

**WASKADA UNIT NO. 13
WATERFLOOD EOR PROJECT**

ANNUAL WATERFLOOD PROGRESS REPORT FOR 2015

June 30, 2016

Tundra Oil and Gas Partnership

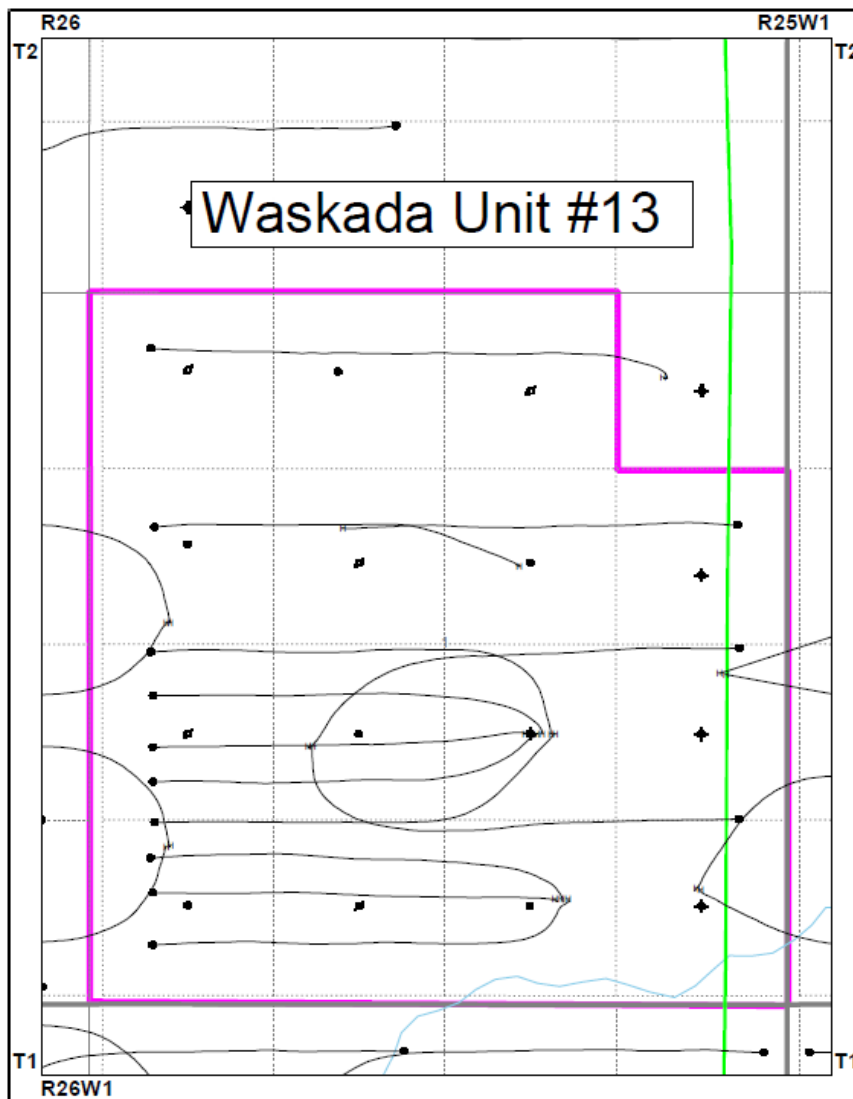
Table of Contents

| | |
|--------------------------------------------------------------------|----|
| Introduction | 3. |
| Discussion | 4. |
| Production History | 4. |
| Waterflood EOR Operating Strategy and Performance | 5. |
| Water Source and Quality | 5. |
| Injection Wellhead Pressures | 5. |
| Reservoir Pressure | 6. |
| Well Servicing | 6. |
| Waterflood Performance Discussion | 6. |
| List of Appendices | 7. |
| Table 1: Waskada Unit No. 13 Well List and History | |
| Table 2: Waskada Unit No. 13 Voidage Replacement Ratio Calculation | |
| Table 3: Waskada Unit No. 13 Monthly Injection Table | |
| Table 4: Summary of Producing Wells | |

INTRODUCTION

Waskada Unit No. 13 Enhanced Oil Recovery (EOR) Waterflood Project was approved under Board Order No. PM 58 effective December 1986. The Unit area contains 9 abandoned/suspended wells, including 5 abandoned/inactive injectors, and 19 producing/inactive wells in 15 LSDs in Township 2, Range 26 W1 as shown in the figure below.

Figure 1: Waskada Unit 13 Area Outline



In accordance with Section 73 of the Manitoba Drilling and Production Regulation, Tundra hereby submits the following 2015 Annual Progress Report for Waskada Unit No. 13.

DISCUSSION

Production History

For the wells included in Waskada Unit No. 13, production started in January 1984 with the 00/13-01-002-26W1/0 Vertical well. Average oil production peaked for the first time at 3.7 m³/d per well in September 1984. This production was coming from 10 wells and totaled 37.3 m³/d for the whole Unit. The production at the end of December 2015 averaged 0.6 m³/d per well, totaling 1.2 m³/day for the Unit. Water injection commenced in Waskada Unit No. 13 in December 1986 until end of September 2001. The rates and WOR are presented in Figure 2. There was no water injection through 2015, and there are no plans for injector re-activation.

Figure 2: Waskada Unit 13 Production/Injection Rates and WOR vs Time

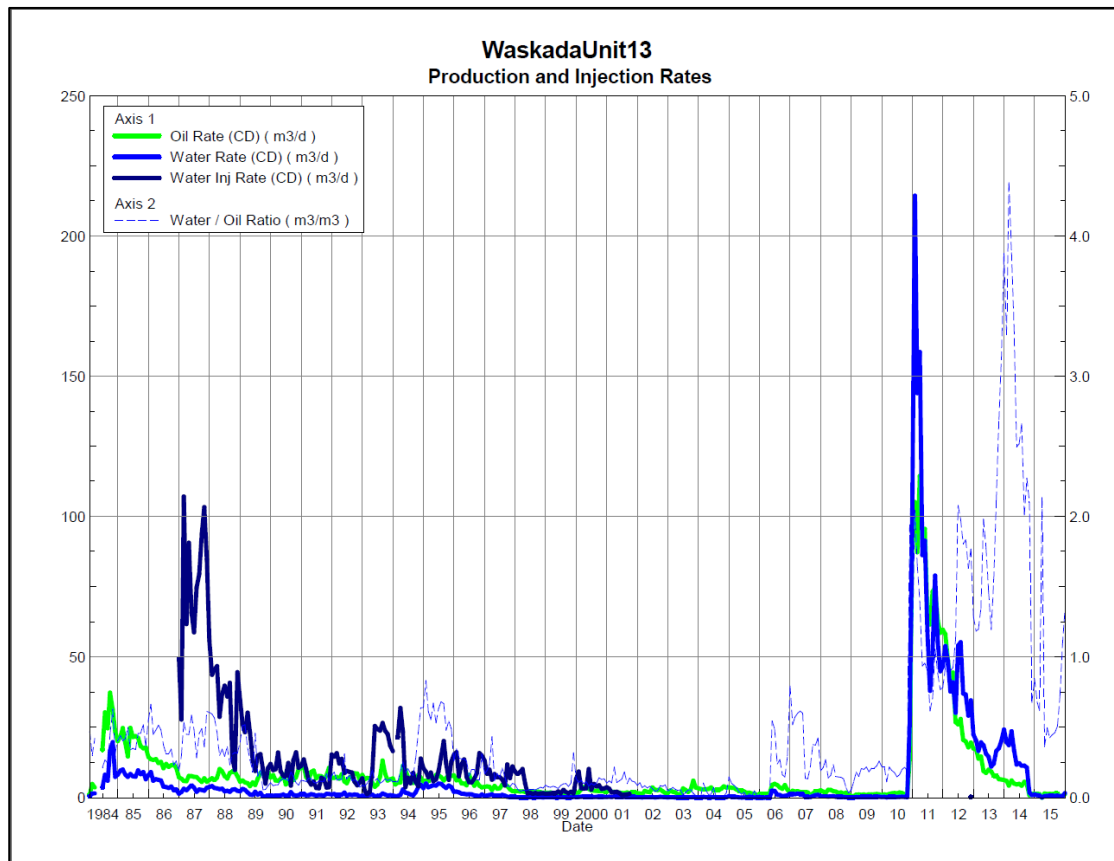
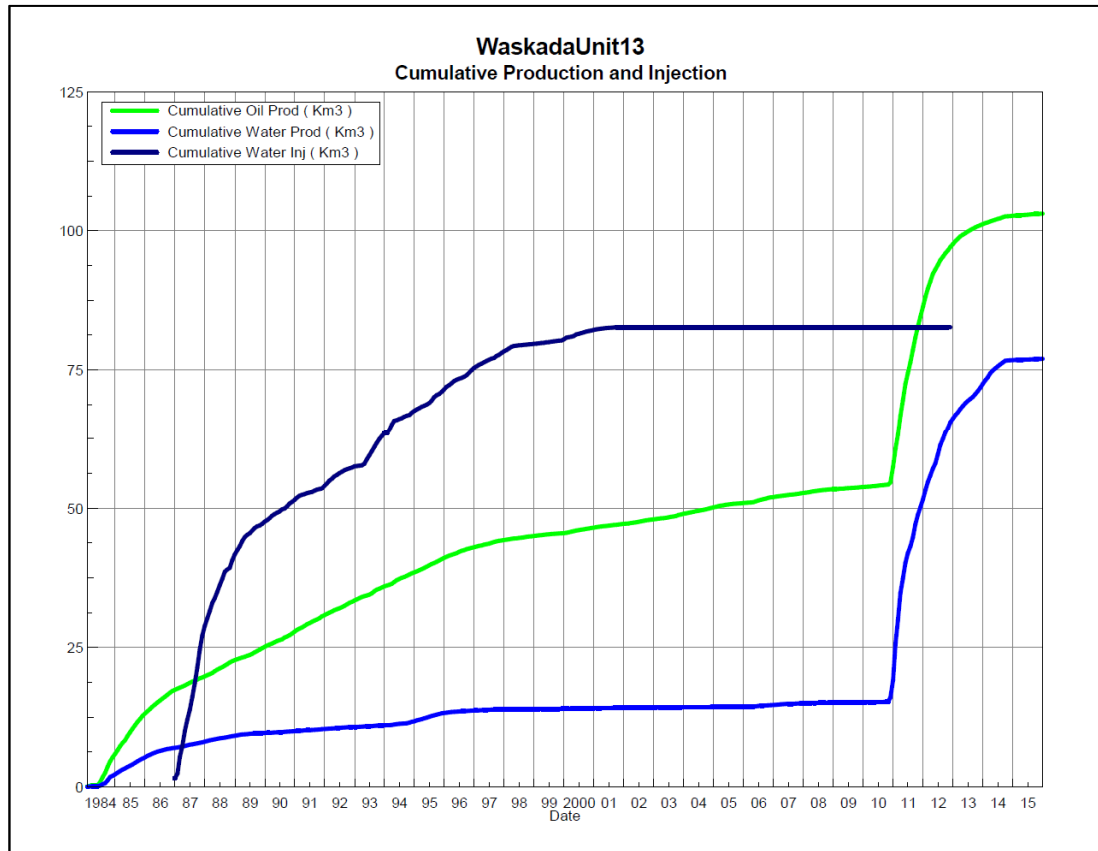


Figure 3 shows the cumulative production for Waskada Unit No. 13 to the end of December 2015 as 103.1 e³m³ of oil, and 769.9 e³m³ of water.

Figure 3: Waskada Unit 13 Cumulative Oil, Water and Water Injected vs Time



Waterflood EOR Operating Strategy and Performance

Corrosion and Scale Prevention

The facilities in Unit 13 are currently using cathodic and chemical protection against corrosion and scale in the new horizontal wells. All facilities are monitored every 3 months to assess the corrosion and ensure that proper electrical current is being supplied. There have been no issues with corrosion or scale to date.

Injection Wellhead Pressures

No injection wellhead pressures were recorded in 2015.

Reservoir Pressure

Where practical, Tundra is committed to collecting pressure data from newly drilled injection wells. Since no new wells were drilled in the Unit, therefore, no pressure surveys were conducted in 2015.

Well Servicing

No well servicing was performed in 2015 for Waskada Unit No. 13.

Waterflood Performance Discussion

From January 1 to December 31 in 2015, Waskada Unit No. 13 produced 0.6 e3m3 of fluid (0.4 e3m3 of Oil, 0.2 e3m3 of Water). There is no active injection in this Unit, and Tundra Oil and Gas has no plans to reactivate injection in the near future. Due to the horizontal wells being produced and no pressure support occurring in the Unit, the cumulative VRR has dropped in the last 14 years, down to 0.422.

Table 2 summarizes the yearly and cumulative VRR for Waskada Unit No. 13.

Figure 4: Waskada Unit 13 Production and Injection Rate

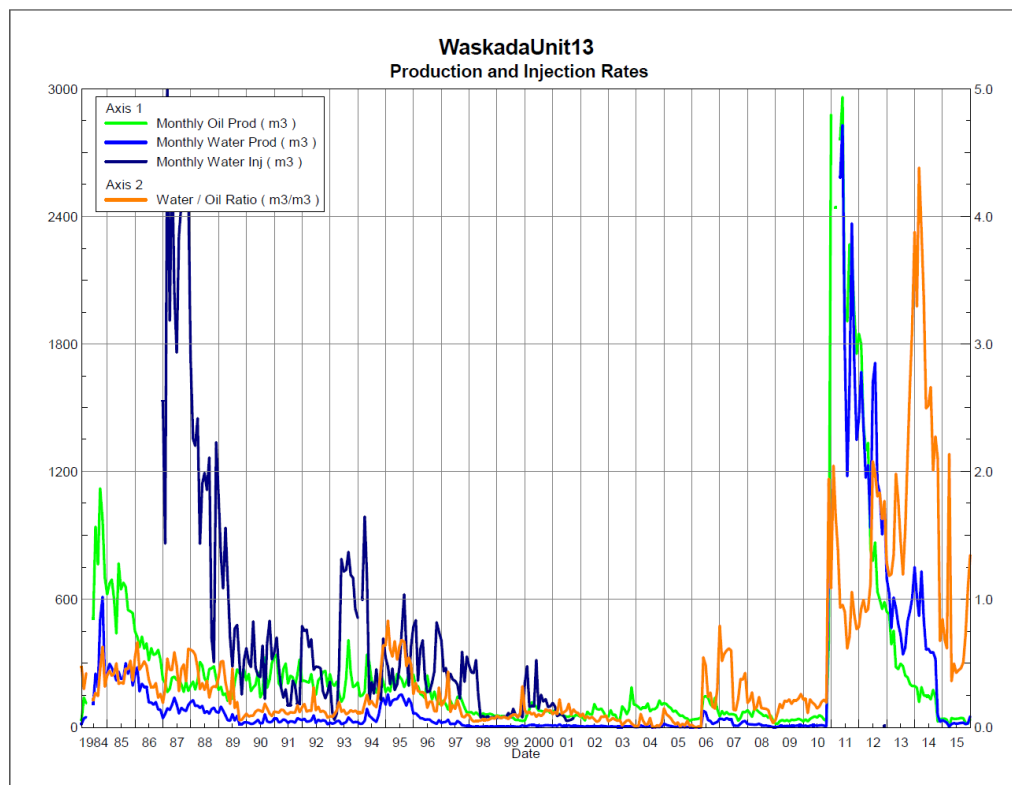


TABLE NO. 1: WASKADA UNIT NO. 13 WELL SUMMARY

| UWI | Type | Status | On Prod Date | Cum Prd Oil (m3) | Cum Prd Water (m3) | Last Prod Date | Cum Inj Water (m3) | Last Inj Date |
|----------------------|------------|-----------|--------------|------------------|--------------------|----------------|--------------------|---------------|
| 100/01-01-002-26W1/0 | Vertical | Abandoned | 9/2/1984 | 900.7 | 1029.2 | 2/28/1989 | 0 | |
| 100/02-01-002-26W1/0 | Vertical | Producing | 9/2/1984 | 6335 | 958.7 | 10/31/2012 | 0 | |
| 100/03-01-002-26W1/0 | Vertical | Suspended | 7/3/1984 | 5992.6 | 2666.7 | 5/31/2008 | 0 | |
| 100/04-01-002-26W1/0 | Vertical | Producing | 6/29/1984 | 7802.8 | 1382.6 | 7/31/2011 | 0 | |
| 102/04-01-002-26W1/0 | Horizontal | Producing | 12/23/2010 | 4994.7 | 6987.1 | 4/30/2014 | 0 | |
| 103/04-01-002-26W1/0 | Horizontal | Producing | 8/23/2011 | 2423.6 | 2561.7 | 4/30/2014 | 0 | |
| 104/04-01-002-26W1/0 | Horizontal | Producing | 9/3/2011 | 3428 | 2361.9 | 12/31/2015 | 0 | |
| 105/04-01-002-26W1/0 | Horizontal | Producing | 8/23/2011 | 2149.5 | 2390.7 | 5/31/2014 | 0 | |
| 100/05-01-002-26W1/0 | Vertical | Injection | 6/21/1984 | 2256 | 515.9 | 12/31/1986 | 22330.4 | 1/31/2000 |
| 102/05-01-002-26W1/0 | Horizontal | Producing | 12/22/2010 | 5072.4 | 7708.1 | 1/31/2015 | 0 | |
| 103/05-01-002-26W1/0 | Horizontal | Producing | 12/22/2010 | 4049.1 | 7155.9 | 4/30/2014 | 0 | |
| 104/05-01-002-26W1/0 | Horizontal | Producing | 12/21/2010 | 3453.9 | 4782.5 | 5/31/2015 | 0 | |
| 105/05-01-002-26W1/0 | Horizontal | Producing | 12/22/2010 | 3537.7 | 4399 | 4/30/2014 | 0 | |
| 100/06-01-002-26W1/0 | Vertical | Producing | 6/13/1984 | 7435.8 | 1130.5 | 2/28/2013 | 0 | |
| 100/07-01-002-26W1/0 | Vertical | Abandoned | 9/12/1984 | 1211.4 | 622.3 | 11/30/1986 | 29150.1 | 9/30/2001 |
| 100/08-01-002-26W1/0 | Vertical | Abandoned | 9/3/1984 | 1942.6 | 1680.5 | 1/31/1996 | 0 | |
| 102/08-01-002-26W1/0 | Horizontal | Producing | 11/17/2010 | 3695.1 | 6932.3 | 4/30/2014 | 0 | |
| 100/09-01-002-26W1/0 | Vertical | Abandoned | 7/11/1985 | 319.2 | 625.9 | 7/31/1988 | 0 | |
| 102/09-01-002-26W1/0 | Horizontal | Producing | 11/17/2010 | 3854.2 | 5430.4 | 5/31/2013 | 0 | |
| 103/09-01-002-26W1/0 | Horizontal | Producing | 12/7/2010 | 1897.6 | 3625.8 | 4/30/2014 | 0 | |
| 100/10-01-002-26W1/0 | Vertical | Producing | 11/4/1984 | 4854.3 | 2100.7 | 12/31/2015 | 0 | |
| 100/11-01-002-26W1/0 | Vertical | Injection | 12/23/1984 | 5677.3 | 1546 | 8/31/2011 | 6.3 | 11/30/2012 |
| 100/12-01-002-26W1/0 | Vertical | Producing | 1/21/1985 | 5432 | 1018.9 | 12/31/2010 | 0 | |
| 102/12-01-002-26W1/0 | Horizontal | Producing | 12/9/2010 | 4887.1 | 2414.5 | 3/31/2014 | 0 | |
| 100/13-01-002-26W1/0 | Vertical | Suspended | 1/25/1984 | 936.3 | 314.8 | 10/31/1986 | 17994.6 | 4/30/1998 |
| 102/13-01-002-26W1/0 | Horizontal | Producing | 12/10/2010 | 5038.2 | 3788.3 | 4/30/2014 | 0 | |
| 100/14-01-002-26W1/0 | Vertical | Producing | 2/15/1984 | 3023.6 | 498.2 | 11/30/1999 | 0 | |
| 100/15-01-002-26W1/0 | Vertical | Suspended | 8/1/1985 | 485.9 | 364.4 | 12/31/1986 | 13172.4 | 4/30/1998 |
| | | | | 103086.6 | 76993.5 | | | |
| | | | | | | | 82653.8 | |

TABLE NO. 2 - VRR Calculations

| Date | Mth Oil Prod m3 | Cum Oil Prod m3 | Mth Water Prod m3 | Cum Water Prod m3 | Water Oil Ratio m3/m3 | Mth Water Inj m3 | Cum Water Inj m3 | VRR | Cum VRR |
|------------|--------------------|--------------------|----------------------|----------------------|--------------------------|---------------------|---------------------|-------|---------|
| 12/31/1984 | 5912 | 5912.300 | 2244 | 2243.700 | 0.38 | | 0.000 | 0.000 | 0.000 |
| 12/31/1985 | 7234 | 13145.800 | 3043 | 5286.400 | 0.42 | | 0.000 | 0.000 | 0.000 |
| 12/31/1986 | 4259 | 17404.700 | 1699 | 6985.600 | 0.40 | 1530 | 1530.300 | 0.232 | 0.057 |
| 12/31/1987 | 2417 | 19821.900 | 1118 | 8103.900 | 0.46 | 27340 | 28870.400 | 7.014 | 0.934 |
| 12/31/1988 | 2887 | 22709.100 | 1045 | 9149.100 | 0.36 | 12821 | 41691.000 | 2.937 | 1.182 |
| 12/31/1989 | 2393 | 25102.200 | 516 | 9665.300 | 0.22 | 5873 | 47563.700 | 1.797 | 1.234 |
| 12/31/1990 | 2733 | 27835.300 | 330 | 9995.100 | 0.12 | 3919 | 51483.100 | 1.129 | 1.226 |
| 12/31/1991 | 2966 | 30800.800 | 373 | 10367.900 | 0.13 | 2521 | 54004.100 | 0.666 | 1.179 |
| 12/31/1992 | 2638 | 33438.700 | 365 | 10732.400 | 0.14 | 3493 | 57497.100 | 1.028 | 1.169 |
| 12/31/1993 | 2518 | 35956.800 | 306 | 11038.400 | 0.12 | 6013 | 63510.300 | 1.878 | 1.212 |
| 12/31/1994 | 2516 | 38473.000 | 724 | 11762.600 | 0.29 | 4084 | 67593.900 | 1.129 | 1.207 |
| 12/31/1995 | 2613 | 41085.900 | 1488 | 13250.800 | 0.57 | 3903 | 71496.400 | 0.869 | 1.182 |
| 12/31/1996 | 1903 | 42989.200 | 430 | 13681.100 | 0.23 | 3873 | 75368.900 | 1.479 | 1.194 |
| 12/31/1997 | 1282 | 44271.300 | 214 | 13895.500 | 0.17 | 2950 | 78319.100 | 1.747 | 1.208 |
| 12/31/1998 | 729 | 45000.300 | 44 | 13939.300 | 0.06 | 1354 | 79673.200 | 1.535 | 1.213 |
| 12/31/1999 | 509 | 45508.800 | 51 | 13990.000 | 0.10 | 816 | 80489.300 | 1.284 | 1.214 |
| 12/31/2000 | 982 | 46490.600 | 107 | 14097.300 | 0.11 | 1696 | 82185.000 | 1.372 | 1.216 |
| 12/31/2001 | 680 | 47170.200 | 87 | 14184.500 | 0.13 | 463 | 82647.500 | 0.532 | 1.208 |
| 12/31/2002 | 805 | 47974.900 | 57 | 14241.500 | 0.07 | | 82647.500 | 0.000 | 1.191 |
| 12/31/2003 | 994 | 48968.500 | 37 | 14278.200 | 0.04 | | 82647.500 | 0.000 | 1.171 |
| 12/31/2004 | 1160 | 50128.900 | 49 | 14327.200 | 0.04 | | 82647.500 | 0.000 | 1.148 |
| 12/31/2005 | 773 | 50901.700 | 39 | 14366.200 | 0.05 | | 82647.500 | 0.000 | 1.134 |
| 12/31/2006 | 1067 | 51968.500 | 312 | 14678.300 | 0.29 | | 82647.500 | 0.000 | 1.110 |
| 12/31/2007 | 746 | 52714.500 | 303 | 14981.500 | 0.41 | | 82647.500 | 0.000 | 1.093 |
| 12/31/2008 | 677 | 53391.700 | 107 | 15088.000 | 0.16 | | 82647.500 | 0.000 | 1.081 |
| 12/31/2009 | 379 | 53770.300 | 77 | 15164.500 | 0.20 | | 82647.500 | 0.000 | 1.073 |
| 12/31/2010 | 3704 | 57473.900 | 3989 | 19153.500 | 1.08 | | 82647.500 | 0.000 | 0.969 |
| 12/31/2011 | 28900 | 86374.000 | 32442 | 51595.800 | 1.12 | | 82647.500 | 0.000 | 0.548 |
| 12/31/2012 | 11245 | 97618.600 | 14623 | 66218.700 | 1.30 | 6 | 82653.800 | 0.000 | 0.463 |
| 12/31/2013 | 3577 | 101195.500 | 6290 | 72508.500 | 1.76 | | 82653.800 | 0.000 | 0.438 |
| 12/31/2014 | 1488 | 102683.600 | 4236 | 76744.400 | 2.85 | | 82653.800 | 0.000 | 0.424 |
| 12/31/2015 | 403 | 103086.600 | 249 | 76993.500 | 0.62 | | 82653.800 | 0.000 | 0.422 |

TABLE NO. 3

**Tundra Oil and Gas
Waskada Unit No. 13
2015 Injection Volumes**

| Well Location | Date | Hours On | H ₂ O Inj Cal-d avg (m ³ /d) | Monthly Injected H ₂ O (m ³) |
|---------------------------|--------|----------|----------------------------------------------------------|-----------------------------------------------------------|
| Unit No. 13 Total: | | | | |
| | Jan-15 | 0 | 0.0 | 0.00 |
| | Feb-15 | 0 | 0.0 | 0.00 |
| | Mar-15 | 0 | 0.0 | 0.00 |
| | Apr-15 | 0 | 0.0 | 0.00 |
| | May-15 | 0 | 0.0 | 0.00 |
| | Jun-15 | 0 | 0.0 | 0.00 |
| | Jul-15 | 0 | 0.0 | 0.00 |
| | Aug-15 | 0 | 0.0 | 0.00 |
| | Sep-15 | 0 | 0.0 | 0.00 |
| | Oct-15 | 0 | 0.0 | 0.00 |
| | Nov-15 | 0 | 0.0 | 0.00 |
| | Dec-15 | 0 | 0.0 | 0.00 |
| 2015 Group Totals: | | | | 0.00 |
| Unit No. 13 Total: | | | | |
| | 1981 | 0 | 0 | 0.00 |
| | 1982 | 0 | 0 | 0.00 |
| | 1983 | 0 | 0 | 0.00 |
| | 1984 | 0 | 0 | 0.00 |
| | 1985 | 0 | 0 | 0.00 |
| | 1986 | 0 | 49.36 | 1,530.30 |
| | 1987 | 0 | 75.2 | 2,278.34 |
| | 1988 | 0 | 35.1 | 1,068.38 |
| | 1989 | 0 | 16.1 | 489.39 |
| | 1990 | 0 | 10.7 | 326.62 |
| | 1991 | 0 | 6.9 | 210.08 |
| | 1992 | 0 | 9.6 | 291.08 |
| | 1993 | 0 | 16.4 | 501.10 |
| | 1994 | 0 | 12.3 | 371.24 |
| | 1995 | 0 | 10.7 | 325.21 |
| | 1996 | 0 | 10.6 | 322.71 |
| | 1997 | 0 | 8.1 | 245.85 |
| | 1998 | 0 | 3.7 | 112.84 |
| | 1999 | 0 | 2.2 | 68.01 |
| | 2000 | 0 | 4.6 | 141.31 |
| | 2001 | 0 | 1.7 | 51.39 |
| | 2002 | 0 | 0.0 | 0.00 |
| | 2003 | 0 | 0.0 | 0.00 |
| | 2004 | 0 | 0.0 | 0.00 |
| | 2005 | 0 | 0.0 | 0.00 |
| | 2006 | 0 | 0.0 | 0.00 |
| | 2007 | 0 | 0.0 | 0.00 |
| | 2008 | 0 | 0.0 | 0.00 |
| | 2009 | 0 | 0.0 | 0.00 |
| | 2010 | 0 | 0.0 | 0.00 |
| | 2011 | 0 | 0.0 | 0.00 |
| | 2012 | 0 | 0.2 | 6.30 |
| | 2013 | 0 | 0.0 | 0.00 |
| | 2014 | 0 | 0.0 | 0.00 |
| | 2015 | 0 | 0.0 | 0.00 |
| Group Totals: | | | | 8,340.15 |

TABLE NO. 4

**Tundra Oil and Gas
Waskada Unit No. 13
2015 Production Volumes**

| Date | Hours On | Oil Rate (CD) m3/d | Monthly Oil Prod m3 | Water Rate (CD) m3/d | Monthly Water Prod m3 | Water Oil Ratio m3/m3 | Well Count |
|--------|----------|-----------------------|------------------------|-------------------------|--------------------------|--------------------------|------------|
| Jan-15 | 1,968 | 1.32 | 41 | 0.90 | 28 | 1 | 3 |
| Feb-15 | 1,308 | 1.24 | 35 | 0.77 | 22 | 1 | 2 |
| Mar-15 | 768 | 0.05 | 2 | 0.10 | 3 | 2 | 1 |
| Apr-15 | 1,819 | 1.46 | 44 | 0.53 | 16 | 0 | 3 |
| May-15 | 1,526 | 1.27 | 40 | 0.63 | 20 | 1 | 2 |
| Jun-15 | 1,435 | 1.32 | 40 | 0.56 | 17 | 0 | 2 |
| Jul-15 | 1,488 | 1.32 | 41 | 0.59 | 18 | 0 | 2 |
| Aug-15 | 1,488 | 1.43 | 44 | 0.66 | 20 | 0 | 2 |
| Sep-15 | 1,440 | 1.43 | 43 | 0.73 | 22 | 1 | 2 |
| Oct-15 | 1,200 | 0.66 | 20 | 0.48 | 15 | 1 | 2 |
| Nov-15 | 984 | 0.55 | 17 | 0.60 | 18 | 1 | 1 |
| Dec-15 | 1,080 | 1.23 | 38 | 1.65 | 51 | 1 | 1 |
| | 16,504 | | 403 | | 249 | | |

| Date | Hours On | Oil Rate (CD) m3/d | Monthly Oil Prod m3 | Water Rate (CD) m3/d | Monthly Water Prod m3 | Water Oil Ratio m3/m3 | Well Count |
|------------|-----------|-----------------------|------------------------|-------------------------|--------------------------|--------------------------|------------|
| 31/12/1984 | 36216 | 19.35 | 591 | 7.34 | 224 | 0.37 | 5 |
| 31/12/1985 | 107641 | 19.84 | 603 | 8.34 | 254 | 0.43 | 12 |
| 31/12/1986 | 108997 | 11.68 | 355 | 4.66 | 142 | 0.38 | 13 |
| 31/12/1987 | 73437 | 6.62 | 201 | 3.07 | 93 | 0.47 | 8 |
| 31/12/1988 | 68376 | 7.89 | 241 | 2.86 | 87 | 0.37 | 8 |
| 31/12/1989 | 55848 | 6.55 | 199 | 1.42 | 43 | 0.25 | 7 |
| 31/12/1990 | 58584 | 7.47 | 228 | 0.90 | 27 | 0.12 | 7 |
| 31/12/1991 | 71448 | 8.12 | 247 | 1.02 | 31 | 0.13 | 8 |
| 31/12/1992 | 72264 | 7.21 | 220 | 0.99 | 30 | 0.14 | 8 |
| 31/12/1993 | 60816 | 6.89 | 210 | 0.84 | 26 | 0.12 | 7 |
| 31/12/1994 | 61296 | 6.90 | 210 | 1.98 | 60 | 0.28 | 7 |
| 31/12/1995 | 68208 | 7.15 | 218 | 4.08 | 124 | 0.58 | 8 |
| 31/12/1996 | 52440 | 5.21 | 159 | 1.18 | 36 | 0.23 | 6 |
| 31/12/1997 | 55896 | 3.52 | 107 | 0.59 | 18 | 0.17 | 6 |
| 31/12/1998 | 38904 | 2.00 | 61 | 0.12 | 4 | 0.06 | 5 |
| 31/12/1999 | 29760 | 1.40 | 42 | 0.14 | 4 | 0.11 | 3 |
| 31/12/2000 | 32736 | 2.68 | 82 | 0.29 | 9 | 0.11 | 4 |
| 31/12/2001 | 32664 | 1.86 | 57 | 0.24 | 7 | 0.13 | 4 |
| 31/12/2002 | 30792 | 2.20 | 67 | 0.16 | 5 | 0.07 | 4 |
| 31/12/2003 | 33528 | 2.72 | 83 | 0.10 | 3 | 0.04 | 4 |
| 31/12/2004 | 41232 | 3.17 | 97 | 0.13 | 4 | 0.04 | 5 |
| 31/12/2005 | 32040 | 2.13 | 64 | 0.11 | 3 | 0.04 | 4 |
| 31/12/2006 | 45932 | 2.91 | 89 | 0.85 | 26 | 0.25 | 5 |
| 31/12/2007 | 48,615 | 2.05 | 62 | 0.83 | 25 | 0.40 | 6 |
| 31/12/2008 | 50,868 | 1.85 | 56 | 0.29 | 9 | 0.15 | 6 |
| 31/12/2009 | 48,312 | 1.04 | 32 | 0.21 | 6 | 0.20 | 6 |
| 31/12/2010 | 44,271 | 10.01 | 309 | 10.80 | 332 | 0.41 | 5 |
| 31/12/2011 | 102,611 | 79.17 | 2,408 | 89.10 | 2704 | 1.06 | 12 |
| 31/12/2012 | 116,211 | 30.79 | 937 | 40.02 | 1219 | 1.44 | 13 |
| 31/12/2013 | 112,754 | 9.82 | 298 | 17.23 | 524 | 1.96 | 13 |
| 31/12/2014 | 47,993 | 4.08 | 124 | 11.65 | 353 | 2.54 | 6 |
| 31/12/2015 | 16,504 | 1.11 | 34 | 0.68 | 21 | 0.77 | 2 |
| | 1,857,194 | | 8,689 | | 6,454 | | |