

Farm-Out Presentation

October 2020

Opportunity Summary

- Gazelle Energy Limited (GEL) is seeking a partner or investor to help develop their Turkish Thrace Basin asset.
- Headquartered in Canada, GEL is a private company with a 100% interest in petroleum license F17-b4. The Pehlivan köy natural gas discovery has >47 Bcf 2P and 207 Bcf of 3P reserves in a market with robust gas pricing (Q2 2020 avg. \$US 6.24/Mcf).
- Additional seismically-defined prospects are estimated by management to hold >1 Tcf of gas.
- A 3rd-party assessment of a subset of three of these prospects were evaluated as having Mean Prospective Resources of 378 Bcf.
- The transaction offers low-risk and low-cost access to a material resource base in stable political and fiscal environment with potentially very large upside.

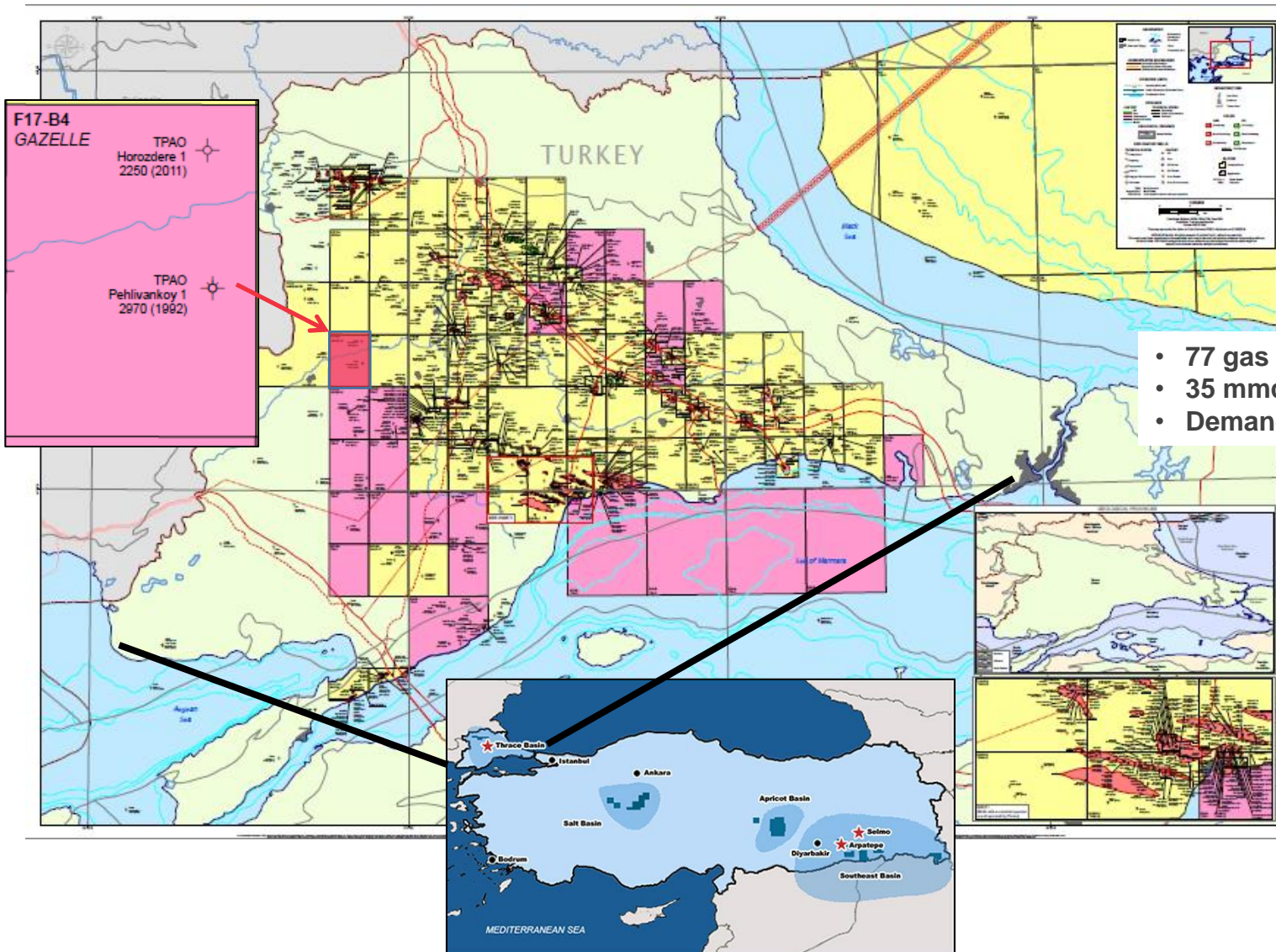
Reserves and Resources – DeGolyer and MacNaughton

- In addition to the Pehlivanköy gas discovery, there are a number exploration prospects to increase the reserve base;
- D&M prepared estimates for recoverable reserves and prospective resources.

		Recoverable Reserves and Value As at December 31, 2019		
		Condensate (Thous. bbls)	Sales Gas (Million cubic ft)	After-tax Present Worth at 10% (US\$ million)
1	Proved Developed	0	0	
2	Proved Undeveloped	0	0	
3	Total Proved	0	0	
4	Proved+Probable	347	47,155	66.2
5	Proved+Probable+Possible	1,749	207,809	539.9

	<u>1U (Low) Estimate</u>	<u>2U (Best) Estimate</u>	<u>3U (High) Estimate</u>	<u>Mean Estimate</u>
Gross Raw Natural Gas Prospective Resources, 10 ⁶ ft ³	238,553	362,601	546,411	378,463
Gross Condensate Prospective Resources, 10 ³ bbl	1,505	2,793	4,803	3,028

Thrace Basin Hydrocarbon Fields

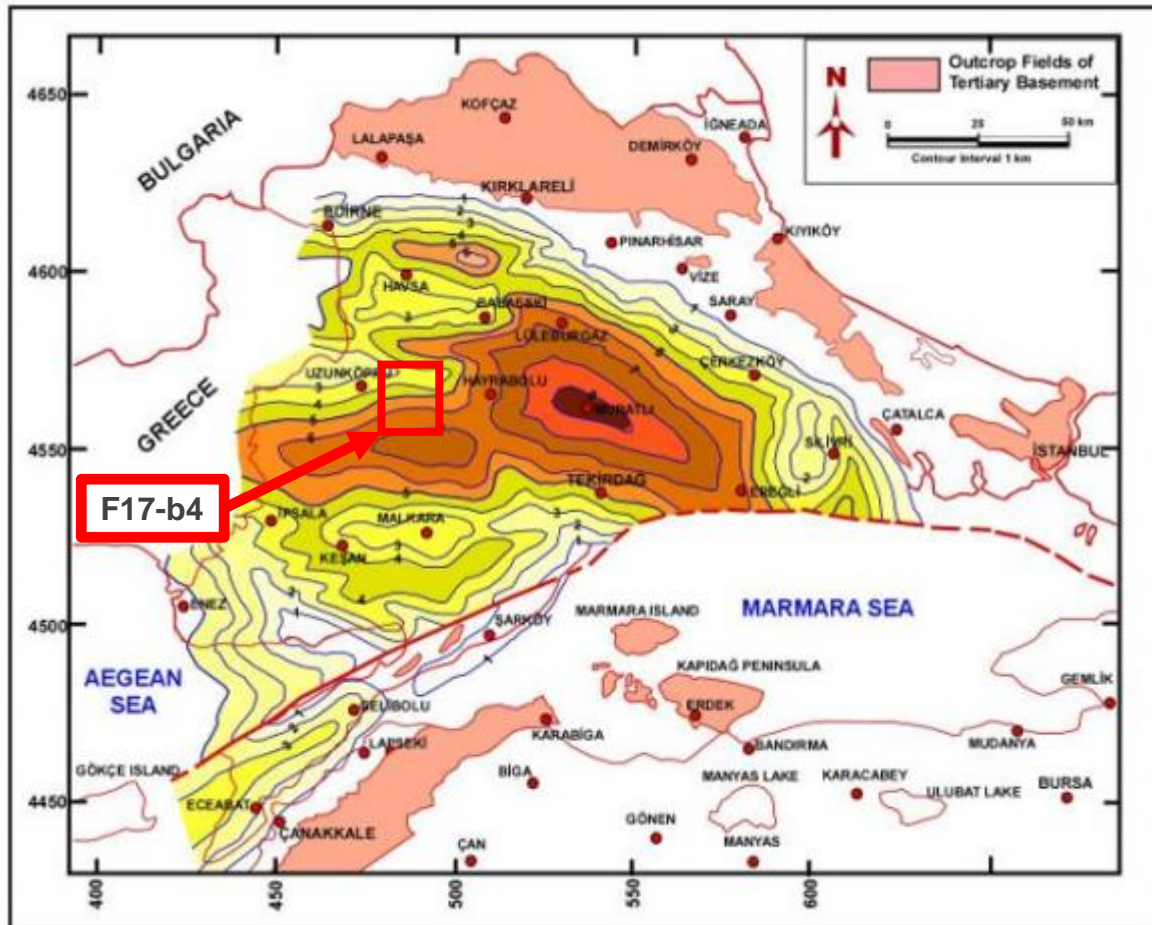


Conventional/Unconventional Prospectivity

KRONO-STRATİGRAFİ CHRONO-STRATIGRAPHY	YAŞ (Ma)	BİRİM UNIT	KALINLIK THICKNESS (m)	LİTOLOJİ LITHOLOGY	ÇÖKELME ORTAMI SEDIMENTARY ENVIRONMENTS	REZERVUAR KAYA RESERVOIR ROCKS	ANA KAYA SOURCE ROCKS	ÖRTÜ KAYA CAP ROCKS	ÜRETİM SAHALARI PRODUCTION FIELDS
PLİYOSEN PLIOCENE	5,2	KIRCASALIH	500		AKARSU FLUVIAL				
MİYOSEN MIOCENE	23,3	ALÇİTEPE ÇAMRAKDERE KIRAZLI GAZHANEDERE	100-1400		SAHİL YAKINI, GÖL AKARSU NEAR SHORE, LAKE FLUVIAL	Ø : % 10 - 25			Prinous Kavala } Yunanistan Greece
		HİSARLIDAĞ	800		VOLKANİZMA VOLCANISM				
OLİGOSEN OLIGOCENE	35,4	DANIŞMEN	300-1000		DELTA DÜZLÜĞÜ GÖL DELTA PLAIN, LAKE	Ø : % 10 - 23 K : 0,2 - 10 md	TOC : 1,4 TİP : II, III		Değirmenköy, Karaçalı, Adatepe, D.Adatepe, Yulaflı, Kumrular, Müsellim, Göçerler Vakıflar, Sevindik, G. Karaçalı
		OSMANCIK	400-800		DELTA ÖNÜ DELTA FRONT	Ø : % 10 - 25 K : 0,1 - 10 md			Umurca, Değirmenköy, Karaçalı, Adatepe, Yulaflı, Silivri, Tekirdağ, Mesutlu, Vakıflar, G. Karaçalı, Hayrabolu
		MEZARDERE	500-2000		DELTA İLERİSİ PRO DELTA	Ø : % 10 - 15 K : 0,1 - 10 md	TOC : 0,5 - 1,6		Terzili, Umurca G. Karaçalı
E O S E N E O C E N E	55	CEYLAN	400-1000		PROKSİMAL-DİSTAL TÜRBİDİT PROXIMAL-DİSTAL TURBIDITES	Ø : % 10 - 18 Ø : % 10 - 30 K : 1 - 80 md	TOC : 0,2 - 0,6 TİP : II		Kumrular, Turgutbey, Karacaoglan
		SOĞUCAK KOYUNBABA	40-400 10-100		SİS-DERİN DENİZ SHALLOW TO DEEP MARINE	Ø : % 10 - 15 K : 0,5 - 1 md	TOC : 0,5 - 2,5 TİP : I, II		K.Osmancık, Deveçatağı, K.Marmara, Değirmenköy Hamitabat, Tatarköy, Kavakdere
		GAZİKÖY	2000-3000		PROKSİMAL-DİSTAL TÜRBİDİT; DELTA; AKARSU PROXIMAL-DİSTAL TURBIDITES; DELTA; FLUVIAL				
		TEVEL							
PALEOZOYİK-MESOZOYİK PALCOZOIC-MESOZOIC									

Muzafer SİYAKO, Hasan

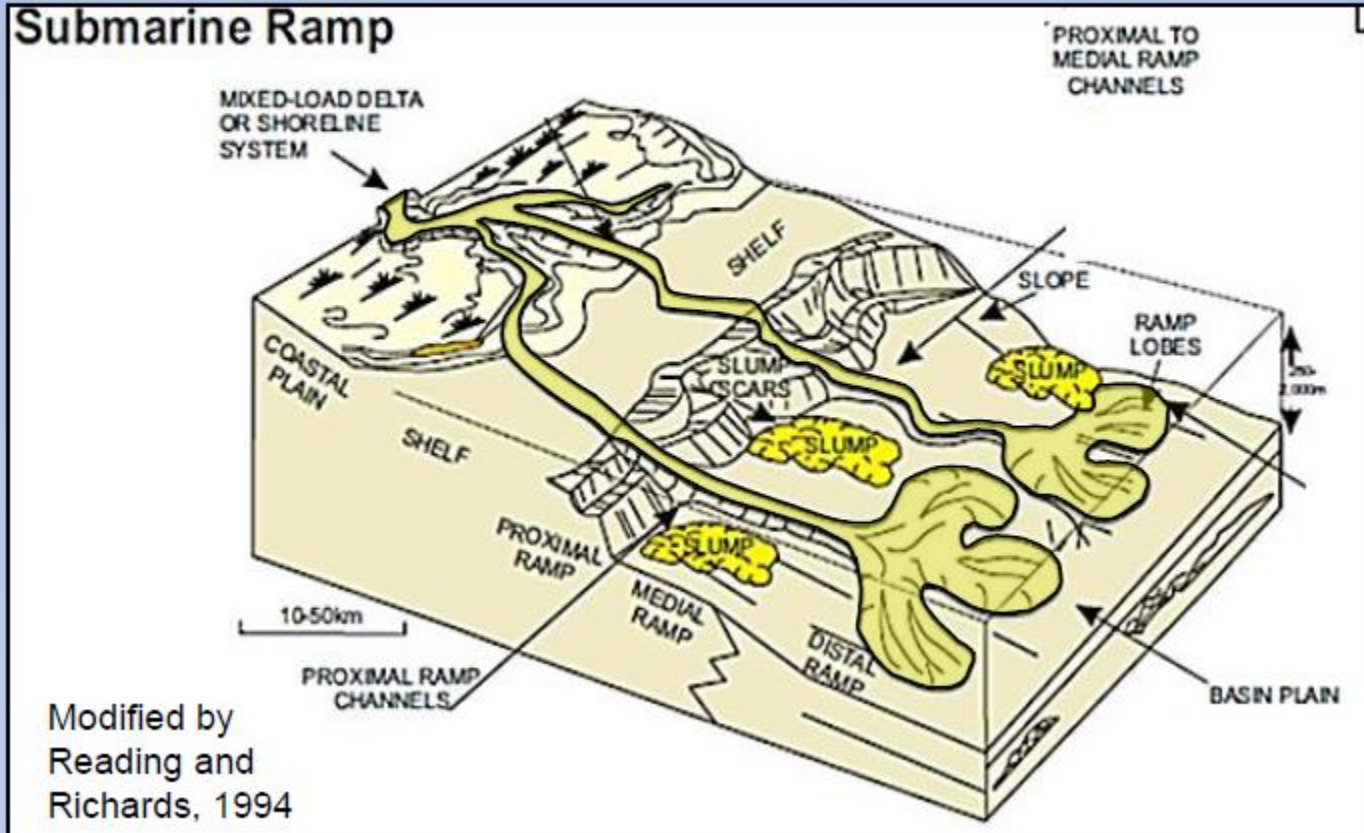
Thrace Basin Tertiary Rock Thickness



- Tertiary basin
- 9,000 m of tertiary age sediments
- Depositional environment
 - Deltaic sands
 - Turbidite sands
 - Reef development on Paleozoic highs
- Key reservoirs
 - Danisman - gas
 - Osmancik – gas
 - Mezardere - gas
 - Ceylan – gas
 - Sogucak – oil
 - Hamitabat - gas

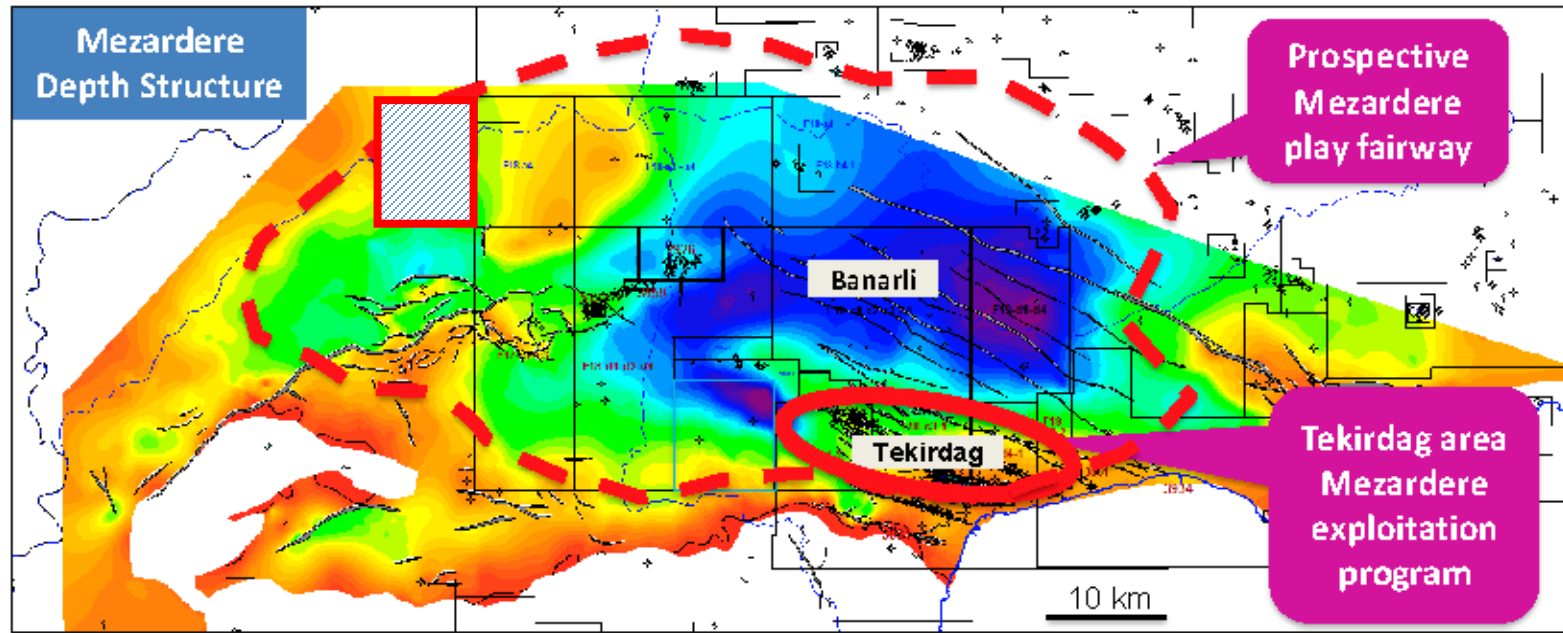
Depositional Model

Mezardere Slope Fan Depositional Model



Source: Norgard, 2016.

Mezardere Play Fairway



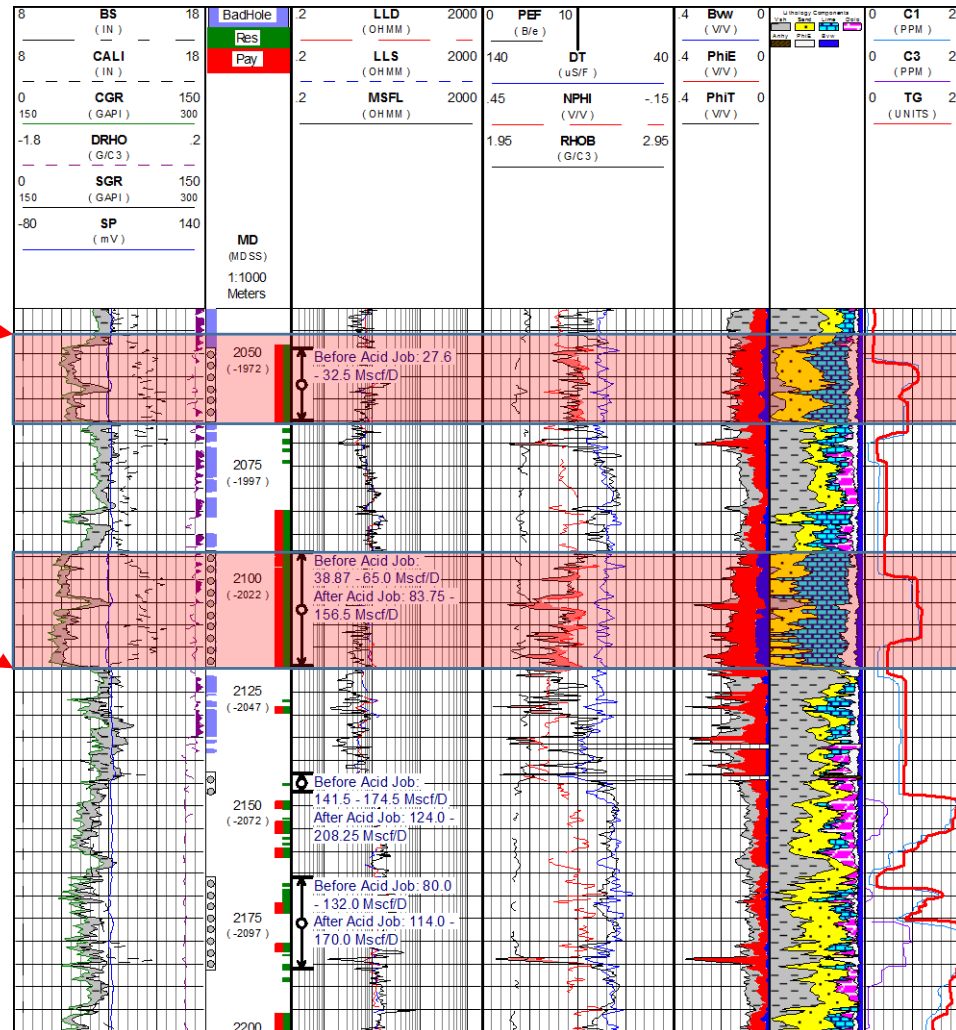
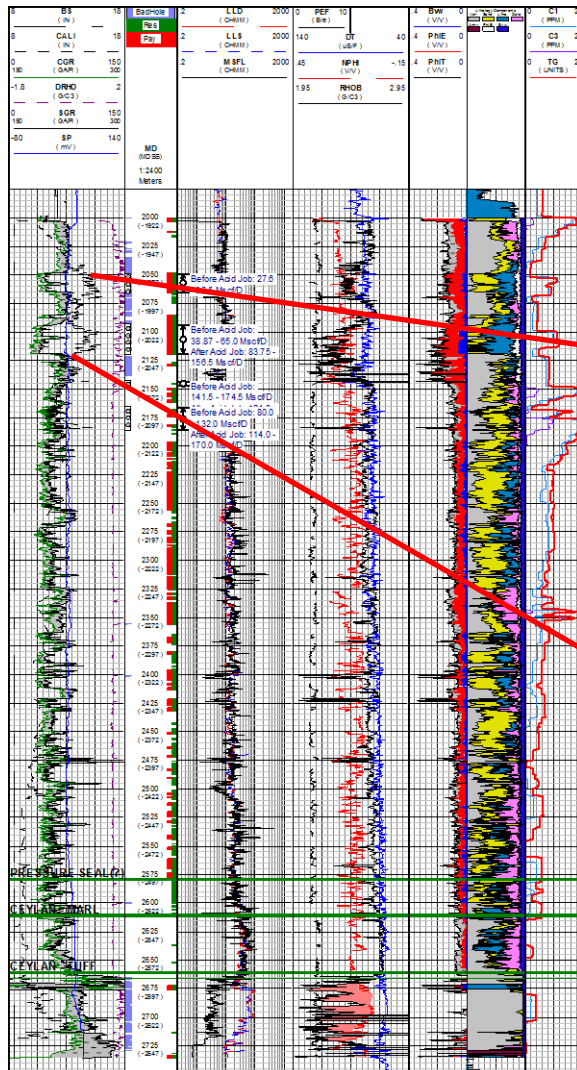
Source: Valeura Energy

GEL acreage falls almost entirely in VLE's seismically mapped "Prospective Mezardere Play Fairway".

Pehlivanköy-1 Wellhead (1992)



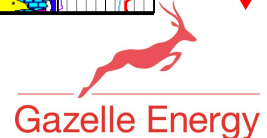
Pehlivanköy-1 with Teslimköy Gas Pay



16 m
Gas Pay

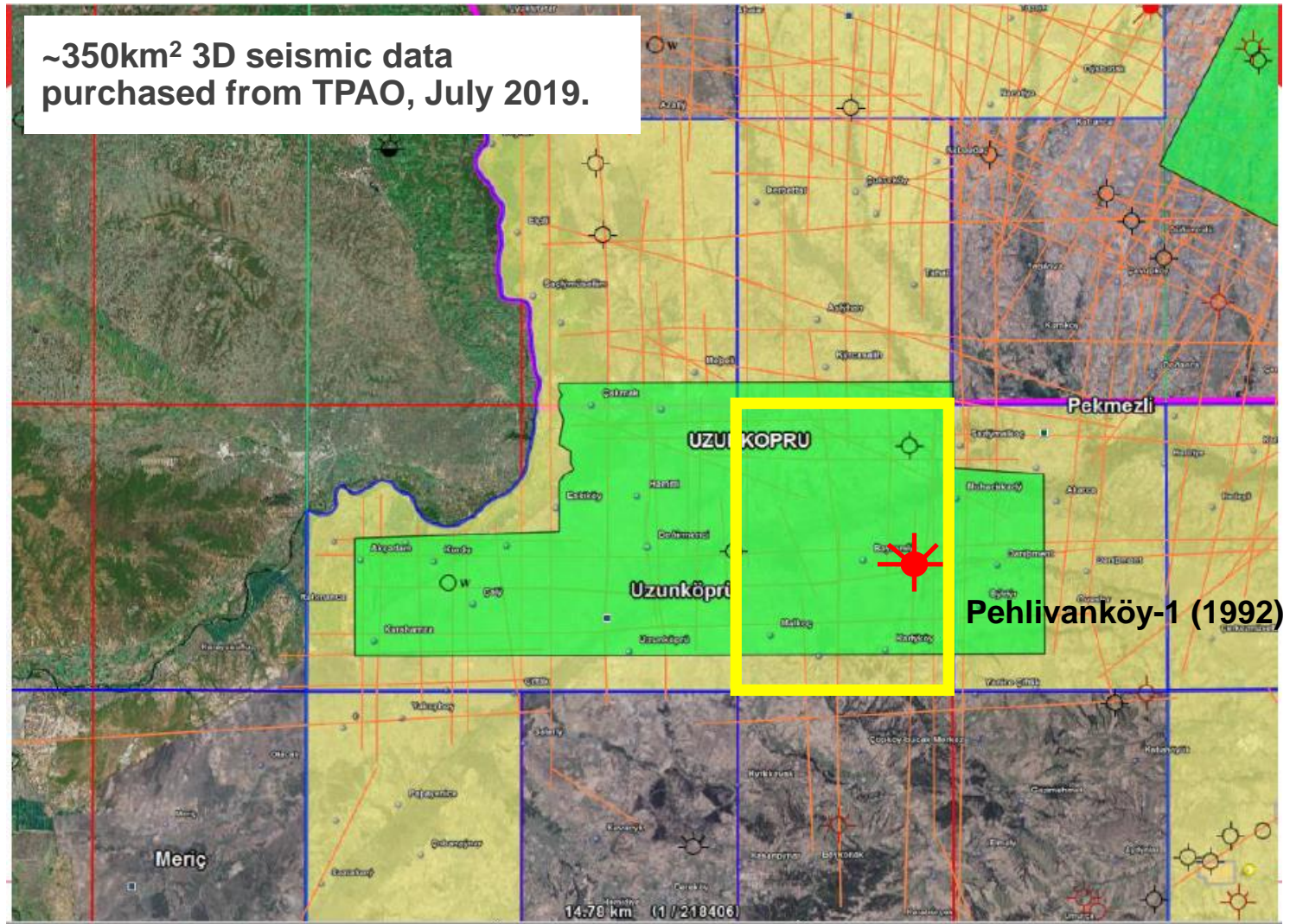
25 m
Gas Pay

Potential 735 m+ gas column below

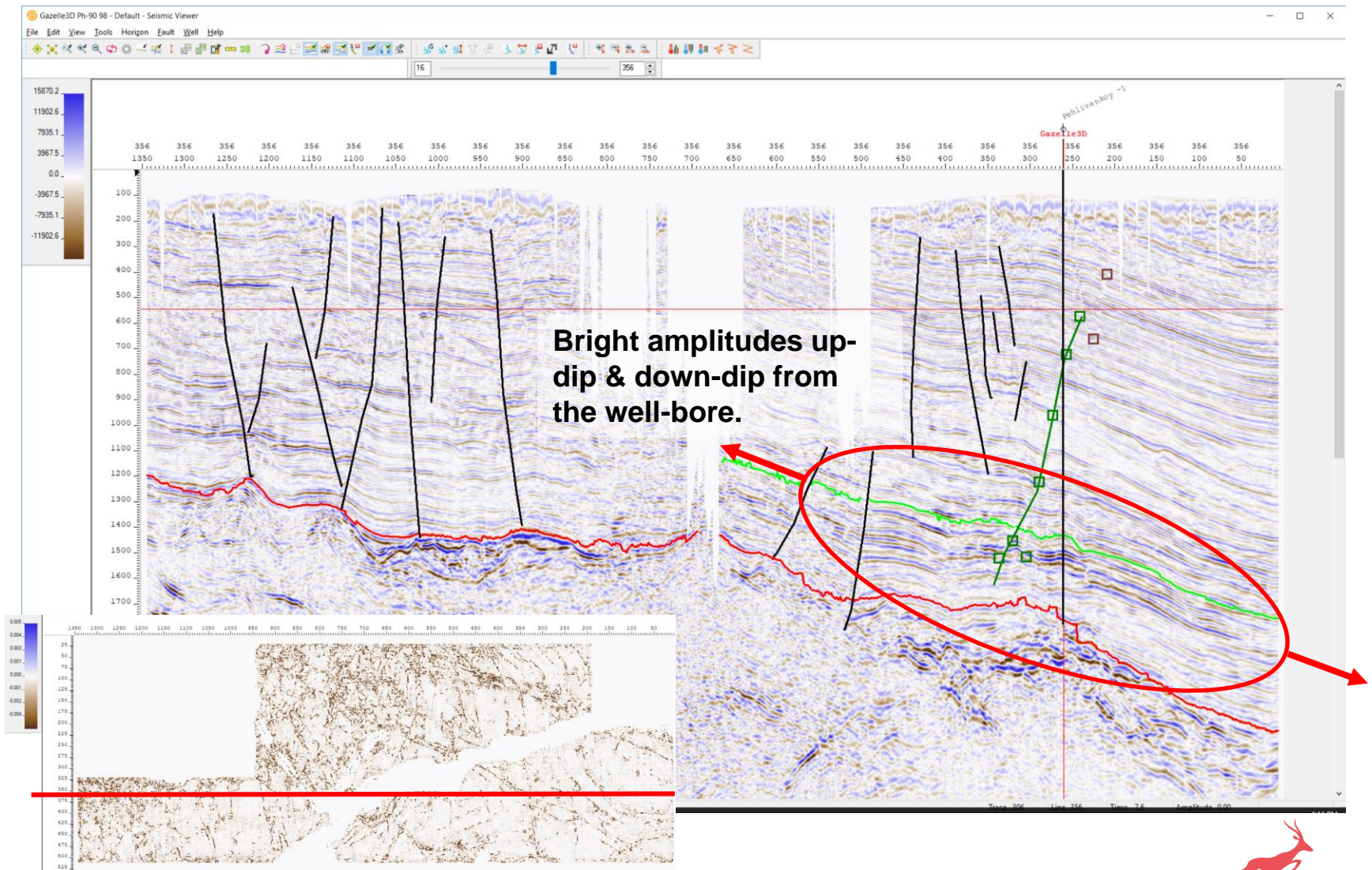


Uzunköprü 3D Seismic Survey (2005)

~350km² 3D seismic data
purchased from TPAO, July 2019.



W-E Section Through Pehlivanköy-1



Summary of AVO Modeling Results

Modeling for the middle and lower Mezardere sandstones show

- Porous sands are observed to be nearly unconsolidated or barely cemented.
- Encasing shales are fine grained silts – possibly with minor amounts of calcite cements (interpretation) making them significantly stiffer than reservoir sands.
- Leading to class IV AVO response.

Fluid Substitution / Porosity Perturbations

- Brine substitution at in-situ porosity demonstrates reflectivity that lies on the background shale/Brine sand line in an AVO Intercept vs Gradient x-plot.
- Lowering porosity caused the sands to be higher impedance then encasing shale – flipping the polarity of the top sand response from a trough to a peak.
- Increasing the porosity marginally increases the amplitude of the top sand response but only on near angles/offset traces. Far angle/offset traces remain subdued.
- The gas case at lower porosity demonstrate similar response to the Brine case at the same porosity. High impedance
- At insitu and higher porosity (+5% P.U. to +10% P.U.) the response shows a low to very low impedance contrast to the encasing shale and amplitudes remain strong across near angle/offset to far angle/offset traces consistent with Class IV AVO..

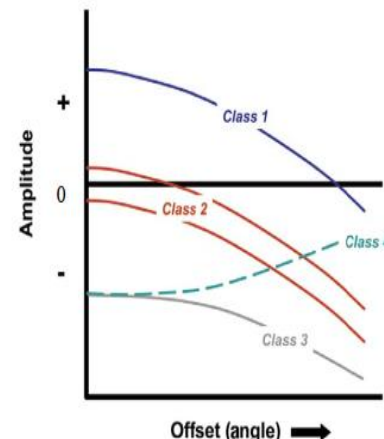


FIG. 2. Classification of AVO Responses Class 1, Class 2, Class 3, and Class 4. (Rutherford and Williams, 1989).

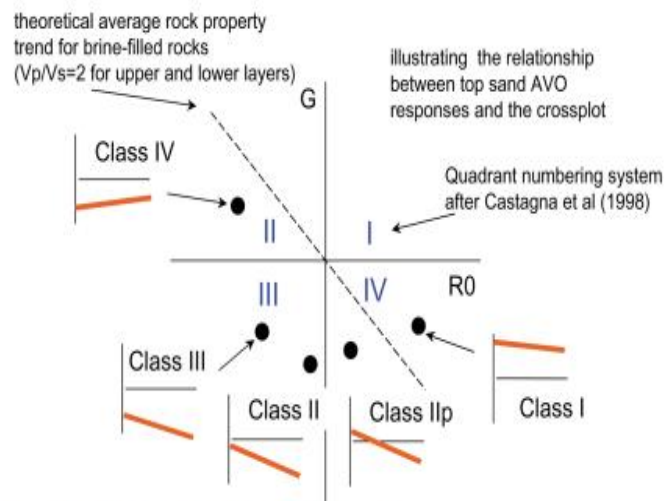
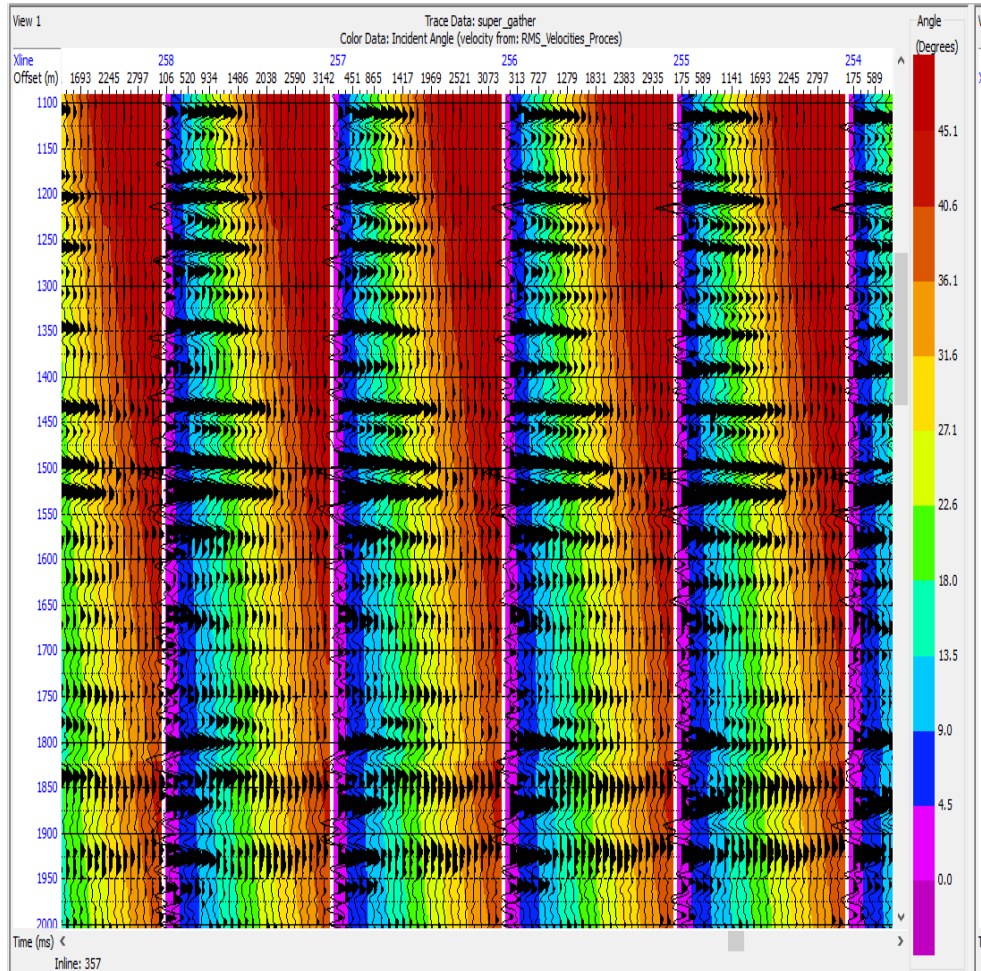


Figure 1. AVO classes and the AVO crossplot.

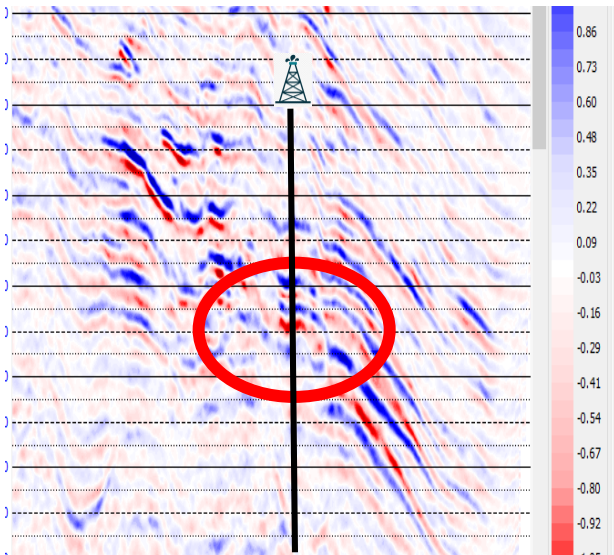
AVO Analysis



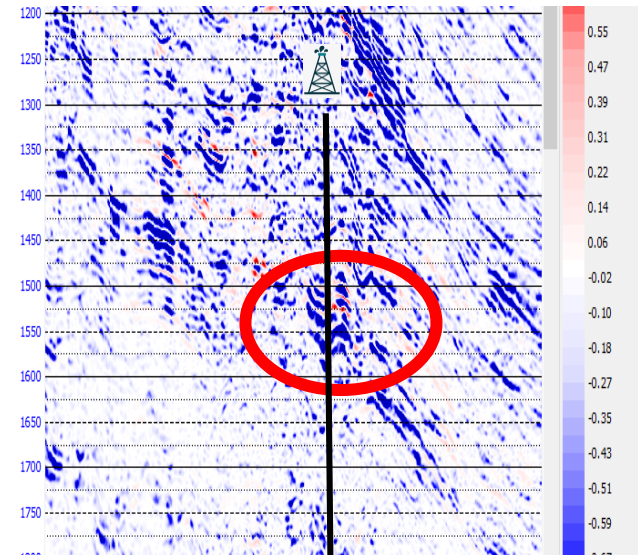
- AVO Compliant Gathers
- Pre-stack Time Migrated
- Angles available at target depth (Mezardere)
 - Angle aperture ($5^{\circ} - 40^{\circ}$)
- Color overlay are angles computed from pre-stack velocity analysis
- Supergathers created by using 3x3 bins in the offset domain.

AVO Attribute Analysis at Pehlivanköy-1

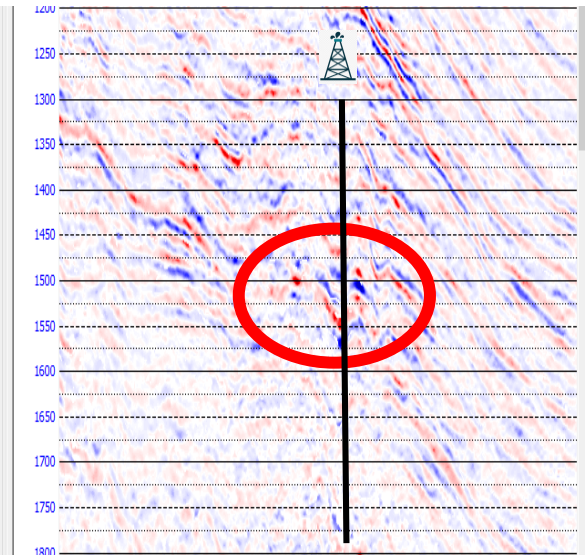
Far Stack



Product stack (AVO Int*Grad)



Fluid Factor Stack

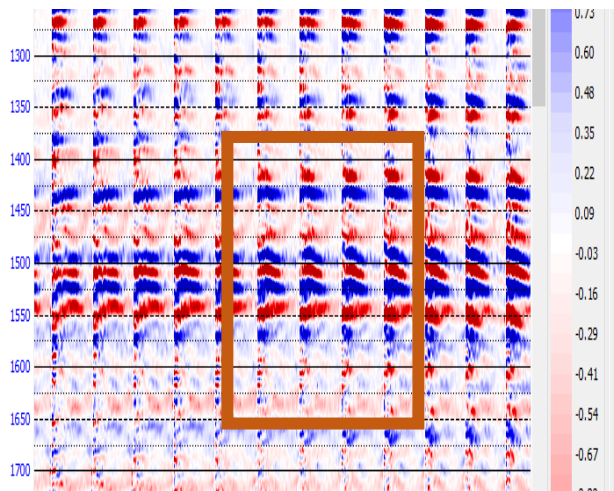


Based on modeling suggesting Class IV AVO for sands at the Mezadere level, Far stack, $A*B$ (Intercept * Gradient stack) and Fluid Factor are estimated.

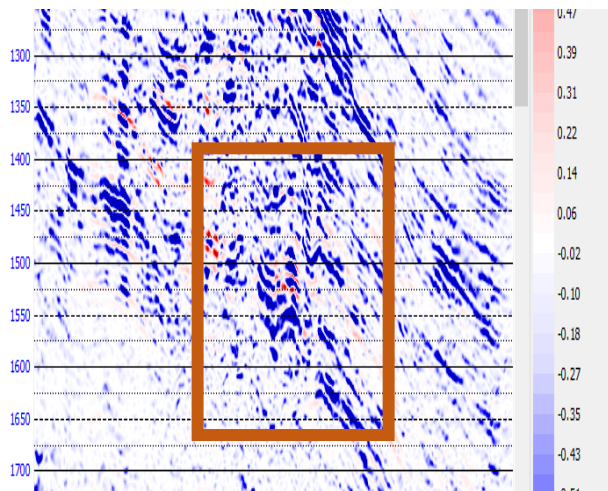
- Product stack estimated using Aki & Richards of AVO intercept and gradient
- Fluid Factor estimated using Fatti's estimation of R_p (P-reflectivity), R_s (shear reflectivity) and R_d (Density Reflectivity)
- All three attributes show good positive indications of gas response at well
- Far stack shows larger areal extent to anomalous behaviour (less sensitive to errors in NMO)
- Product stack shows weak +ve anomaly (consistent with hydrocarbon response around well). Weak response is expected for Class IV AVO (stronger for Class III)
- Fluid factor also shows good -ve anomaly (strong blue over red) consistent with anomalous fluid behaviour.

Gather Response at Prospective Location

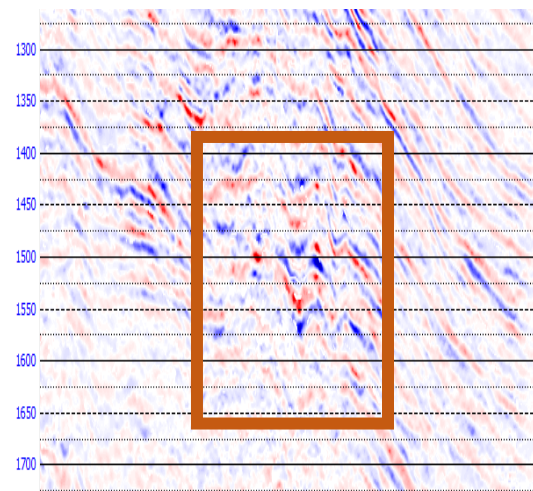
Far Stack



Product stack (AVO Int*Grad)



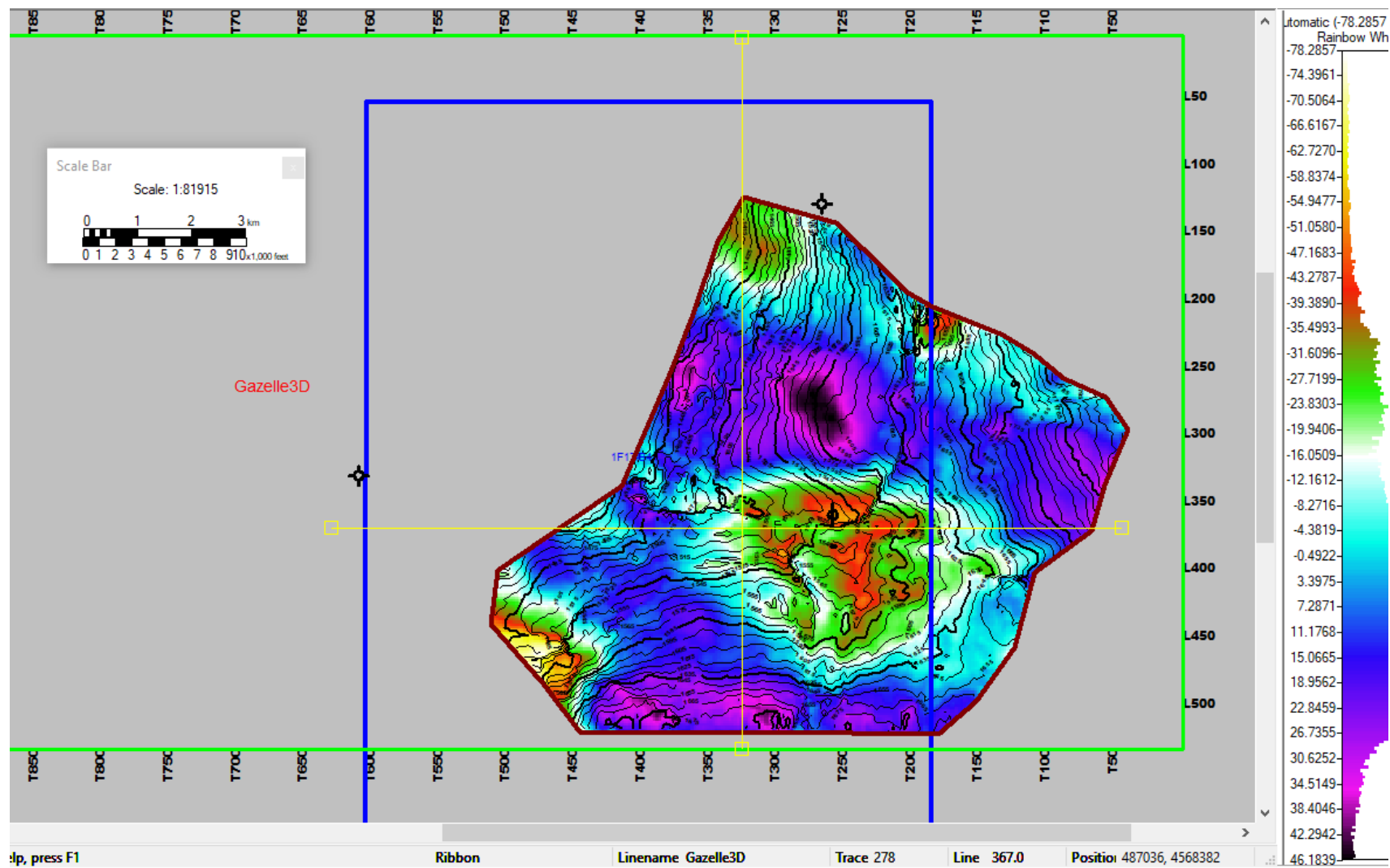
Fluid Factor Stack



Response of gathers at Pehlivankoy-1 well location

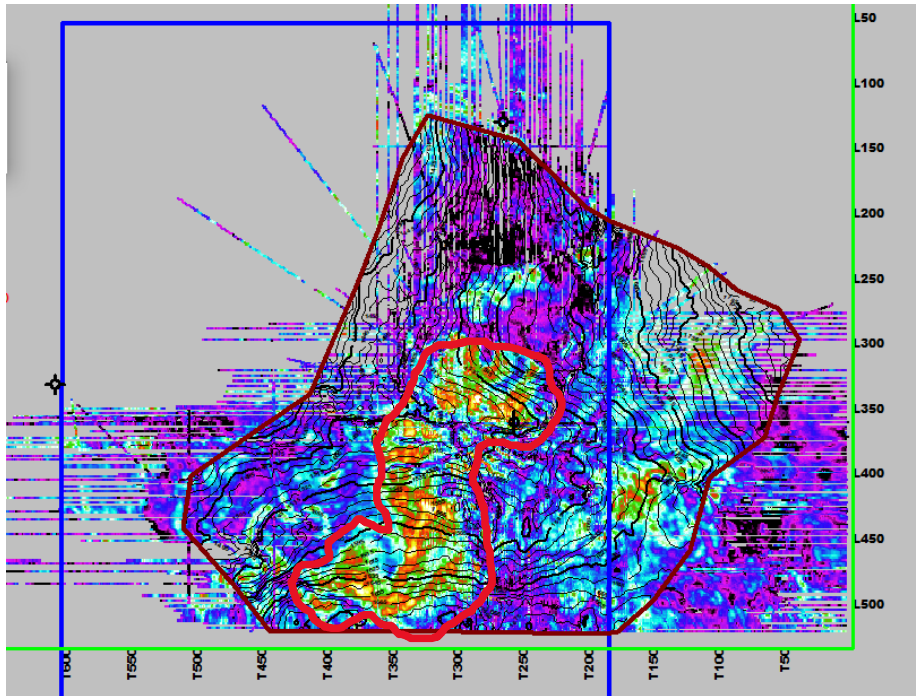
- Strong amplitude with slightly diminishing response to far angles consistent with expected Class IV AVO

25m Gas Pay Sand - Residual Time Structure Grid (msec)

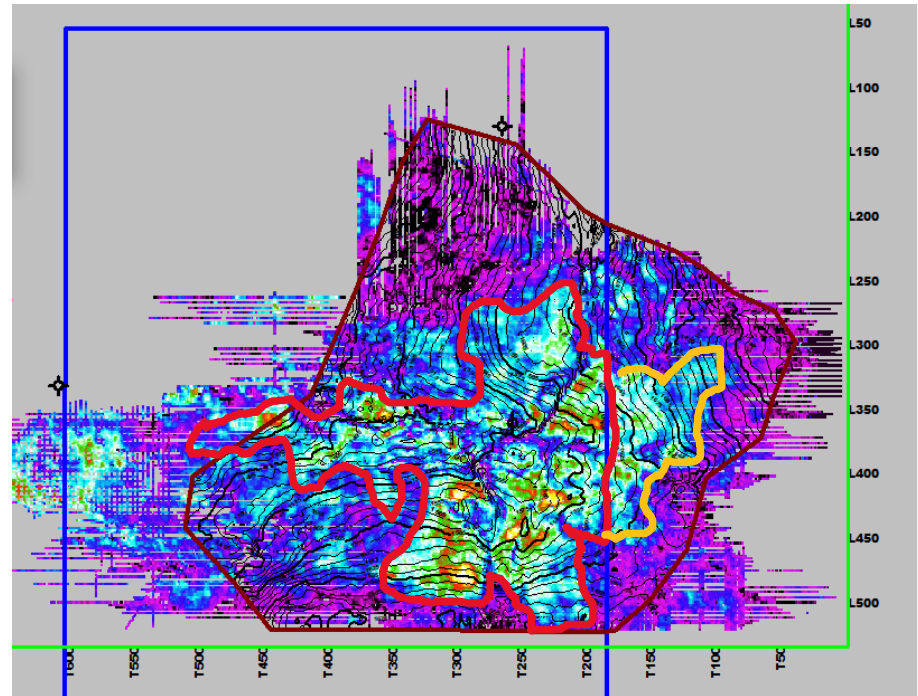


25m Gas Pay Sand - Amplitudes

Post-stack migration full stack



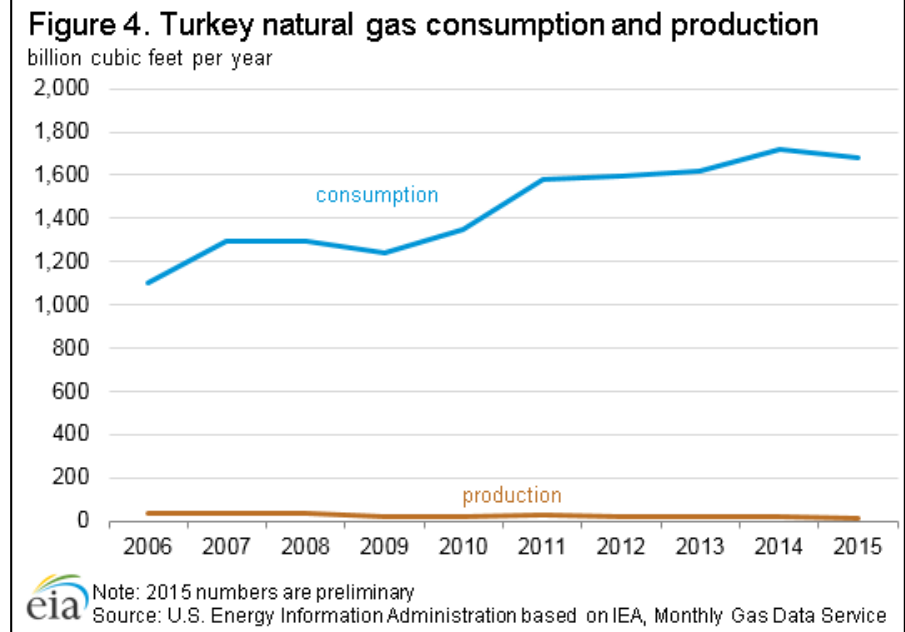
Pre-stack migration far stack (30°-37°)



Amplitudes appear to be brighter on post-stack migration but that is likely due to thin bed interference. What becomes obvious is the sand morphology is more apparent on the far stack. It looks more like what we expect for the stratigraphic interval (turbidite).

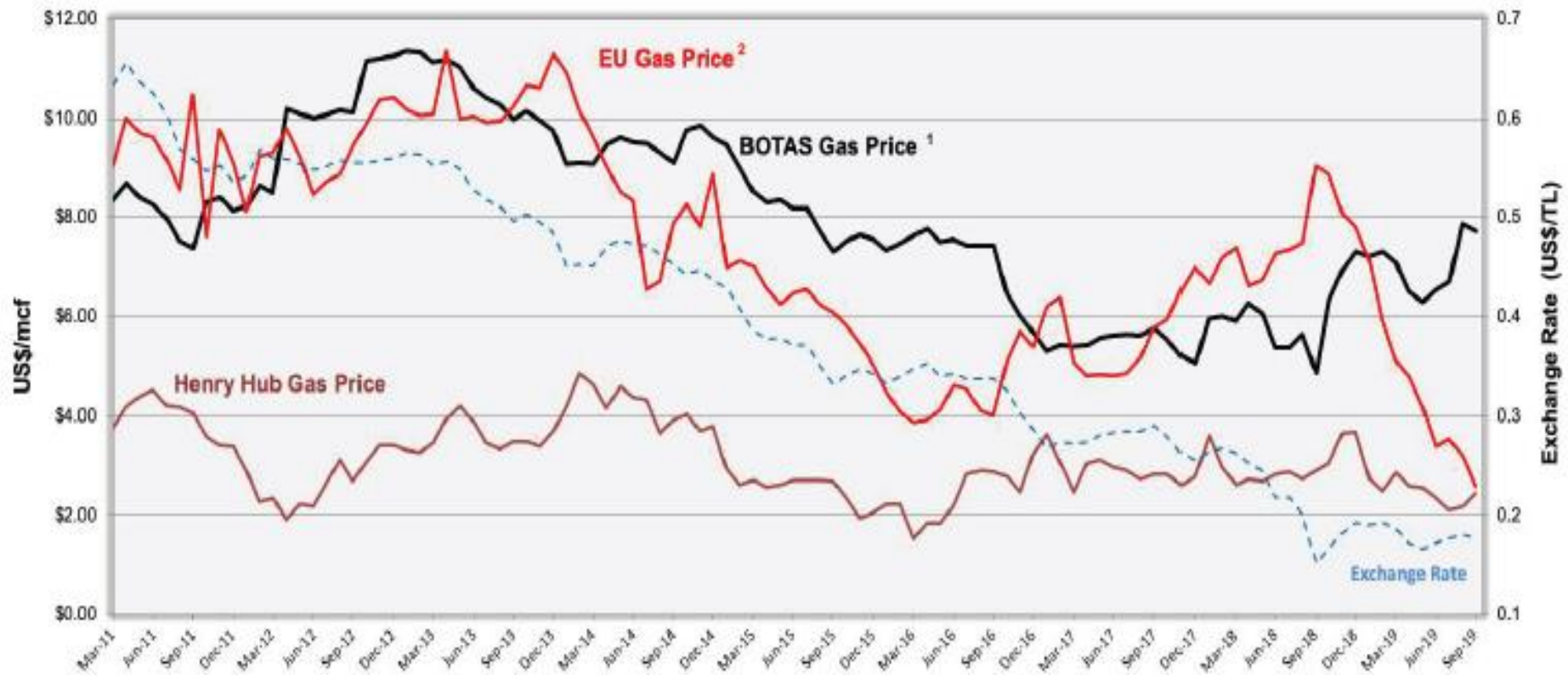
Turkey – Fiscal Regime and Marketing

- The term for an exploration license is five years until January 26, 2024.
- In case of discovery, a production lease is granted for 20 years, which may be extended twice for periods not exceeding 10 years at a time.
- Excellent fiscal terms:
 - 12.5% Royalty
 - 22% Corporate Tax
- Natural gas supply/demand:
 - Turkey produces less than 1% of its own natural gas consumption – a local market.
 - Acreage proximal to several tie-in points to the Turkish domestic grid (approx. 25 km) and multiple export lines to Europe.
 - Natural gas price ~US\$6.00/mcf



Botaş Natural Gas Pricing

- Gas price in Turkish Lira is adjusted regularly to track price of imported gas, primarily from Russia, and offset devaluation of the Turkish Lira.



Source: Valeura Energy

Gas Infrastructure

Natural Gas Infrastructure Map



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries, and to the name of any territory, city or area.

Work Program Commitments

<u>YEAR 1</u>	<u>Program Amount (\$US)</u>
Legacy Data Purchase (Logs, FWR's, etc...)	\$25,000
Legacy 2D Seismic Data Purchase (incl. field tapes, observer's logs, etc...)	\$25,000
Digitize well-logs	\$5,000
Reprocess 2D Seismic	\$25,000
Compile technical database	
Delineate structural/stratigraphic framework	\$75,000
3 rd -Party Reserve/Resource Assessment	\$25,000
Field-work to assess status of Pehlivankoy-1	\$50,000
Sub-Total:	\$230,000
<u>YEAR 2</u>	
Mapping & delineation of prospectivity	\$250,000
Core/Cuttings/Geochemistry	\$25,000
Design/Permit/Acquire/Process 125 km ² new 3D seismic	\$2,300,000
Pehlivankoy-1 Sidetrack/Re-entry/Twin	\$2,500,000
Sub-Total:	\$5,075,000
<u>YEAR 3</u>	
Evaluation of Pehlivankoy-1 results and interpretation/generation of a risked lead/prospect drilling inventory	\$250,000
Sub-Total:	\$250,000
<u>YEAR 4</u>	
Ongoing G&G technical work & operational support	\$250,000
Drill 1 Exploration well to the Mezardere/Ceylan	\$2,500,000
Sub-Total:	\$2,750,000
<u>YEAR 5</u>	
Evaluation of well results & relinquishment/conversion	\$250,000
Sub-Total:	\$250,000
PROGRAM TOTAL:	\$8,555,000



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Appendix

Leadership

The principals of Gazelle each have in excess of 30 years of experience and have successfully started multiple exploration and production in Canada, Middle East and worldwide, including the Central Asian Republics of the Former Soviet Union. Gazelle has been actively seeking additional investment projects to build its portfolio in Kazakhstan, Ukraine, Oman, Uzbekistan, Ghana, Nigeria and Algeria.

Ken McNeill

Chairman of the Board of Directors

Ken McNeill is a successful entrepreneur and petroleum landman with 39 years of oil industry experience. As a senior officer and/or director, he has been involved in the early start-up and growth phases of eleven oil and gas companies (nine in Western Canada and two internationally).

Michael Volcko, P.Eng.

President & CEO, Director

Michael Volcko is a reservoir engineer with more than 30 years of petroleum industry experience. He was founder and President of Altius Energy Corporation, a private Canadian oil company which acquired, developed and operated oil production in Kazakhstan. Under Mr. Volcko's leadership, Altius grew to nearly 2000 bbl/d prior to being acquired by Arawak Energy Corporation in 2005. Mr. Volcko is also CEO of Allied Petroleum Exploration, a private Canadian energy company with a large exploration block containing an oil discovery in Oman.

David Kisilevsky, P.Geol.

Executive Vice President - Exploration & COO, Director

David Kisilevsky is a structural geologist and petrophysicist with 26 years' experience in the petroleum industry, and related geosciences. He was previously Vice President, corporate Director and a Principal Shareholder of Petrel Roberston Consulting Ltd.

Leadership

Dr. Nasser al-Araimi

Non-Executive Advisor – Business Development

Graeme Bate

Vice President – Business Development

Graeme Bate is an experienced petroleum executive, with 30 years of varied industry experience around the world. He is a petrophysicist and reservoir engineer by training and worked in several African and European countries as a field engineer and manager with Schlumberger. For many years he was a Partner and the leader of the Canadian oil and gas industry consulting business of PricewaterhouseCoopers LLP.

Thrace Basin Hydrocarbon Fields

