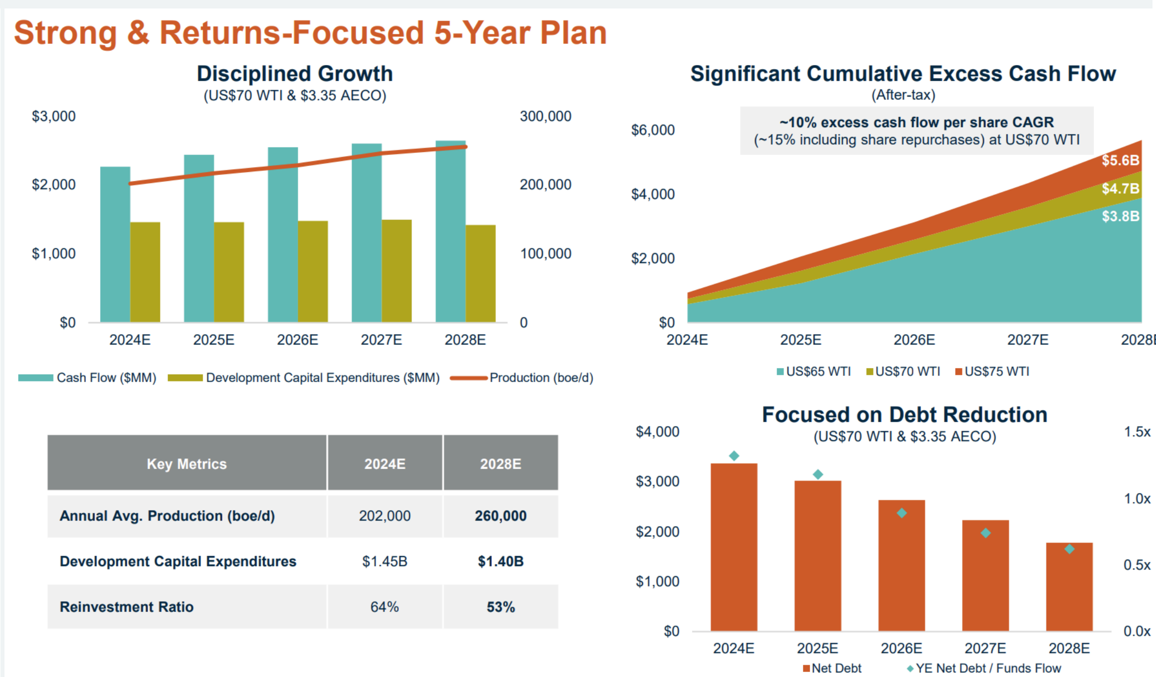
Links

[Corporate Presentation]
[Capital Plan]
[AIF]
[MD&A]
[Financial Statements]
[O&G Comparison]war

Questions

- **Future Growth**:
- You are planning on drilling 62 net wells in 2024 ? If Ridgeback was owned in entirety of 2023 would the net wells drilled count be more or less similar ? Is the flat production YoY because most of capex is happening in second half and the full results of the capex will be visible in 2025 or we should expect a flat rate overall because of this capex ?
- What is your position on adding core land and hedging high oil price and adding unhedged boes. Aka lock in oil price and oil upside against tax write off interest from debt?
- Could you provide a 5 year expected production and capex profile like $CPG does ? Here is an example:



- **Tax mitigation and Cost Savings**: Moving barrels to the lower royalty SK via acquisition. Maybe buying some tax pools for 2025 onwards?

- **Operating Costs**: Operating costs have been coming down nicely over the period of 2023 post acquisition. How much of synergy still left in reducing costs ? Is 19.42/BOE sustainable ? Which costs are fixed vs variable ?

SUMMARY OF 2023 COMPANY SHARE OF PRODUCTION AND NETBACKS

Average Daily Production	March 31	June 30	Sept 30	Dec 31	Total
Light and medium oil (bbl/d)	14,680	19,425	19,132	19,407	**18,177**
Natural Gas (Mcf/d)	12,666	26,553	29,077	29,704	**24,559**
NGLs (bbls/d)	992	2,137	2,287	2,533	**1,992**
Total (BOE/d)	**17,783**	**25,988**	**26,265**	**26,891**	**24,262**
Average Prices Received					
Light and medium oil ($/bbl)	93.74	92.39	105.08	95.09	**96.75**
Natural Gas ($/Mcf)	3.60	2.62	2.85	2.49	**2.77**
NGLs ($/bbls)	52.92	39.58	43.19	44.21	**43.75**
Total ($/BOE)	**82.11**	**74.43**	**83.21**	**74.93**	**78.35**
Royalties and Production Taxes Paid per Unit					
Oil/Natural Gas/NGLs (combined) ($/BOE)	**9.34**	**6.96**	**10.36**	**9.75**	**9.10**
Operating Expenses (Including Transportation)					
Combined ($/BOE)	22.08	23.73	21.47	19.42	**21.61**
Netback Received ($/BOE)	**50.69**	**43.74**	**51.38**	**45.76**	**47.64**

- **Cost of Debt**: It's obvious that refinancing debt to a longer term and lower rate would be very good for the company. But what are the hurdles remaining to achieve such refinance ? What are the expected interest rates you can foresee in the current market ? Is current high oil price an opportunistic time to execute a refinance ?
- **Dilution:** What was the reason to issue 7M warrants in 2023 on top of the RSU/PSU/Stock Options ? What should we expect from dilution due to stock issuance to management per year going forward ? About 3M more RSU/PSU's were issued to management in 2024. This is around 2% of the shares outstanding. So how much dilution we should expect going forward.

Performance warrants

The Company has issued performance warrants to certain officers and directors enabling them to acquire common shares of the Company upon exercise. The performance warrants will vest upon certain vesting threshold conditions, based on the 5-day volume weighted average trading price ("VWAP") of the Company's common shares listed on the TSX. Once vested, the performance warrants may be exercised by the holder at any time from the date of vesting to the expiry date. A summary of the changes in performance warrants outstanding is as follows:

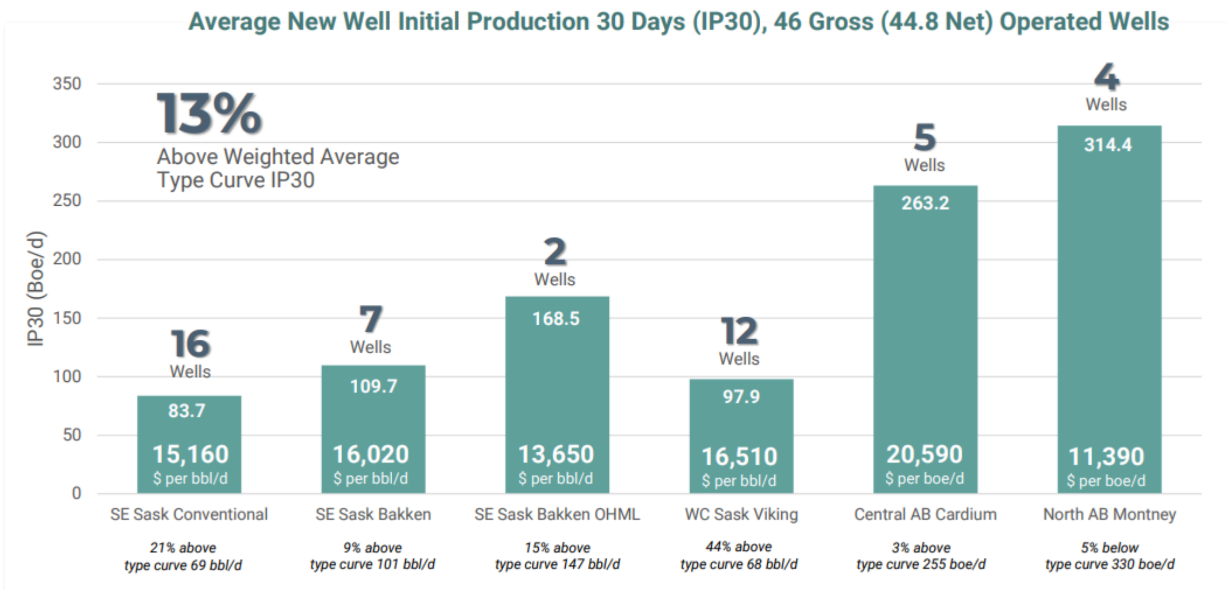
(000s, except per performance warrant price)	December 31, 2023 Performance warrants	December 31, 2023 Weighted average exercise price	December 31, 2022 Performance warrants	December 31, 2022 Weighted average exercise price
Balance, beginning of year	-	-	-	-
Issued	7,000	2.50	-	-
Balance, end of year	7,000	2.50	-	-

As at December 31, 2023, the following performance warrants were outstanding:

(000s, except per performance warrant price, years and VWAP) Exercise Price	Performance warrants outstanding: Number outstanding	Vesting threshold VWAP	Weighted average life remaining (years)	Performance warrants exercisable: Number exercisable	Vesting threshold VWAP	Weighted average life remaining (years)
2.50	2,333	4.00	6.0	-	-	-
2.50	2,333	6.00	6.0	-	-	-
2.50	2,334	8.00	6.0	-	-	-
	7,000		6.0	-	-	-

- **Divestiture:** What is core and what is non-core area at the moment for Saturn oil ? Is Kaybob - Montneyreally core ? Can we see future monetizations to payoff debt ahead of schedule like Deer Mountain Property ? Are there more such assets which you expect not to drill in foreseeable future ?
- **Inventory**: Out of 840k net acres about 212k net acres is undeveloped. Does undeveloped mean wells are not there or infra+wells both are required ?
- According to capital plan Cardium and Montney have lower ROR% with 49% and 53% respectively. Why not deploy even more capital on SK production(currently ~50M planned for these two) ? Because of lease terms ? Or are Cardium and Montney just better from IRR terms because of shorter paybacks and higher IP30's ?

2023 DRILLING OUTPERFORMANCE



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- **Hedges:** Even though realized price is lower than WTI the hedges are in WTI is that why you keep differential hedges as well? Around 70% of Q1 2024 production and 57% of Q1 2025 production hedged at $70USD oil. What is the hedge plan going forward after 2026? How does the hedge accounting work? It's it all Mark to market each quarter? Can you be forced to unwind the hedges before the expiration date?

Financial derivatives

Saturn manages the risks associated with changes in commodity prices by entering into a variety of risk management commodity contracts classified as financial derivatives. The Company assesses the effects of movement in commodity prices on income (loss) before tax. A ten percent increase or decrease in commodity prices would have resulted in a $99.2 million change to unrealized gains (losses) on risk management contracts and net income (loss) before tax assuming all other variables remain constant.

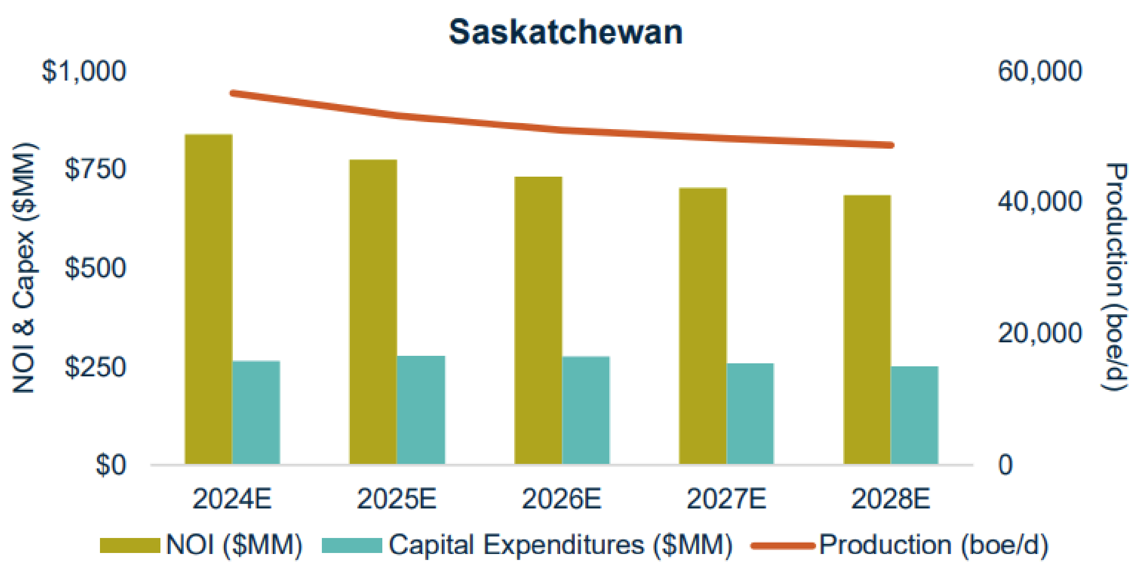
The Company had the following outstanding financial derivative commodity contracts as at December 31, 2023:

	WTI Collars				WTI Swaps				WTI/MSW Differential			
Period	Volume bbls/d	Price[1] US/bbl	Volume bbls/d	Price[1] CA/bbl	Volume bbls/d	Price[1] US/bbl	Volume bbls/d	Price[1] CA/bbl	Volume bbls/d	Price[1] US/bbl	Volume bbls/d	Price[1] CA/bbl
Q1 2024	2,103	50.63-56.49	-	-	3,490	65.31	7,046	102.49	692	(8.50)	11,583	(5.46)
Q2 2024	2,044	50.61-56.46	-	-	3,332	65.01	6,604	101.59	1,000	(3.75)	11,020	(6.25)
Q3 2024	1,992	50.63-56.49	-	-	3,173	64.67	6,227	97.99	4,324	(4.48)	7,142	(6.25)
Q4 2024	1,923	50.56-56.32	-	-	3,054	64.50	5,901	97.39	11,300	(4.61)	-	-
Q1 2025	1,818	50.38-54.60	-	-	2,978	60.50	5,663	93.40	-	-	-	-
Q2 2025	1,771	55.14-59.00	-	-	2,871	63.22	4,680	91.80	-	-	-	-
Q3 2025	1,729	65.00-68.10	-	-	2,753	69.05	4,483	88.72	-	-	-	-
Q4 2025	1,684	65.00-68.10	-	-	2,637	68.99	4,304	88.72	-	-	-	-
Q1 2026	1,080	65.00-68.10	-	-	3,077	67.21	4,156	85.22	-	-	-	-
Q2 2026	-	-	-	-	4,028	67.30	3,989	85.22	-	-	-	-
Q3 2026	-	-	-	-	-	-	7,735	82.86	-	-	-	-
Q4 2026	-	-	-	-	-	-	7,467	82.86	-	-	-	-
Q1 2027	-	-	-	-	-	-	5,150	79.85	-	-	-	-

- **OHML:** What makes a location a OHML candidate and why aren't more wells identified for this method? Why is Saskatchewan incentivizing OHML and what is the impact on SOIL due to these incentives ?
- Given the increase in WTI could you accelerate capex to increase un-hedged production ?
- **Flat production capex**: $CPG outlook in Saskatchewan is for production tapering off with constant capex. This indicates low IRR well inventory which are not sufficient to replace the decline rate. How does this portfolio of wells compare with $SOIL's Saskatchewan's assets ? **How long can we keep production flat at ~160M/year capex** ?

Saskatchewan 5-Year Outlook (2024 – 2028)

Generates significant excess cash flow allowing for reinvestment

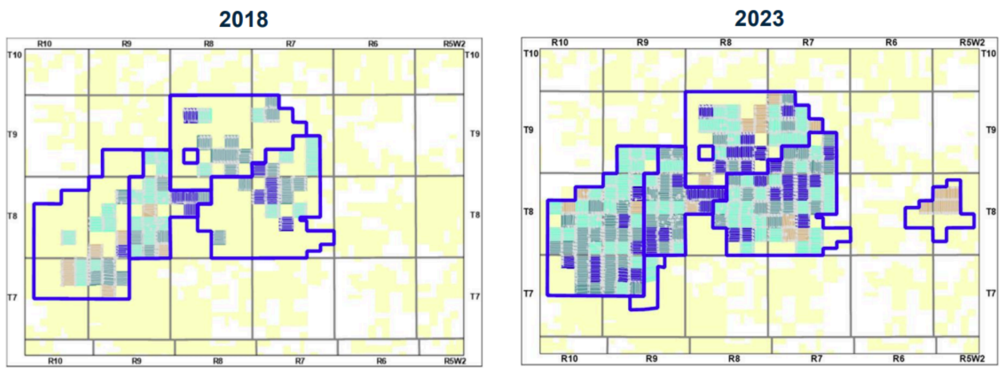


(US$70 WTI)	2024E	2028E
Production (boe/d)	56,000	49,000
Capital Expenditures ($MM)	$265	$250
Net Operating Income (NOI) ($MM)	$840	$685
Asset Level Excess Cash Flow ($MM)	$575	$435
Net Drill Count (Rig Count)	>85 (3)	>85 (3)

- **Waterflood**: How much of current production in Saskatchewan is under waterflood ? How much benefit we can expect with introducing this to more wells ? What is the decline rate mitigation you are seeing and is there further room to expand the use of this technique ? $CPG’s waterflood history shown below

Viewfield Bakken Cumulative VRR Progression & Waterflood Expansion

Disciplined commitment to decline mitigation programs to enhance long-term sustainability



Voidage Replacement Ratio (VRR) = Volume of water injected / Volumes of production

Two-thirds cumulative voidage replacement typically required for effective waterflood response

	2018	2023
Cumulative Injector Conversions Completed	215	570
Waterflood Influenced Sections	69	174
Waterflood Affected Production (bbl/d)	4,600 (5-10% decline rate)	8,300 (5-10% decline rate)
Cumulative VRR (4 Core Units)	0.13	0.32
Cumulative Waterflood Capital Spent ($MM)	$170	$267

Unit Boundary
1-10% Cum. VRR
11-40% Cum. VRR
41-70% Cum. VRR
71-100% Cum. VRR

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- **Decommissioning liabilities** : The Abandonment and Reclamation costs are $434M as per AIF but the balance sheet only shows $89M. Why ? Is purely because of long term nature of these liabilities ?

10. DECOMMISSIONING OBLIGATIONS

The decommissioning obligation represents costs to reclaim and abandon the Company’s wells and facilities and the estimated timing of the costs to be incurred in future periods. Management of the Company has estimated that the total undiscounted cash flows required to settle the obligations will be $434.7 million (December 31, 2022 - $239.8 million) which has been inflated at 2.0% (December 31, 2022 - 2.0%) and discounted using the credit adjusted risk-free rate of 14.5% (December 31, 2022 - 14.5%) with an estimated timeline to abandoned between 1 and 52 years.

($000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	**52,626**	47,296
Acquired (note 5)	**43,706**	7,966
Obligations incurred (note 6)	**48**	569
Change in estimates (note 6)	**1,228**	3,649
ASCP settlements	**(226)**	(13,639)
Cash settlements	**(10,486)**	(582)
Accretion (note 17)	**13,759**	7,367
Balance, end of year	**100,655**	52,626
Current	**11,382**	-
Long-term	**89,273**	52,626

Both the Saskatchewan and Alberta assets are subject to provincial programs that mandate the minimum spend targets on the Company’s decommissioning obligations. These amounts have been moved to current decommissioning obligations, net of current year spend.

During the year ended December 31, 2023, Saturn was granted $0.2 million (December 31, 2022 - $13.6 million) from the Government of Saskatchewan through the Accelerated Site Closure Program (“ASCP”) which has been recorded as other income in the statement of income.

SATURN OIL & GAS INC.

CONSOLIDATED BALANCE SHEETS

As at ($000s)	December 31, 2023	December 31, 2022
ASSETS		
Cash	**26,460**	10,256
Accounts receivable	**70,725**	40,920
Deposits and prepaid expenses	**16,708**	8,485
Financial derivatives (note 20)	**16,801**	1,974
Total current assets	**130,694**	61,635
Property, plant and equipment (note 6)	**1,197,969**	491,964
Right-of-use assets (note 7)	**6,553**	3,390
Deposit	**-**	21,101
Deferred tax asset (note 15)	**-**	4,217
Financial derivatives (note 20)	**-**	600
Total assets	**1,335,216**	582,907
LIABILITIES		
Accounts payable	**122,133**	56,533
Senior Term Loan (note 11)	**219,957**	119,934
Lease liabilities (note 8)	**5,032**	1,358
Decommissioning obligations (note 10)	**11,382**	-
Financial derivatives (note 20)	**31,903**	46,372
Total current liabilities	**390,407**	224,197
Senior Term Loan (note 11)	**231,196**	120,909
Promissory note (note 12)	**-**	828
Convertible notes (note 13)	**1,090**	2,361
Decommissioning obligations (note 10)	**89,273**	52,626
Lease liabilities (note 8)	**735**	1,805
Warrant liability (note 9)	**-**	2,020
Deferred tax liability (note 15)	**6,741**	-
Financial derivatives (note 20)	**7,112**	39,645
Total liabilities	**726,554**	444,391
SHAREHOLDERS' EQUITY		
Share capital (note 14)	**292,388**	122,017
Contributed surplus (note 14)	**46,834**	14,740
Warrants (note 14)	**7,200**	30,142
Retained earnings (deficit)	**262,240**	(28,383)
Total shareholders' equity	**608,662**	138,516
Total liabilities and shareholders' equity	**1,335,216**	582,907

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Forecast:

- My calculation suggests $230M of FCF(excl Hedges) before interest at $75 WTI

Year	pretax and int NOI	Int exp	Net Debt at YE	EV	Post-Int FCF	FCF Yield	DACF Yield
2023	230	95	450	895	135	30.34%	25.70%
2024	230	55	230	675	175	39.33%	34.08%
2025	230	18	88	533	212	47.65%	43.16%
2026	230	12	68	513	218	49.00%	44.84%

- Are these fair assumptions ? As inventory ages should we expect lower capital efficiency , more infra spend, more gassy output ? What does SOIL outlook look like in 2027 ?
- Is there a future optionality built into any of these assets like high OOIP which can be extracted from existing wells with better technology ? Any ongoing experiments that could significantly improve the ROR of low return inventory or old wells ?