

Axial Exploration Ltd. Information Memorandum



Light Oil Development Ready SE Saskatchewan Opportunity

Axial Exploration Ltd. (“Axial”) has initiated a strategic alternatives process and has retained Peters & Co. Limited (“Peters & Co.”) as its exclusive financial advisor to solicit and evaluate various strategic options available to Axial.

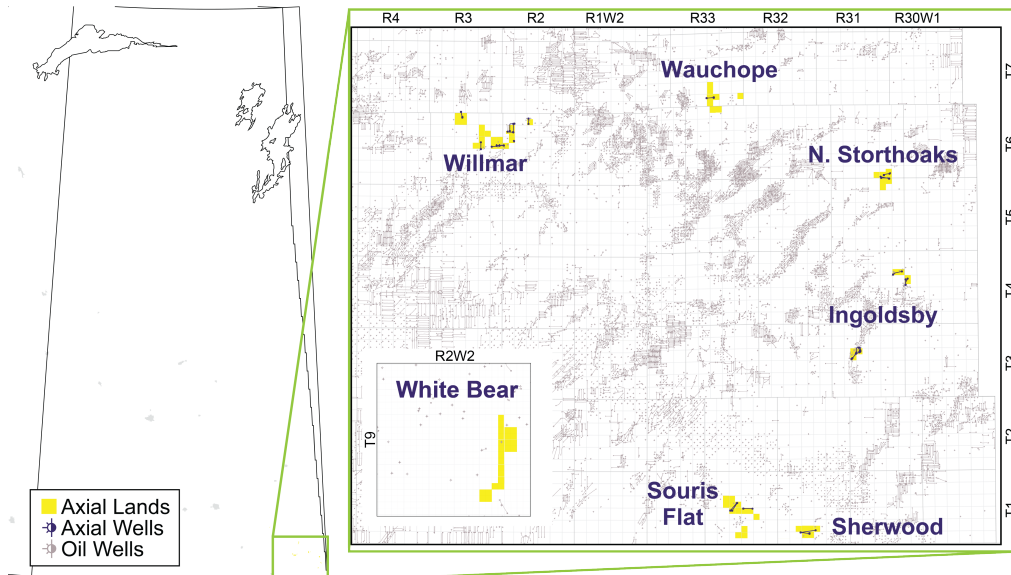
Axial is open to evaluating a variety of proposals, including: a corporate sale, a sale of specific assets, an amalgamation or merger, or any other value maximizing alternatives (each a potential “Transaction”). Confidential information will be made available to parties who execute a confidentiality agreement. Process timing will be communicated after CA execution, with a target bid date in late May.

Axial’s assets consist of conventional light oil developments in SE Saskatchewan (Frobisher, Alida, Tilston, and others) within a highly active region of the productive fairway.

Highlights

- **Established Operating Position:** prospectivity for multi-zone development in an active fairway, with March 2024 production of ~630 bbl/d (100% light oil) with estimated total productive capability of ~850 bbl/d (spring breakup impact) flowing into Axial built facilities, driving netbacks of ~\$67/bbl (2023 average)
- **Poised for Development:** Recent delineation activity has de-risked the underlying inventory which combined with the 100% WI operated facilities in place, positions the assets for material growth through the deployment of additional capital
- **Base Reserves Position:** Newly prepared reserves by GLJ support 2.6 MMbbl of P+P reserves
- **Inventory:** A deep internal inventory of 73 gross development locations, 18 of which are booked
- **Strong Drilling Economics:** Inventory provides strong economic returns with average payouts below one year, based on \$75 WT1 flat pricing and average NPV10 breakeven pricing below C\$40/bbl (wellhead)
- **Seismic Coverage:** Axial has licenced copies of ~180 Km of 2D and ~22 Km² of 3D seismic data at Willmar, Sherwood, Souris Flats, and North Storthoaks
- **Attractive Corporate Attributes:** Axial has a clean balance sheet with no bank debt, ARO of ~\$1.3MM (undiscounted and uninflated), tax pools of ~\$10MM, and fewer than 50 shareholders

Axial Asset Map



PETERS & CO. LIMITED CONTACTS

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Axial Operational Overview

Curr. Prod. ¹		Reserves ²				NOI ³		Netback ³	Identified Locations	
Total boe/d	Oil %	PDP \$MM PV10	TPP \$MM PV10	PDP Mbbbl	TPP Mbbbl	2023 \$MM	Ann Jan-Feb '24 \$MM	2023 \$/boe	Gross	Net
628	100%	\$31.9	\$92.5	732	2,558	\$13.7	\$14.3	\$66.19	73.0	68.2

¹ Field estimated production for March 2024 (impacted by spring breakup)

² Reserves as per GLJ, effective March 31, 2024

³ As per lease operating statements

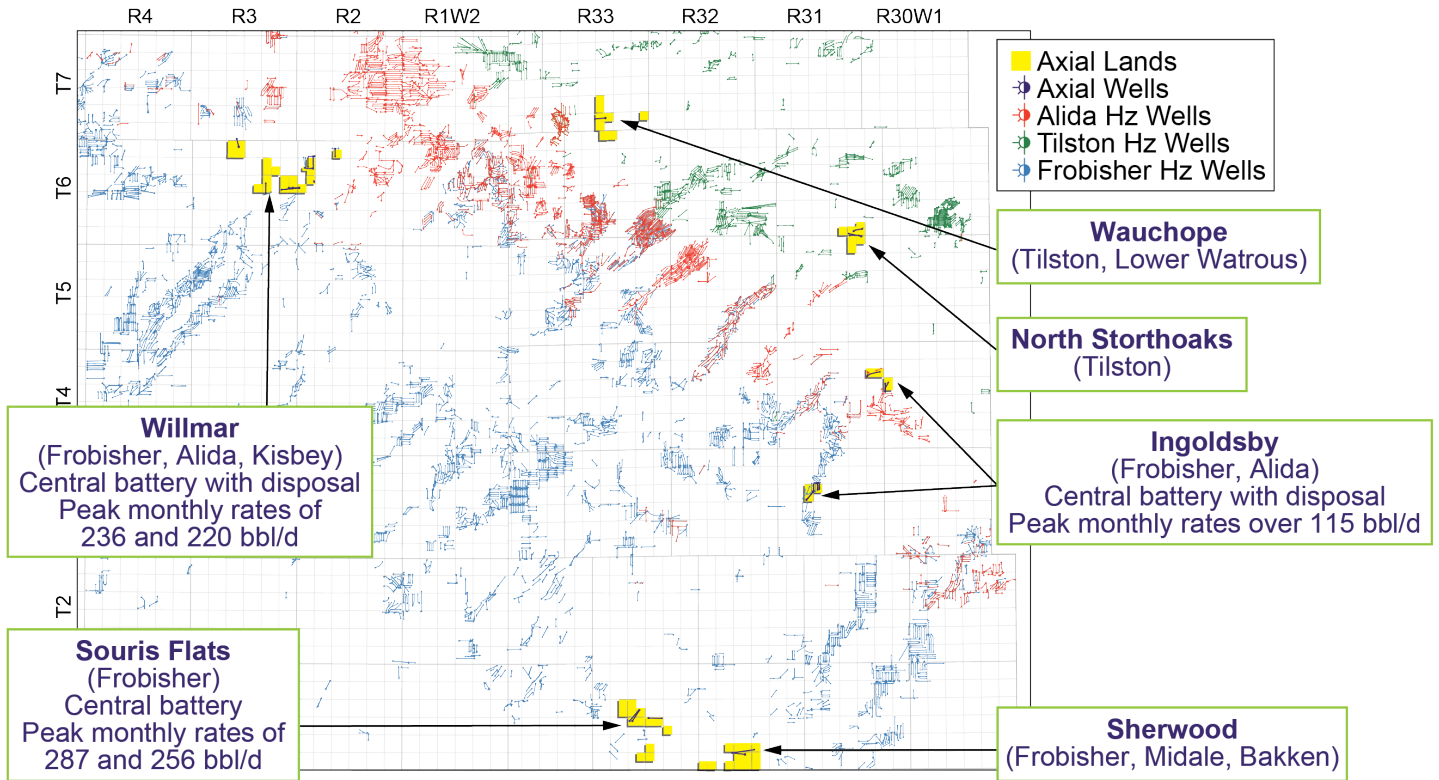
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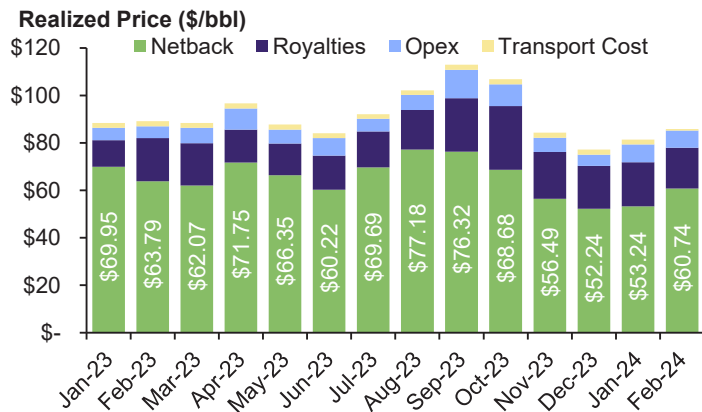
Axial Asset Overview

Sustainable and High Return Light Oil Development Opportunity

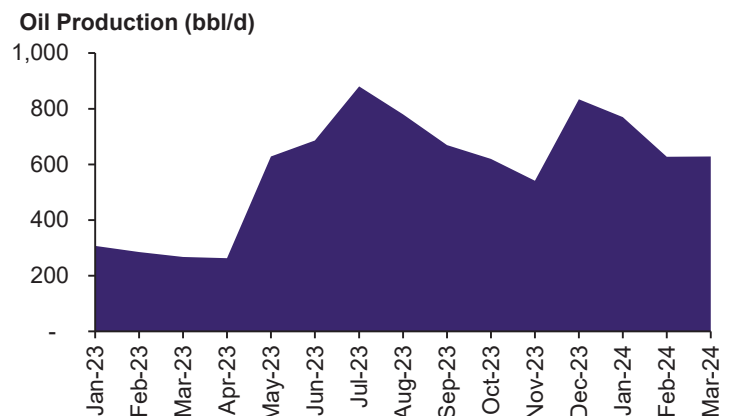


- Seismically defined conventional open hole subcrop targets in the Frobisher, Alida, Tilston, and Kisbey, in addition to opportunities in the Midale and Bakken
- Extensive seismic analysis, well control, and offsetting core data support Axial’s underlying geological model which underpins the portfolio of identified locations
- Recent Axial operated well results have ranked among the top performers in SE Saskatchewan with peak rates exceeding 200 bbl/d, despite wells being choked during the initial production phase and maintaining high fluid levels, which provides an opportunity to optimize production
- Utilizing currently identified inventory, the assets have the potential to reach production levels of ~1,500 bbl/d and maintain that level for ~6 years
- Operated central batteries with water disposal facilities support material production growth

Historical Corporate Netbacks¹



Historical Corporate Production¹



¹ As per lease operating statements, March 2024 production as per field estimates



Process Details and Contacts

Axial Exploration Ltd. ("**Axial**" or the "**Company**") has initiated a strategic alternatives process and has retained Peters & Co. Limited ("**Peters & Co.**") as its exclusive financial advisor to assist in this process.

Process: Axial is being marketed on an en bloc basis with a preference to receive corporate proposals.

Confidentiality Agreement: To receive a confidentiality agreement ("**CA**") please contact any of the Peters & Co. representatives listed below.

Confidential Information: Access to confidential information will require execution of a CA. Parties that execute the CA may receive access to a Virtual Data Room ("**VDR**") containing technical and financial information.

Timeline: Transaction proposal deadline will be communicated to parties that execute a CA, with a target deadline in late May.

Inquiries: Peters & Co. will act as the sole contact for all parties who have expressed an interest in this process ("**Interested Parties**"). The directors, officers and employees of Axial should not be contacted directly. All communications and inquiries should be directed to one of the Peters & Co. representatives listed below.

Contacts

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The information contained herein (the "**Information**") has been prepared in good faith to assist Interested Parties in completing their own independent evaluation of the assets, but does not purport to be all inclusive or to contain all of the information that an Interested Party may desire or that may be required by an Interested Party to properly evaluate the assets. In all cases, the Interested Parties should conduct their own independent investigation and analysis of the assets and the data set forth in this Information Memorandum.

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