

August 2023

Red Deer Activity

Taylor Hill Exploration Ltd. ("Taylor Hill") has identified several prospects in the Red Deer area. It is currently marketing two plays.

The area has been an important contributor to oil and gas production. It is easily accessible, has abundant infrastructure and has excellent conventional oil and gas potential in 14 different zones between 250 and 3950 Meters. New play types continue to arise in the area.

At the current time, Taylor Hill is primarily focused on two plays. Taylor Hill has developed prospects on the Duvernay Fm. since the play's inception. It has completed transactions since then with two of the largest operators which are pursuing black oil plays in the zone. Commercial production is occurring on both plays with significant development potential. Companies which are active on the play include Baytex Energy <https://www.baytexenergy.com>, Tiene Energy, Paramount Energy.

The Red Deer area is the site of first commercial shale oil production. A private operator called Vesta Energy has done a very good job developing the Duvernay shales in the East Basin using two mile-long horizontal wells which are drilled two miles horizontally and then stimulated with multistage frac technology. Depth is ~2,500m. Vesta currently produces 12,400 BOEPD with 433 undeveloped locations on their land holdings. A presentation can be viewed on the company website <https://www.vestaenergy.com>. The metrics of the play are excellent despite the high cost. (\$10.3 MM per completed well)

In addition to the Duvernay prospect a conventional high potential light oil and gas play which exists on company holdings.

To view the technical information on these plays a **Confidentiality Agreement** must be signed. Taylor Hill will need

to be satisfied regarding the financial capability of any party wishing to view its technical data.