



Ubika Energy 20

May 24, 2018



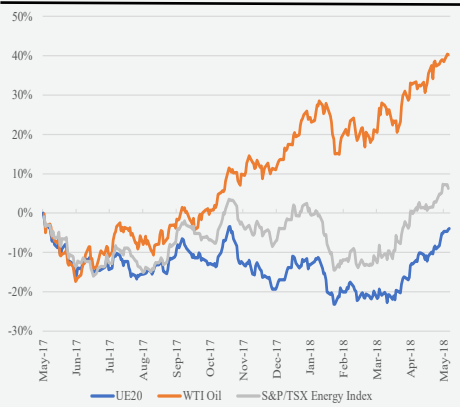
Ubika Energy 20

April 3, 2018 - May 24, 2018

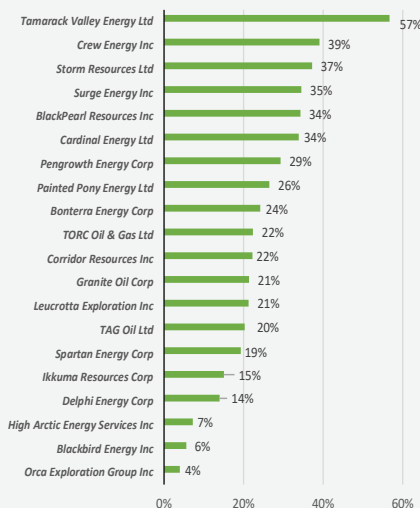
UE20: 21.9% (-3.9% Y/Y)
 TSX Capped Energy: 16.3% (5.1% Y/Y)
 Oil (WTI): 13.0% (39.4% Y/Y)

Dollar amounts in CAD unless otherwise stated.

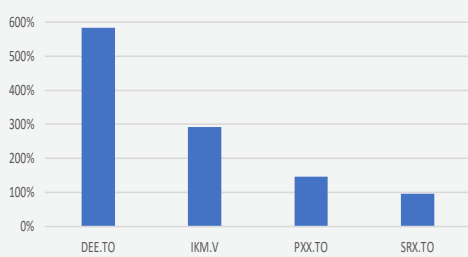
UE20 Performance Vs. Benchmarks



UE20: Performance Distribution



Top Volume Gainers (m/m)



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Oil Price Surges on News of Iran Deal Exit

The Ubika Energy 20 Index climbed 22% since our last report dated April 3, 2018, outperforming its benchmarks, WTI crude oil and the TSX/S&P Energy Index, which increased 13% and 16%, respectively, over the same period. Notable performers for this report include:

- Crew Energy Inc. (TSX:CR), which gained 39% on news of a Q/Q production increase.
- Tamarack Valley Energy Ltd. (TSX:TVE), which returned 57% following the commencement of a stock buyback
- Storm Resources Ltd. (TSX:SRX), which increased 37% following an encouraging earnings release.

Industry Highlights:

On May 8, 2018, President Trump announced the withdrawal of the United States from the Iran nuclear deal signed by his predecessor in 2015. The agreement eased sanctions on Iran and allowed it to begin reintegrating into the international economy, in exchange for the dismantling of its nuclear development program. Trump's announcement was followed by harsh condemnation from key U.S. allies such as the U.K., France and Germany. Renewed fears of a regional conflict in the Middle East and the disruption of Iranian oil exports have caused oil prices to surge (Brent crude was up 13% since April 3, hitting a 3.5 year high - \$78). Bank of America Merrill Lynch has issued a statement that oil could reach U.S. \$100/bbl in 2018.

U.S. oil companies have added oil rigs for the sixth straight week, bolstered by rising crude prices. As of May 11, 2018, there were 844 oil rigs operating in the U.S., the highest level since March 2015. The U.S. government expects oil output in the Permian basin of west Texas to rise to a record high near 3.2 million barrels per day in May, about 30% of total U.S. oil production. The U.S. rig count is often used as an early indicator of future oil output.

Upcoming Conferences:

- Global Petroleum Show – Calgary, Alberta, June 12-14, 2018. Global Petroleum Show connects 50,000+ attendees, 1,000+ exhibiting companies, and 150 expert speakers, to discuss developments in the industry.

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Notable Performers

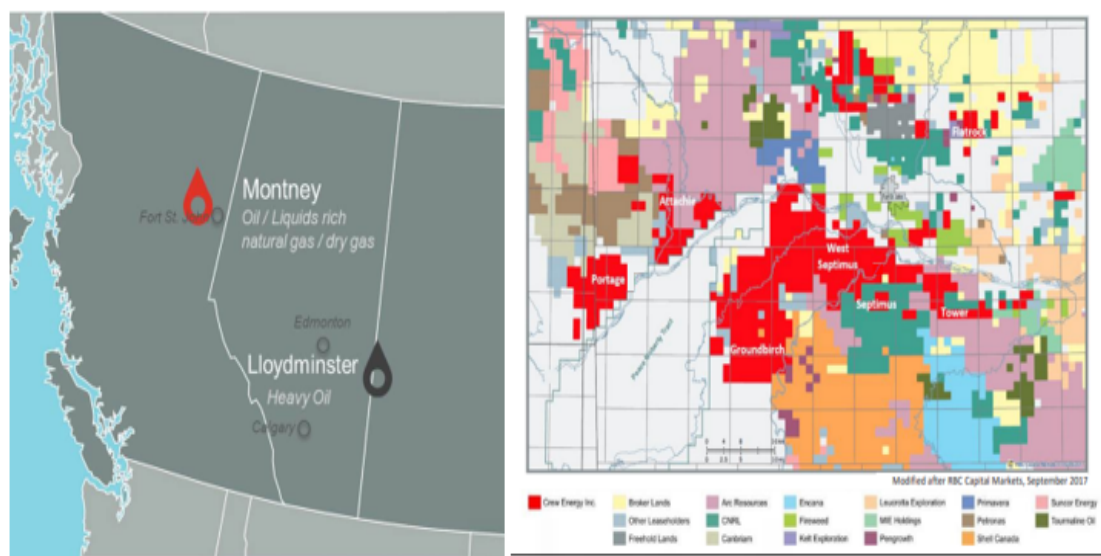
Crew Energy Inc. (TSX:CR)

Crew Energy is a Canadian oil and gas producer with land holdings in northeast British Columbia. The Company's stock surged 39% since our last oil report on April 3, 2018. The move was primarily a continuation of the uptrend that began following its annual earnings release on March 1, 2018.

Crew's flagship Montney resource property is comprised of a contiguous land base of more than 280,000 acres. The Company also owns and operates a smaller property, near the town of Lloydminster on the Alberta/Saskatchewan border. The Company's combined Proven and Probable reserves (2P) were approximately 370M BOE as of December 31, 2017.

A map of the Montney property can be seen in the right-side image of Figure 1.

Figure 1: Crew Energy Property



Source: Crew Energy Inc. Corporate Presentation

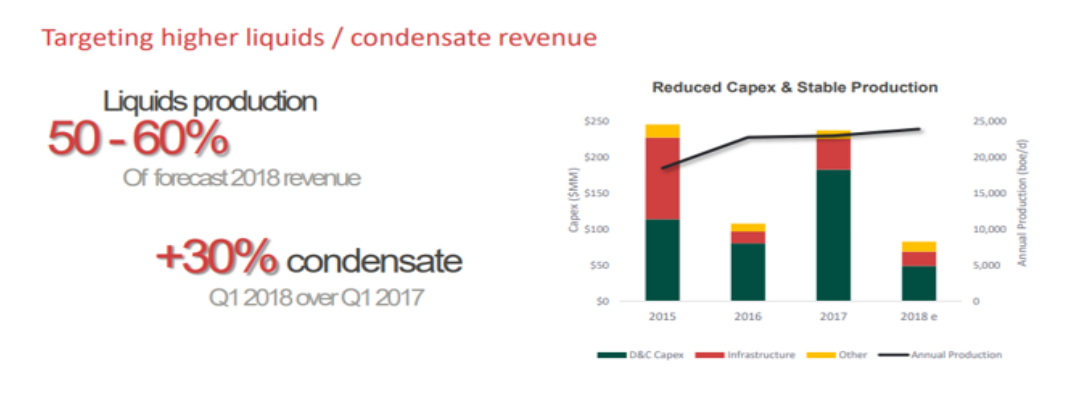
The Montney property is a siltstone site with 441 net sections. Most of the area remains unmeasured, with only 13% of the upper area and less than 1% of the lower area having reserves assigned. CR estimates that Montney has 20x-80x greater permeability than comparable resources in North America and may be up to 1,000 ft thick.

Going forward, the Company plans to reign in CAPEX spending and focus on higher liquid content production. The 2018 CAPEX budget can be found in Figure 2.

On May 10, 2018, Crew's stock price rose 3.4% with the release of its Q1/20181 operating results. The release showed a 12% Q/Q increase in production.

Crew is covered by 18 analysts with an average price target of \$3.37, representing an upside of 30%. As of May 18, 2018, it had been issued 12 Buy ratings, 6 Hold ratings, and no Sell ratings.

Figure 2: Crew Energy CAPEX Budget



Source: Crew Energy Inc. Corporate Presentation

Tamarack Valley Energy Ltd. (TSX:TVE)

Tamarack Valley is an oil and gas producer operating in Alberta. The Company's stock has climbed 57% due to rising oil prices and an exceeded 2017 production guidance.

The Company's flagship operation, the Viking project, is a heavy-oil field located east of Edmonton. In January, TVE completed its acquisition of Spur Resources for \$400M, adding additional land and facilities to the operation. Viking produces 9,990 BOE/d, at a liquid weighting of 69%, with reserves of 900M BOE. The Company drilled 85 wells at the site in 2017, with an additional 90 planned for 2018. As of the end of Q1/2018, 15 of the wells drilled in 2017 have been completed and brought online, with an additional 8 to be brought into production in Q2/2018. The Company uses fracking to increase pressure support, reducing well-decline rates and increasing reserves. The Company plans to add a water disposal and oil battery expansion, eliminating water trucking and disposal costs by Q3/2018. TVE also plans to implement a solution to eliminate clean oil trucking by Q4/2018.

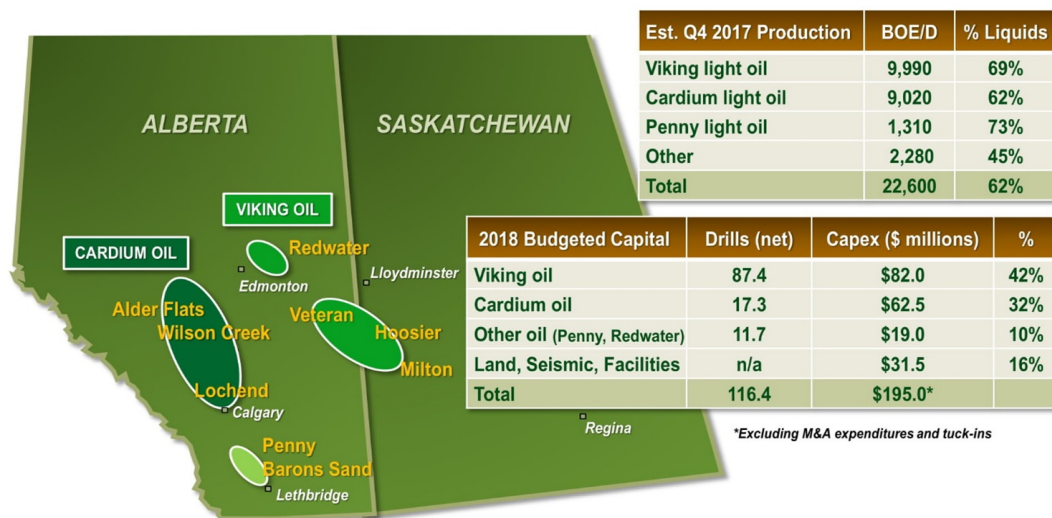
The Company produces a similar amount from its Cardium project, and a smaller amount from a number of smaller projects. The Cardium project was formerly TVE's flagship asset, with Viking surpassing its production in Q3/2017. Cardium produced 9000 BOE/d at a liquid rating of 62%.

A map of TVE's projects, as well as their expected production and capital expenditures can be found in Figure 3.

On April 4, 2018, Tamarack received approval from the TSX for a normal course issuer bid to buy back 8,600,000 common shares over the 12 months following the April 6 commencement date. The Company's stock has maintained a steady uptrend since.

The Company has an average price target of \$4.67, representing a 11% upside. TVE has 17 Buy ratings, 1 Hold rating, and no Sell ratings.

Figure 3: Tamarack Properties



Source: Tamarack Valley Energy Ltd. Company Reports

Storm Resources Ltd. (TSX:SRX)

Storm Resources is a Canada-based oil and gas company with operations in Alberta and British Columbia. The Company focuses on exploratory and development drilling. Its main activities are located in the Umbach and Horn River Basin area of northeast B.C. The Company's stock returned 37% since our April 3, 2018 report on encouraging annual results.

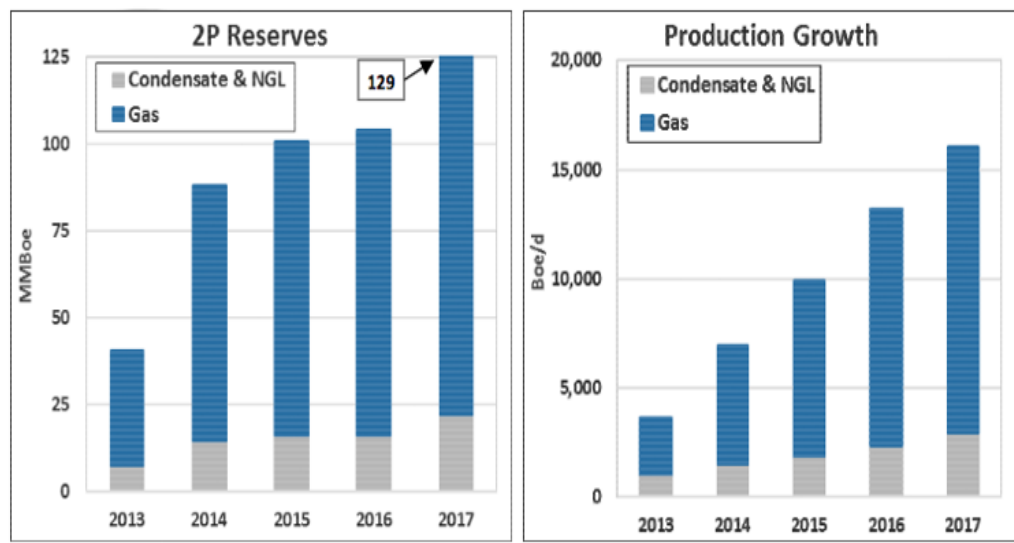
Umbach is prospective for liquids-rich natural gas from the Montney formation. Storm holds 109,000 net acres with 69 active wells. In Q4/2017, this property was producing 17,750 BOE/d of liquid-rich natural gas, recovering 39 barrels of liquids per MMCF, approximately 60% of which was higher priced condensate. SRX estimates Q1/2018 total production will be ~19,600 BOE/d. By the end of 2018, the Company anticipates a 25% increase in production over Q4/2017 levels.

The Horn River Basin property is 80,000 acres with one well producing 77 BOE/d. Storm has no plans for additional activity in the area until there is evidence of a sustained increase in natural gas prices.

SRX's properties are host to 129M BOE of Proven and Probable reserves. Figure 4 outlines reserve and production growth over the past five years.

Storm is covered by 9 analysts with an average price target of \$3.86, representing an 29% upside. It currently has 7 Buy ratings and 2 Holds.

Figure 4: Storm Reserves and Production



Source: Storm Resources Ltd. Corporate Presentation

Upcoming Catalysts:

Continued tensions in the Middle East over the United States' withdrawal from the Iran deal is driving up global oil prices. In addition to the sanctions placed on Iran's oil production, fear of disrupted supply lines and potentially a war have sparked price speculation in the industry.

Canada's \$40B liquified natural gas project may be resurrected this year after being put on hold in 2010. A conglomerate of energy companies will need to make a final investment decision before it can begin. A rising oil-price environment has expanded the investment capacity of many of the companies involved, which has led to renewed interest. B.C.'s NDP government has stated that it is onboard with the project and there is the potential for tax breaks from the Canadian federal government. Liquified natural gas is cleaner than diluted bitumen.

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