

Jupiter Resources Ltd.

2020 Guidance

	2019A	2020F
CAPITAL (\$ millions) ⁽¹⁾	137	80 - 90
Wells (net)	10	6-7
PRODUCTION (net before royalties)		
Natural gas (MMcf/day)	305	290 - 300
Crude oil & NGLs (Mbbl/day)	21.5	16 - 17
Total production (MMcfe/day)	434	385 - 400
EXPENSES (\$/Mcf)		
Operating	0.20	0.23 - 0.25
Processing ⁽²⁾ :		
Capital fee	0.43	0.20 - 0.25
Flow-through plant operating	0.30	0.32 - 0.35
Transportation	0.46	0.45 - 0.50
G&A (\$/Mcf)	0.09	0.10 - 0.12
AVERAGE ROYALTY RATE (%) ⁽³⁾	3.6	6 - 7
SINGLE WELL ECONOMICS ⁽⁴⁾		2020F
DCT capital (\$MM)		9.5
EUR (Bcfe)		13
NGL yield (bbls/MMcf raw)		57
Shrinkage (%)		10
Liquids price (% WTI)		29
IRR (%) ⁽⁵⁾		40

NOTES:

(1) Includes approximately \$25 million of facility and other capital in support of current year programs and future development.

(2) Processing expenses include third party processing, gathering and compression fees and include two main components: the first component is the capital fee charged by the third party, representing capital repayment and financing charges (includes unutilized capacity). The second component are the plant operating costs which are charged back based on volume throughput.

(3) Royalties as a percentage of revenue before transportation expense.

(4) Based on weighted average type curve for 2020F development program.

(5) IRR assumes \$2.00/GJ AECO, US\$55.00/Bbl WTI and exchange rate of 0.76 \$US/\$Cdn; excludes G&A, capital processing fee and capital highlighted under footnote 1.

Forward-looking statements:

This document regarding Jupiter Resources Ltd. (“Jupiter”) contains forward-looking statements within the meaning of applicable securities laws. The use of any of the words “believe,” “project,” “might,” “expect,” “may,” “will,” “should,” “seek,” “approximately,” “intend,” “plan,” “estimate,” or “anticipate” or similar expressions are intended to identify forward-looking statements. In particular, but without limiting the foregoing, this document contains forward-looking statements pertaining to the following: 2020 capital budgets, expected well-level economics, and midstream processing, gas take-away and natural gas liquids capacity.

The forward-looking statements contained in this document are not a guarantee of future performance and should not be unduly relied upon. Such information involves 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 including, without limitation: changes in commodity prices; changes in realized prices for Jupiter’s products; changes in the demand for or supply of Jupiter’s products; unanticipated operating results, results from development plans or production declines; changes in tax or environmental laws, royalty rates, incentive programs or other regulatory matters; inaccurate estimation of Jupiter’s oil and gas reserves volumes; increased costs; the impact of competitors; and certain other risks detailed under “Item 1A. Risk Factors” contained in Jupiter’s December 31, 2019 Annual Report.

The forward-looking information contained in this document reflects several material factors, expectations and assumptions made by Jupiter as described herein and including, without limitation: that we will conduct our operations and achieve results of operations as anticipated; that our development plans will achieve the expected results; the general continuance of current or, where applicable, assumed industry conditions; the continuation of assumed tax, royalty and regulatory regimes; the accuracy of the estimates of our reserve volumes; commodity price and cost assumptions; and the availability of third party services.

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OIL AND GAS EQUIVALENCY

This document presents certain production and reserves-related information on an “equivalency” basis. Equivalent volumes are computed with oil and natural gas liquids quantities converted to Mcfe at a ratio of one Bbl to six Mcfe and natural gas converted to BOE at a ratio of six Mcf to one BOE. These conversions are based on energy equivalency conversion methods primarily applicable at the burner tip and do not represent value equivalencies at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

OTHER ADVISORIES

None of the estimates, evaluations, projections or assessments prepared by Jupiter and contained in this document has been audited by an independent evaluator.

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