

# Greenstreet Small Scale Thermal Oil - Investment Opportunity



Long Life

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Low Cost

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Low Risk

**David Bredy, P. GEO, ICD.D**  
**President & CEO and Director**

35+ years of oil and gas experience primarily in the exploration and development field including Dome Petroleum and Renaissance Energy. The last 20 years as President and Director of Avalon Resources (2002-2005), Avalon Exploration (2006-2012) and now Avalon Oil & Gas, with the first two developed from grass roots to sale stage by means of the drill bit and resulted in strong returns for all shareholders.

**Richard McKenzie, P. Eng**  
**VP Engineering**

30+ years of engineering experience including Bow Valley Energy, Czar Resources, Orbit Oil and Gas and Baytex Energy. The last 20 years as VP Engineering for the Avalon group of companies.

**Ajit Silas, P. GEO**  
**VP Exploration**

30+ years of geological experience in western Canada working with a broad range of companies including Velvet Energy, Vermilion Resources, Renaissance Energy and Wascana Energy.

**Aaron Thompson, CPA**  
**VP Finance & CFO**

25+ years of experience, the past 20 years as CFO, Controller and Accounting Systems Manager for a diverse group of companies including Paramount Resources, Apache Canada, Perpetual Energy and Strategic Oil & Gas.

**Arnie Brownlees, B. Comm**  
**VP Land**

30+ years of experience in contracts, mineral land and surface land. Held positions of increasing responsibility at Dome Petroleum, Amoco Canada, Encor Energy and Scott Land & Lease. The last 20 years as VP of Land for the Avalon group of companies.

**TBD, Team Members at Additional Executive Levels**

**Board of Directors**

**Burl Aycock, P. Eng (chairman)**

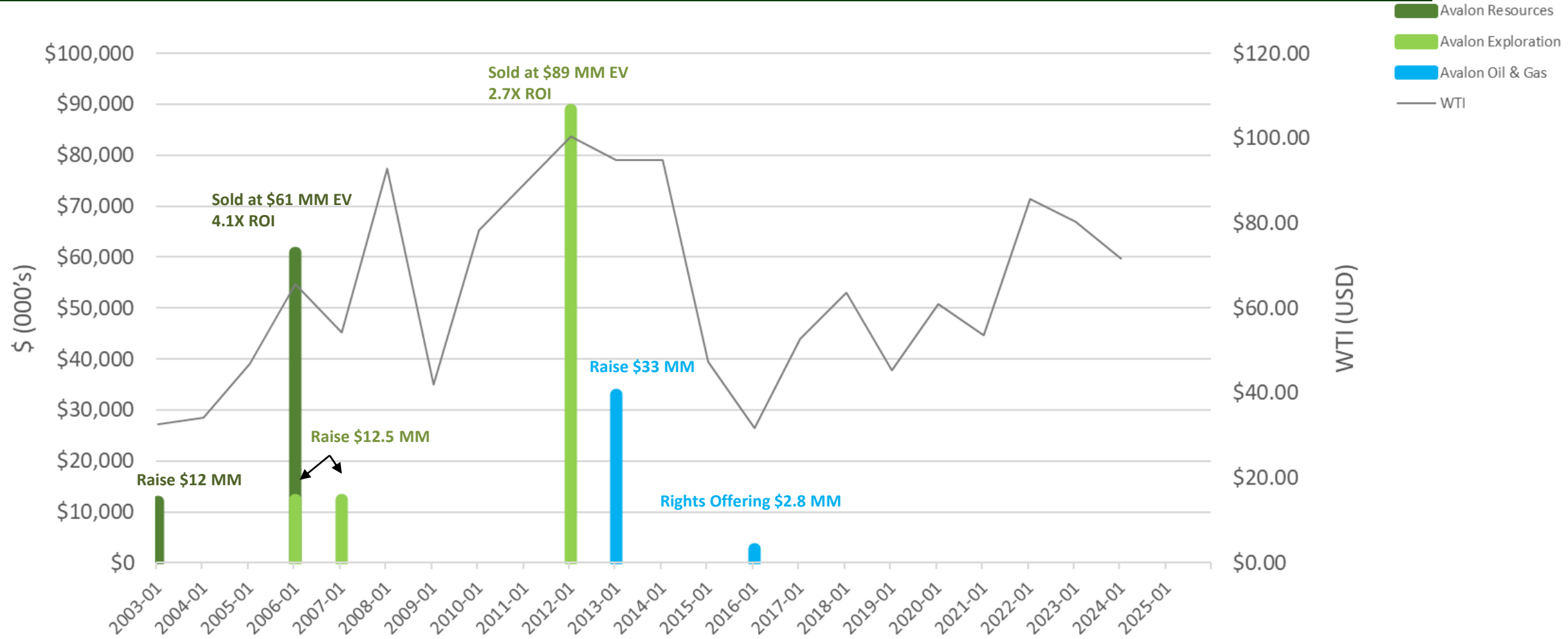
40 years oil and gas experience, including CEO of Maxx Petroleum, Whitemud Resources

**Rob Duguid** - CEO, PFM Capital

**Tyler Bradley** - VP, Westcap Management Ltd.

**David Bredy** – President & CEO, Avalon Oil & Gas Ltd.

**James Richardson** – Independent Businessman



## FAVOURABLE LOCATION

- Proximal to utilities & water source
- Proximal to skilled labour force (no camps required)
- Benefits local landowners & businesses
- Multiple oil marketing options

**Small-Scale SK Thermal:**  
Established strategy to maximize recovery of long-life oil reserves, generating premium netbacks and returns on investment

## SMALL SCALE OPERATIONS

- Quick pre-production turnaround time (sanction to onstream in 12-24 months)
- Minimized upfront capital requirement
- Modular design allows for reduced field construction time

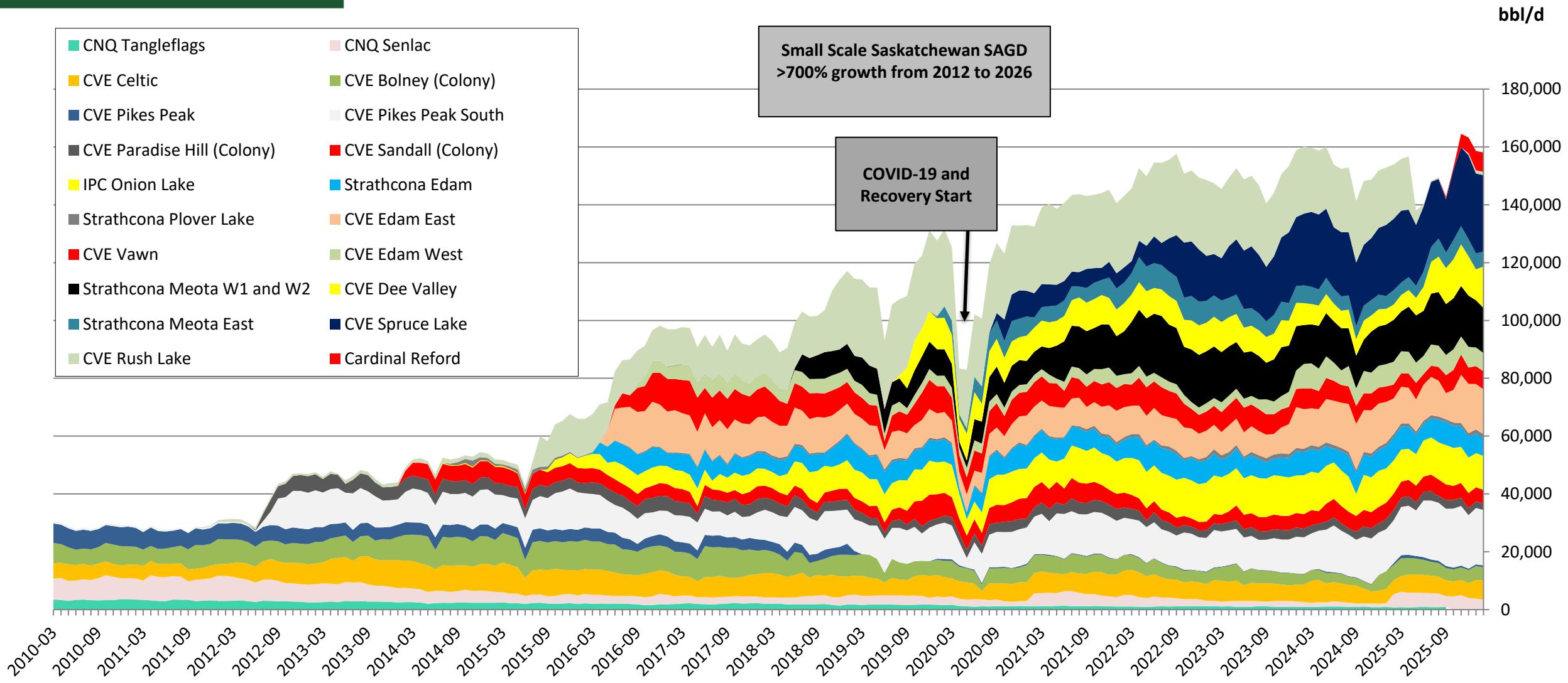
## SUPERIOR OIL/RESERVOIR QUALITY

- Low viscosity
- High oil saturations
- Premium pricing
- Low steam/oil ratios -> efficient, environmentally responsible oil production

## SCALABLE AND HIGHLY ECONOMIC

- Large oil in place per section and high recovery factors (tend to outperform forecasts year after year)
- Favorable crown royalty structure (1% until payout)
- Pad development -> a portion of capital spend is funded by cash flow

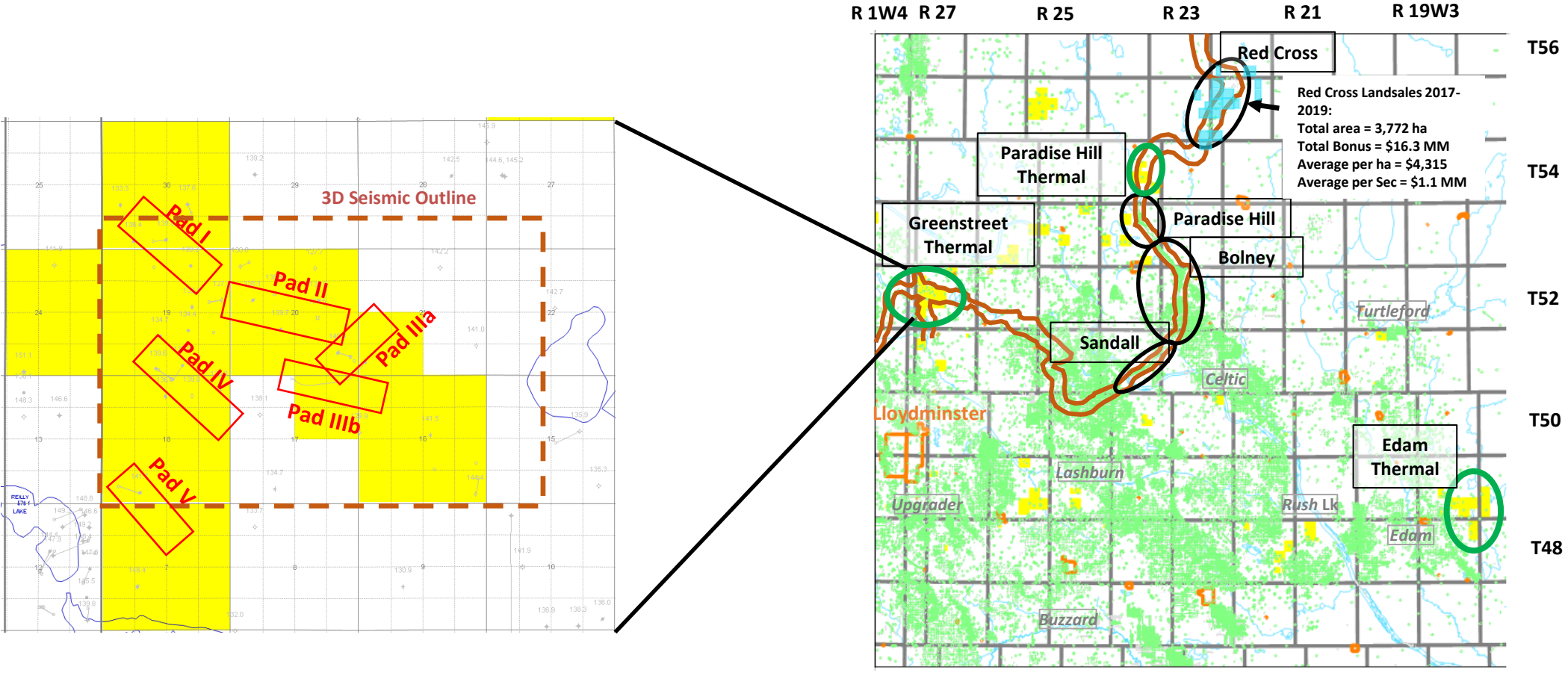
# Saskatchewan Small Scale Thermal Projects – Historical Growth



Small Scale Saskatchewan SAGD  
 >700% growth from 2012 to 2026

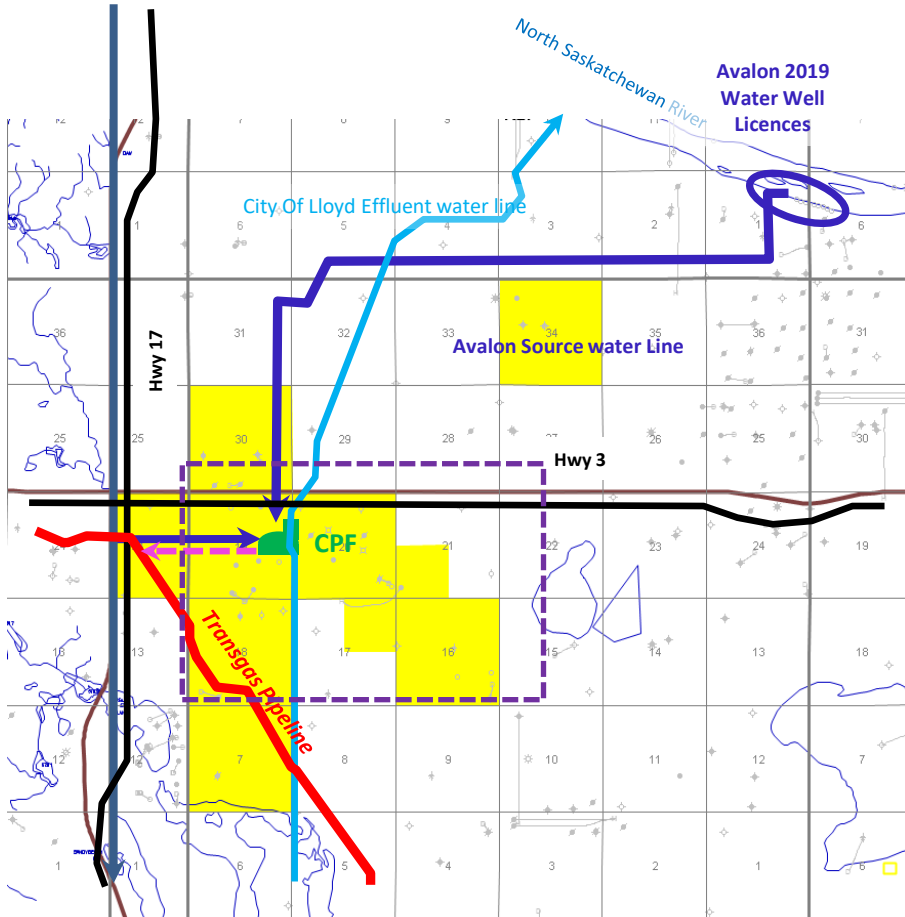
COVID-19 and  
 Recovery Start

**Over 725 million barrels produced from SK small scale thermal projects**



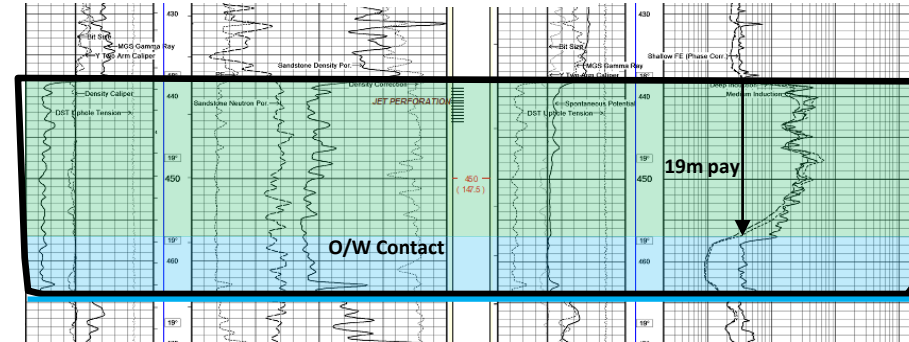
- ***Bolney – Colony – First True SAGD Production in Saskatchewan***
- ***Colony SAGD production on this trend has exceeded 100 MM bbls to date***


## Greenstreet SAGD Project Area



## Greenstreet SAGD Type Well

15-19-52-27-W3M



- Project comprises 8 contiguous sections (100% WI) within defined Colony age channel fairway near Lloydminster, SK
- 12 - degree crude and 21,000 mPa.s @ 22 deg C
- Up to 19 m of net oil pay, OOIP of ~40 MM barrels
- 29 wells drilled on Greenstreet lands to assist in delineation
- 10 cores with RCA, PSD, XRD, TS, Oil Analysis, Geo
- 3-D seismic defined 
- EOR project approved – no expiry issue
- Water Source wells licensed
- Greenstreet project is easily accessible for crude oil trucking, utilities (gas, water electricity) and an experienced labour force

ECONOMICS	
Initial capital spend	\$126MM
Steam generation capacity	11,000 bbl/d
Initial well pairs	8 – Pads 1 & 2
Peak production (annual average)	5,300 bbl/d
Recoverable reserves	25.2 Mmmbbl
Reserve life index (at peak production)	~ 13 years
Finding & development costs	~ \$9/bbl
Unit operating costs (incl carbon taxes)	~ \$15/bbl

- Initial capital of ~\$126MM CAD to construct a 11,000 bbl/d (steam) facility and drill 8 well pairs on the first two development pads.
- Subsequent pad development is planned to be funded by cash flow.
- Robust first year netbacks of approximately **\$53/bbl**
- Break-even economics at \$30 WTI

	\$70 WTI	\$70 WTI esc*
Net operating income	\$1,070MM	\$1,325MM
Payout (first steam)	1.5 years	1.5 years
IRR, pre-tax	63%	67%
NPV10, pre-tax	\$363MM	\$453MM

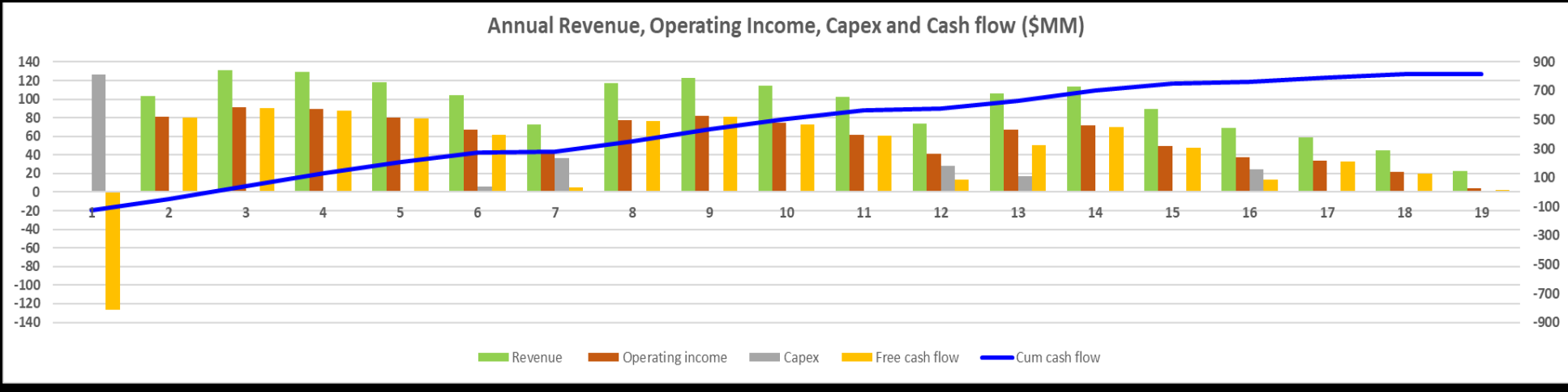
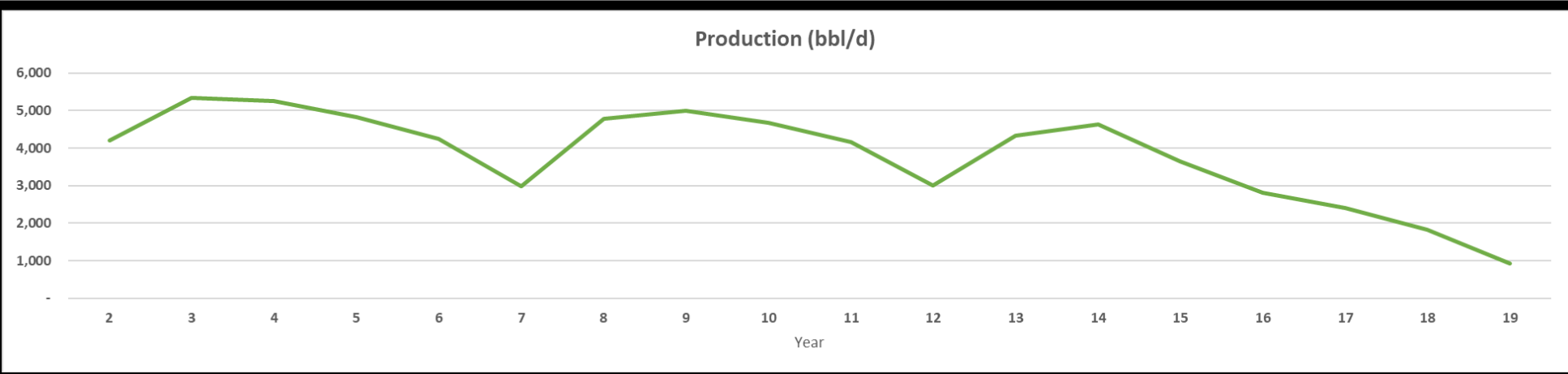
WTI	ROI**
\$70 flat	2.9x
\$70 esc*	3.6x

- **3.6x return on investment**

\*\$70 WTI, oil pricing and costs escalated at 2% per year.

\*\* calculated as NPV10 divided by initial capital spend

# Greenstreet Reserve Life and Cash Flow Generation



- Phase I (CPF and 8 well pairs) pays out in 19 months from first steam at \$70 US WTI
- Over 25 million barrels of recoverable oil reserves on all 5 pads
- First two phases generate in excess of \$400MM of operating income at \$70 WTI
- Seven drilling phases on five pads generate ~ \$800 million of cash flow after capex and carbon taxes over the life of the project at \$70 WTI\*

\*WTI price is US \$70 flat, WCS diff is set at 16% of WTI and Diluent/tariffs is 15% of sales price

**41MMbbl OOIP\***

**\$175MM total capital cost**

**60% of total costs under fixed price contacts**

**Six well pairs drilled**

**22 months from sanction to first oil**



**YE25 Reserves: 5.8MMbbl PDP, 25.7MMbbl TP\***

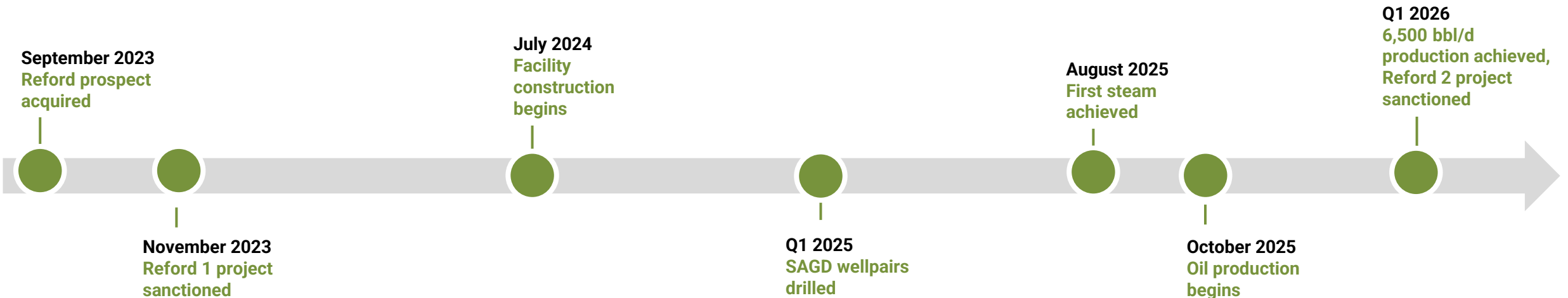
**64% estimated recovery factor**

**NPV10: \$507 million at Dec 31/25 price forecast\***

**6,500 bbl/d production (8% above nameplate)**

**\$26,900 per bbl/d, \$6.80 per proved bbl reserves**

**< 2.5x SOR in Q1 2026**



\* Per McDaniel as of December 31, 2025, other information per Cardinal's corporate presentation dated April 2026



- Contiguous 8 section land base secured at Greenstreet, 3.75 sections at Paradise Hill
- Water source identified, utilities plan ready for execution

- Estimated 40 MMbbl of original oil in place, 21.5 MMbbl of third-party evaluated reserves
- Currently have coverage with 3D seismic with 21 delineation wells and EOR approval at Greenstreet

- Key vendor for central processing facility selected, FEED discussions underway
- Key personnel with thermal heavy oil experience in place

**5,300 bbl/d, \$360 Million NPV10 + another potential thermal oil project at Paradise Hill**

This presentation contains forward looking statements based on Management's assessments of future plans that involve geological, engineering, operational and financial estimates of future production, capital expenditures, cash flow and earnings. A number of risks and uncertainties that may or may not be within control of the Company may cause these results to vary materially from those predicated herein and the reader is therefore cautioned such information is speculative in nature.

Certain statements contained in this presentation constitute forward-looking statements. All forward-looking statements are based on the Corporation's beliefs and assumptions based on information available at the time the assumption was made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Avalon believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date of this presentation. In particular, but without limiting the foregoing, this presentation contains forward-looking statements pertaining to the following: the rates and reserves associated with future drilling plans; planned development of the Corporation's oil and natural gas properties; and future capital expenditure programs.

The material factors and assumptions used to develop these forward looking statements include, but are not limited to: the ability of the Corporation to engage drilling contractors, to obtain and transport equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its activities and plans; the ability of the Corporation to market its oil and natural gas and to transport its oil and natural gas to market; the timely receipt of regulatory approvals and the terms and conditions of such approval; the ability of the Corporation to obtain drilling success consistent with expectations; and the ability of the Corporation to obtain capital to finance its exploration, development and operations.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors including, without limitation: volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions and exploration and development programs; geological, technical, drilling and processing problems; changes in tax laws and incentive programs relating to the oil and natural gas industry; failure to realize the anticipated benefits of acquisitions; general business and market conditions; and certain other risks detailed from time to time in Avalon's public disclosure documents.

Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet (mcf) of natural gas to one barrel (bbl) of oil is based on an energy conversion method primarily applicable at the burner tip and is not intended to represent a value equivalency at the wellhead. All boe conversions in this press release are derived by converting natural gas to oil in the ratio of six thousand cubic feet of natural gas to one barrel of oil. Certain financial amounts are presented on a per boe basis, such measurements may not be consistent with those used by other companies.