphy of Lodgepole Formation



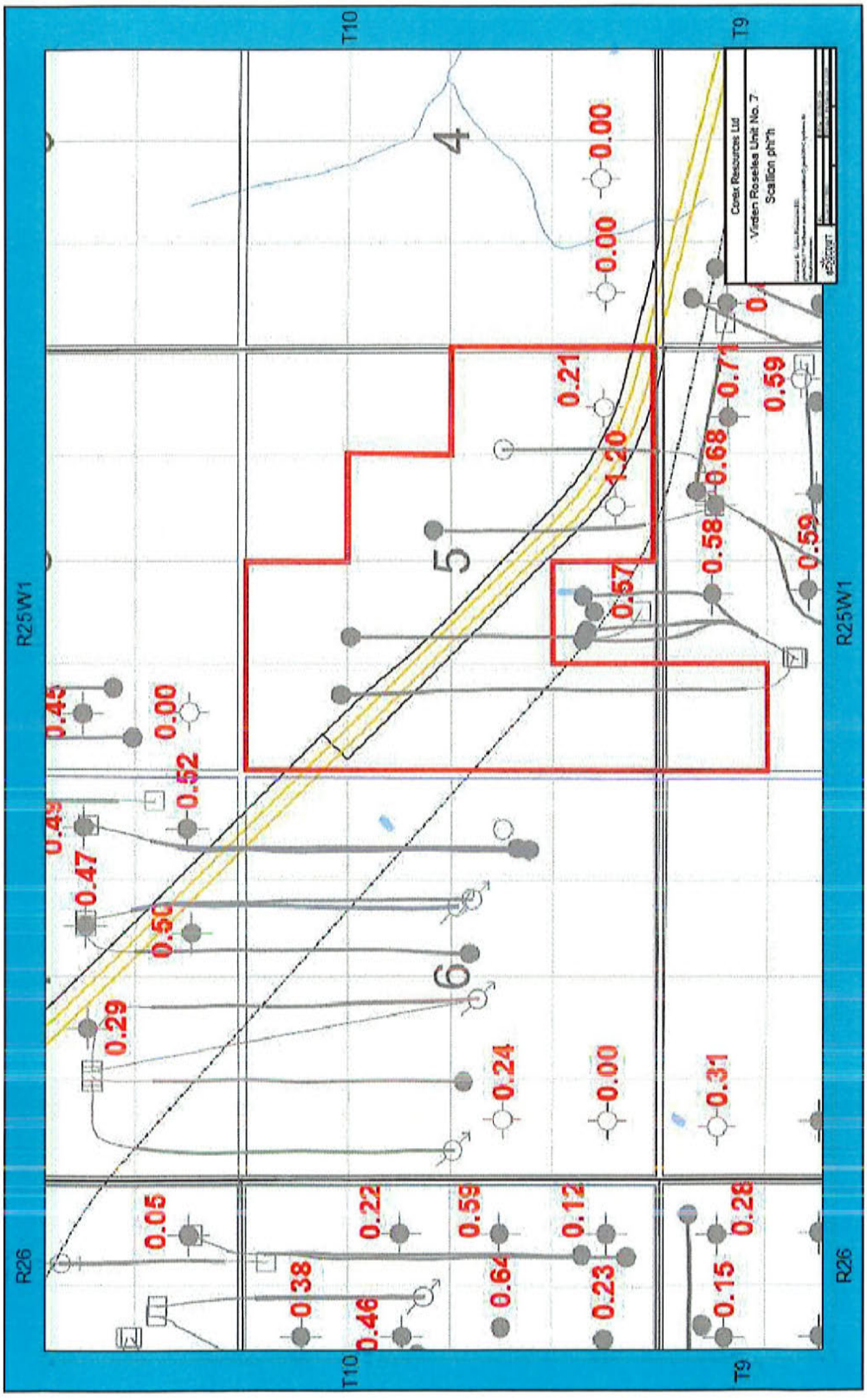
Appendix II – Scallion – Gross Pay



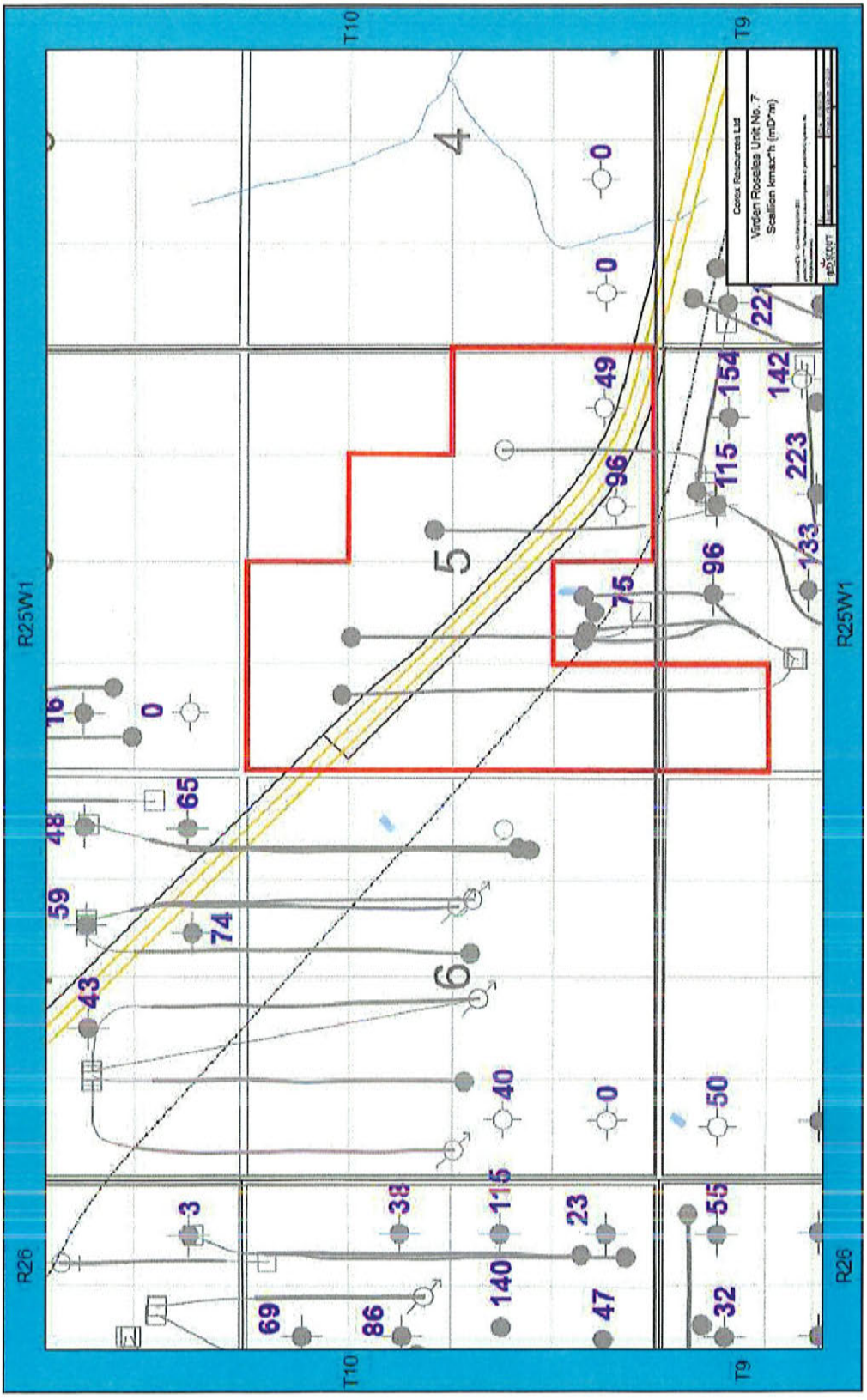
Appendix III – Scallion – Net Pay



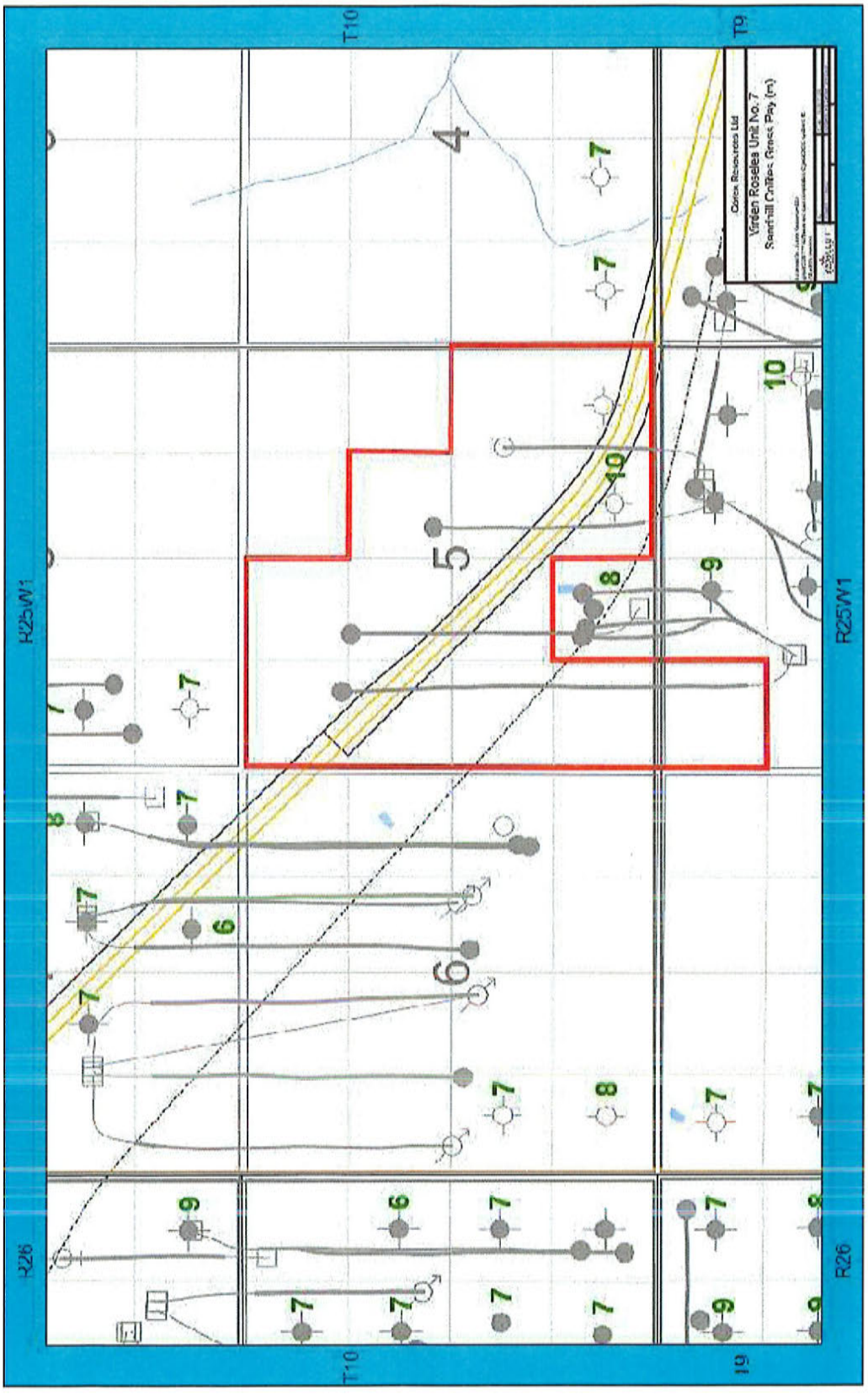
Appendix IV – Scallion – Porosity-Thickness



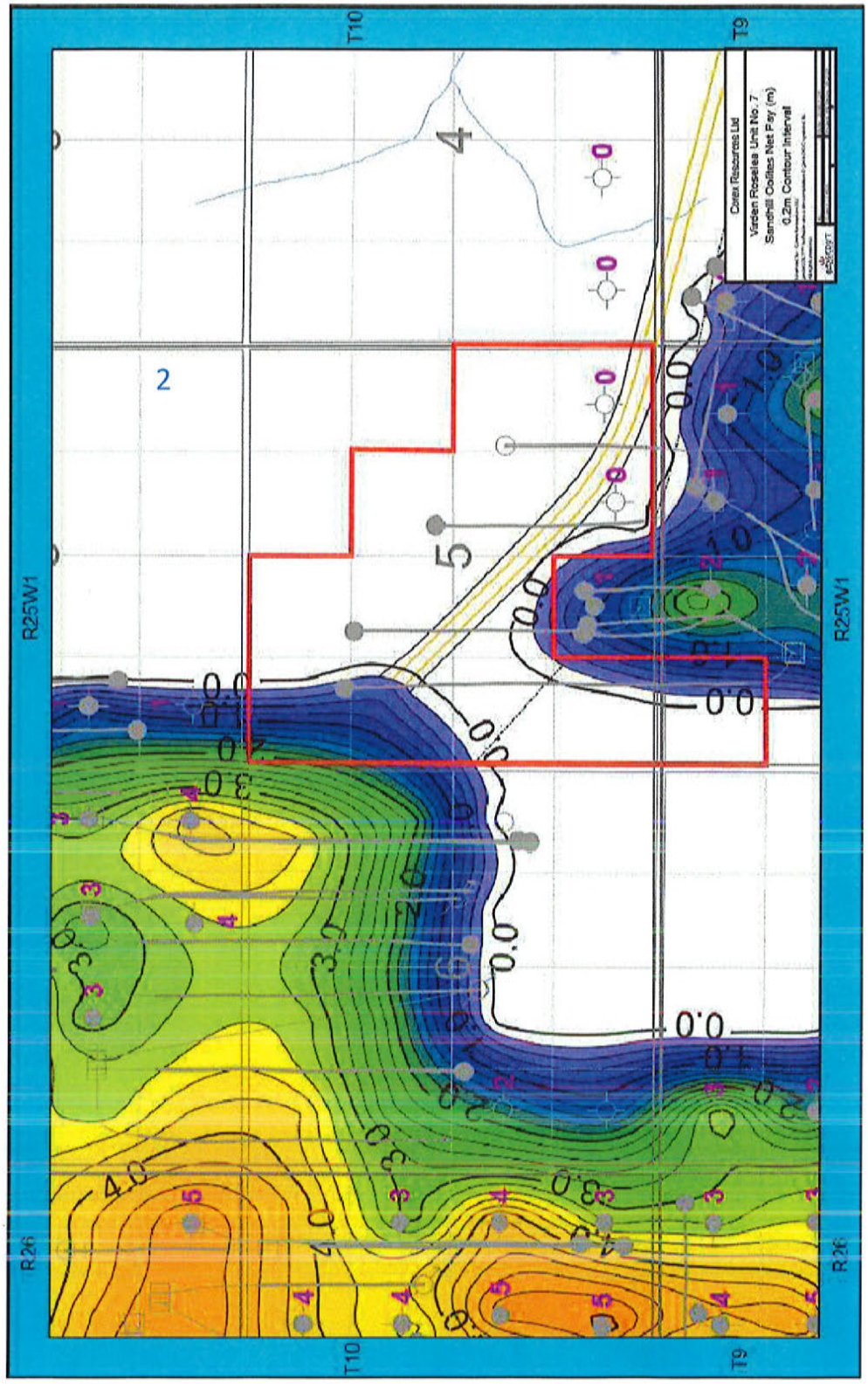
Appendix V – Scallion – Permeability-Thickness



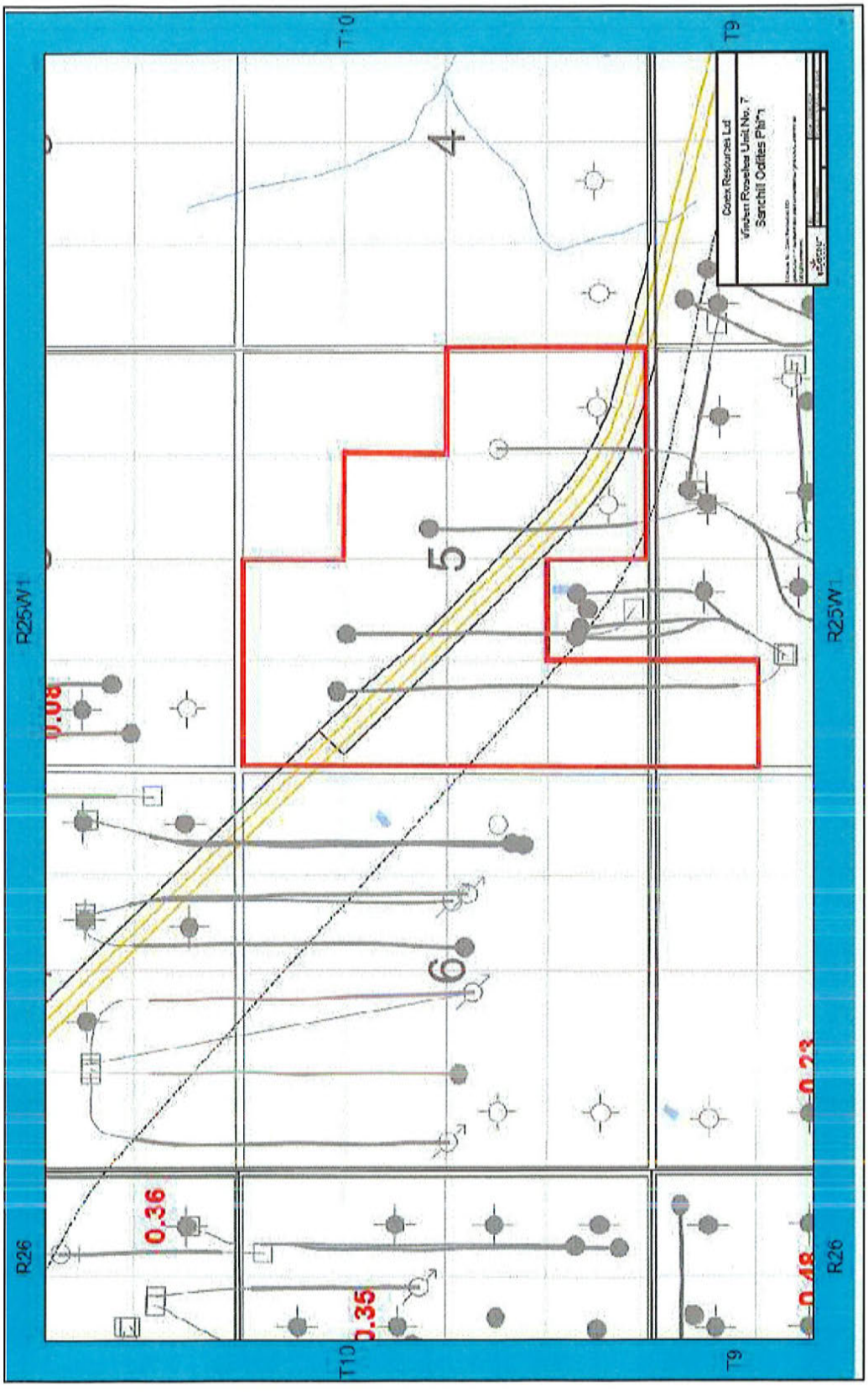
Appendix VI – Sandhill/Oolites – Gross Pay



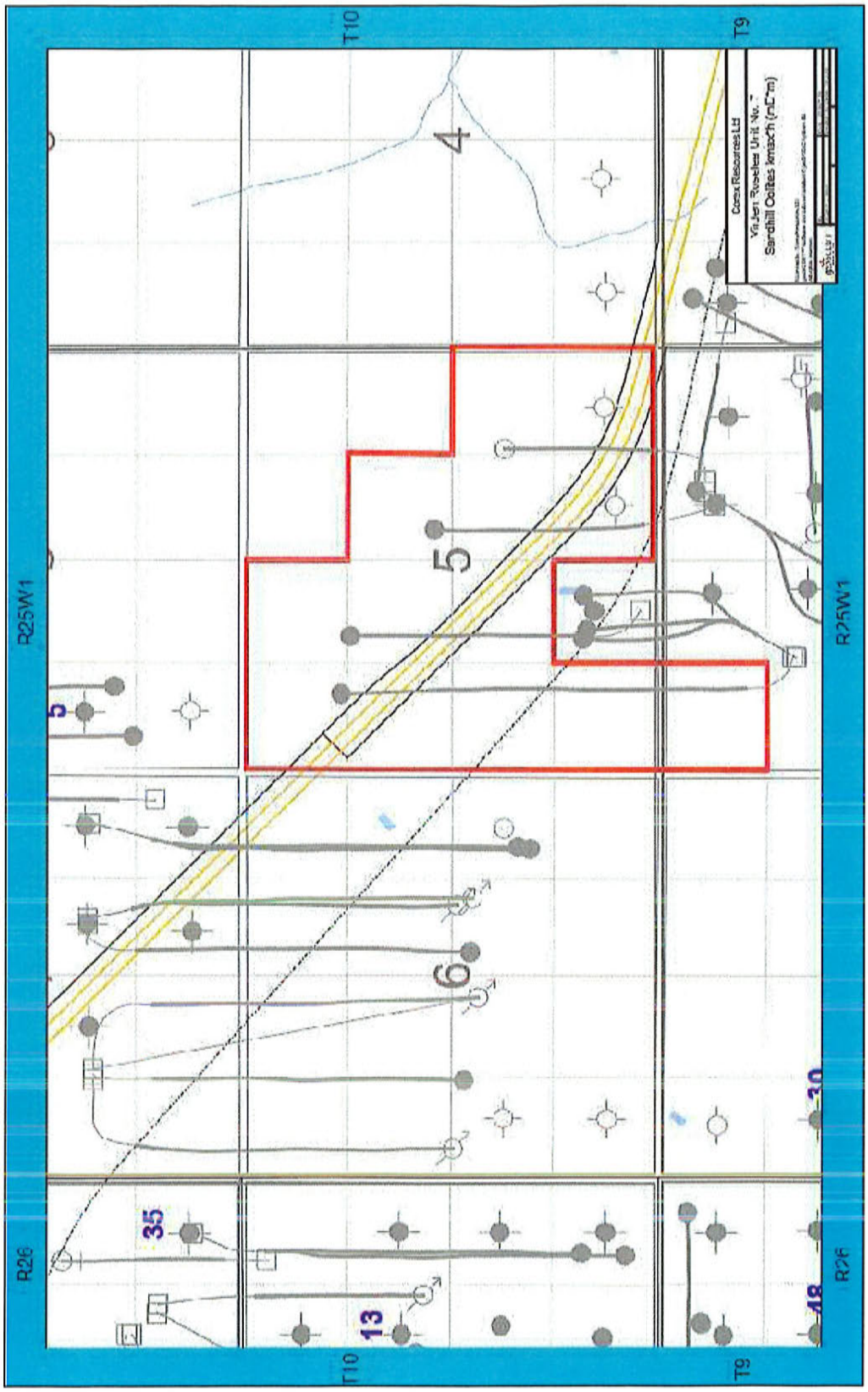
Appendix VII – Sandhill/Oolites – Net Pay



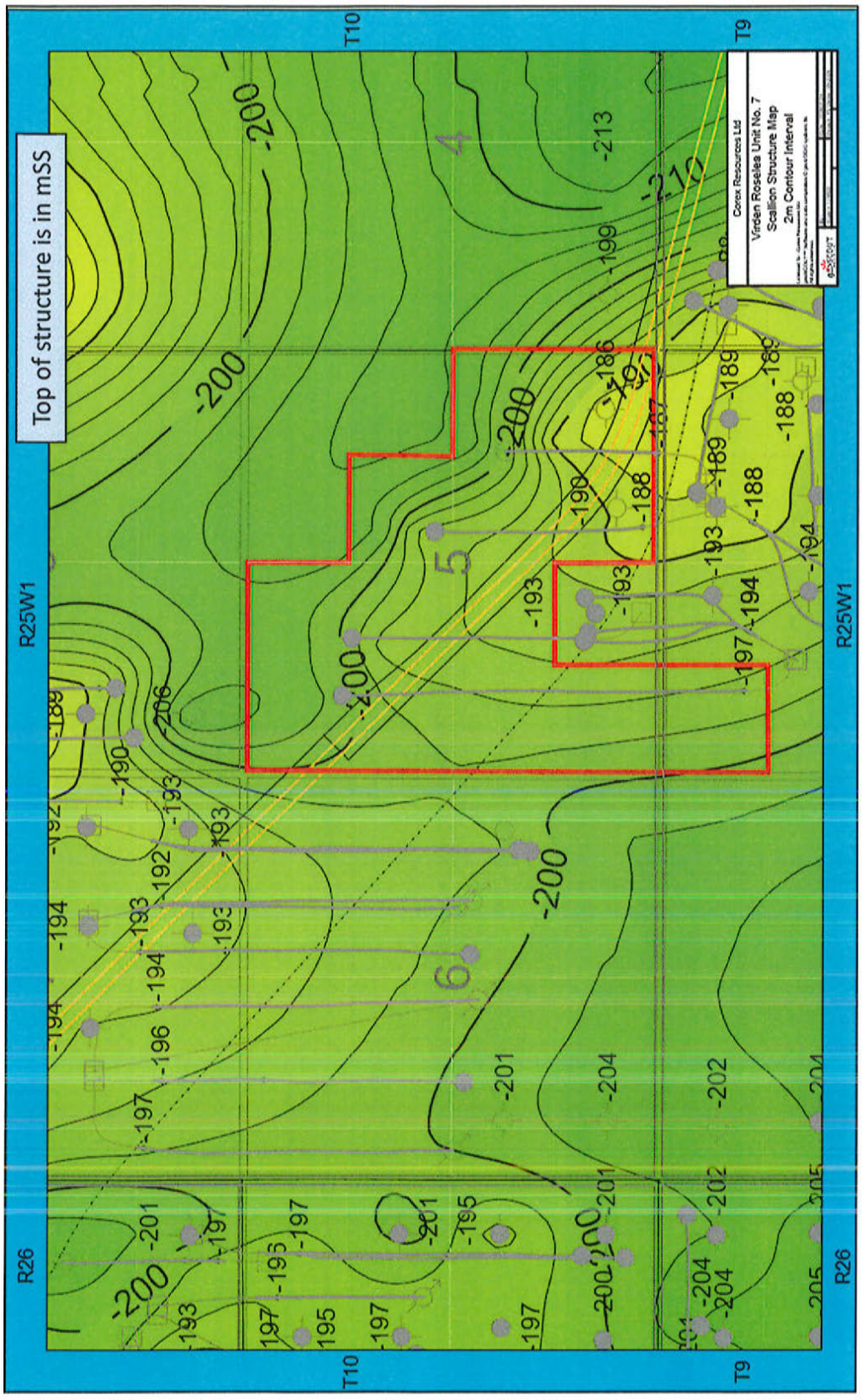
Appendix VIII – Sandhill/Oolite – Porosity-Thickness



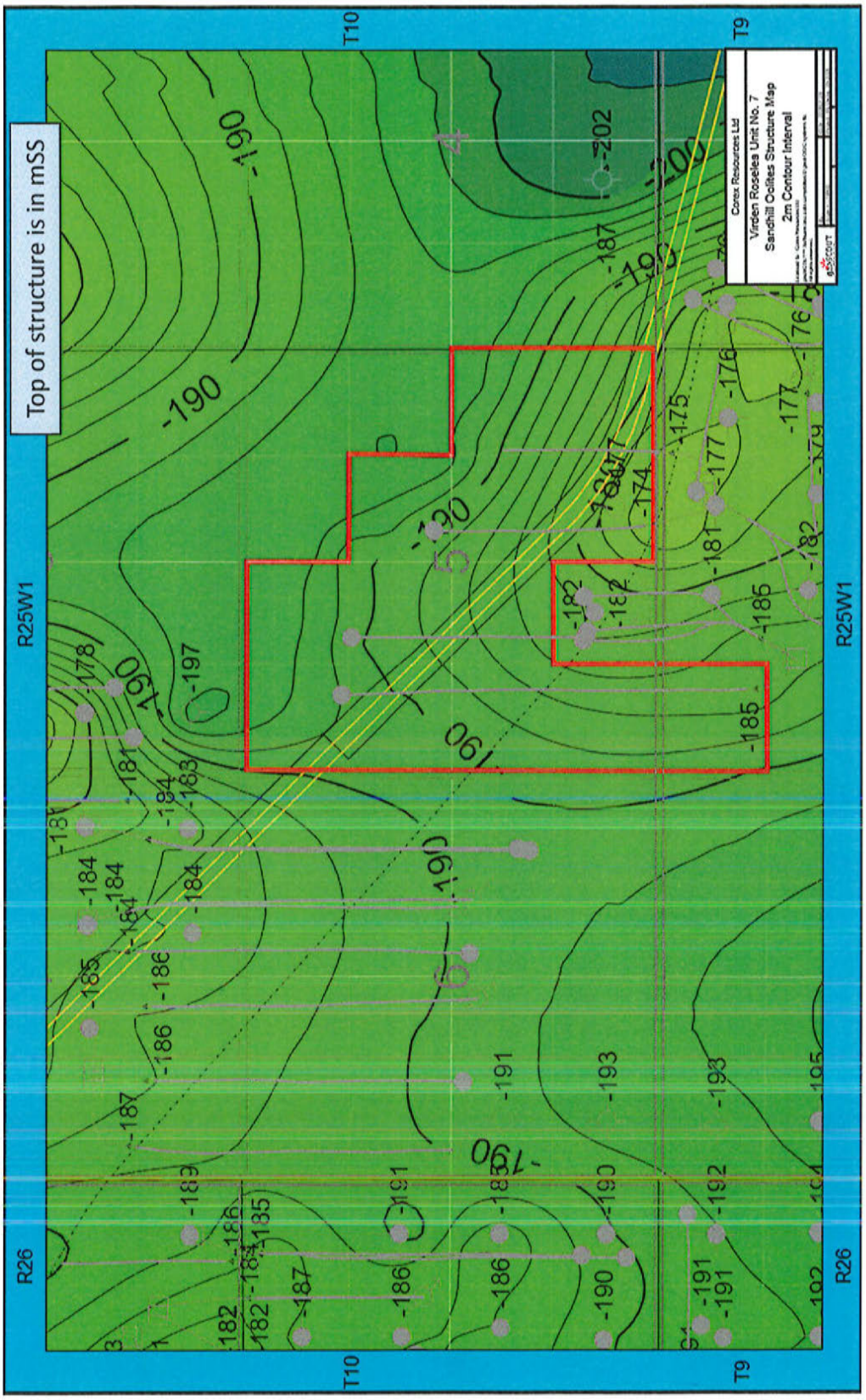
Appendix IX – Sandhill/Oolites – Permeability-Thickness



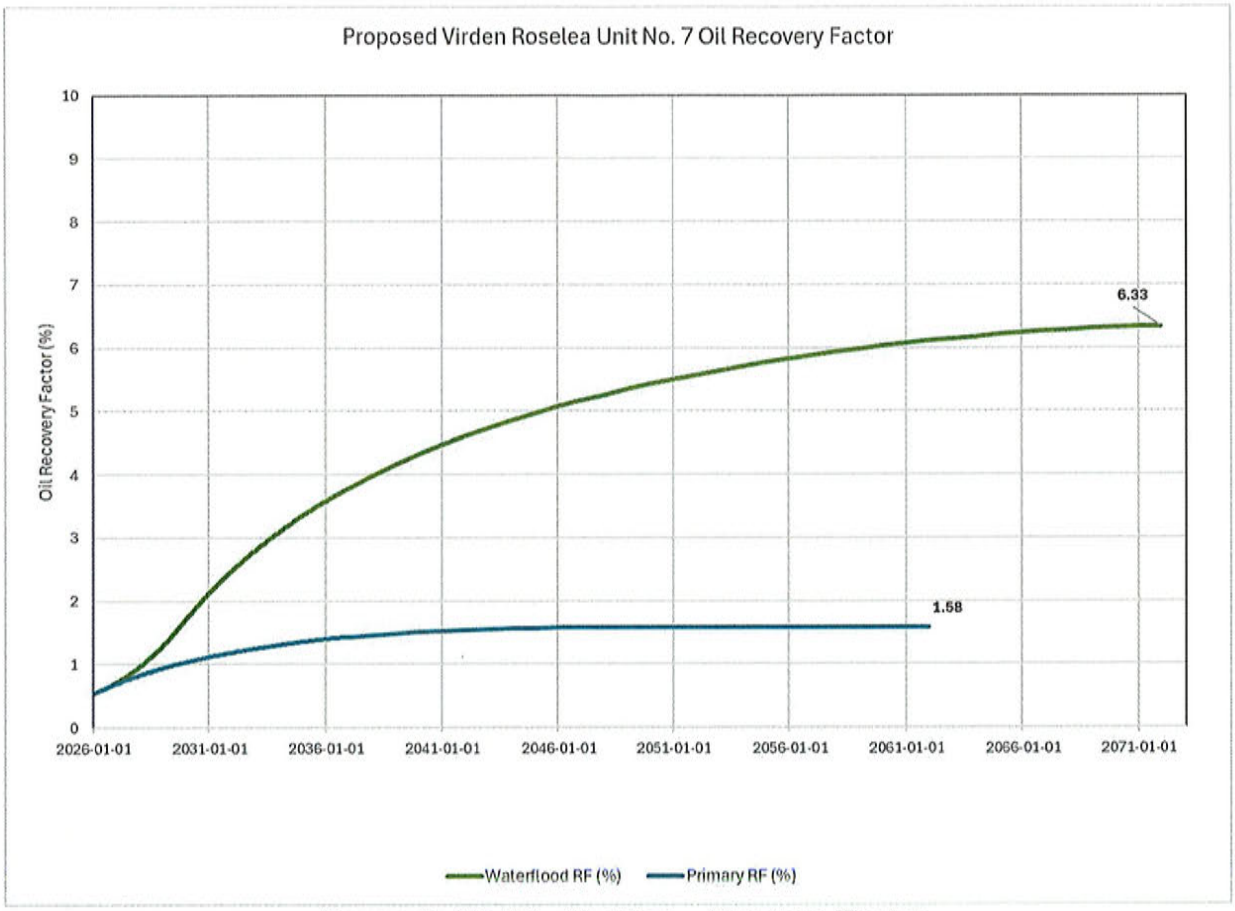
Appendix X – Scallion – Top of Structure



Appendix X1 – Sandhill/Oolites – Top of Structure



Appendix XII – Recovery Factor Forecast



Reservoir Model – Scallion – Recovery Factor

Appendix XIII – Tract Description and Working Interest Owners

Tract	Land Description	Tract Factor	WI Owner	WI Percent	Mineral Owner
13-32	13-32-009-25W1	6.002882422%	Corex	100%	Manitoba Crown
1-5	01-05-010-25W1	3.746522494%	Corex	100%	PrairieSky
2-5	02-05-010-25W1	21.599878576%	Corex	100%	PrairieSky
4-5	04-05-010-25W1	7.163479582%	Corex	100%	PrairieSky
5-5	05-05-010-25W1	11.057808544%	Corex	100%	PrairieSky
6-5	06-05-010-25W1	16.956518341%	Corex	100%	PrairieSky
7-5	07-05-010-25W1	13.997625392%	Corex	100%	PrairieSky
8-5	08-05-010-25W1	0.102899268%	Corex	100%	PrairieSky
10-5	10-05-010-25W1	1.014396223%	Corex	100%	PrairieSky
11-5	11-05-010-25W1	5.593837901%	Corex	100%	PrairieSky
12-5	12-05-010-25W1	8.792151056%	Corex	100%	PrairieSky
13-5	13-05-010-25W1	3.816587006%	Corex	100%	PrairieSky
14-5	14-05-010-25W1	0.155413195%	Corex	100%	PrairieSky
	Total	**100.000000000%**			

Notes:

1. PrairieSky Royalty Ltd.
2. Manitoba Business, Mining, Trade and Job Creation