Clearview Resources Ltd.

Management Discussion and Analysis (MD&A)

June 30, 2022

JUNE 30, 2022 HIGHLIGHTS

- Generated an operating netback(1) of $37.26 per barrel of oil equivalent ("boe") in the three months ended June 30, 2022, an increase of 170% over the comparative period of 2021;

- Generated adjusted funds flow(2) of $3.2 million in the three months ended June 30, 2022 and cash provided by operating activities of $2.1 million as compared to $1.0 million and $0.3 million, respectively, in the comparative period of 2021;

- Renewed the Company's operating credit facility ("Operating Facility") with its lender at $10.0 million, during the second quarter of 2022, with the next scheduled review date set for June 30, 2023;

- Repaid the Export Development of Canada guarantee loan of $6.25 million, in the second quarter of 2022, eliminating the annual renewal fee of 1.8%, using the Company's Operating Facility and cash on hand;

- Reduced the Company's net debt(2) to $5.0 million at June 30, 2022, from $10.2 million at December 31, 2021, inclusive of the Company's convertible debentures of $1.2 million;

- Increased the realized sales price per boe(3) by 99%, in the three months ended June 30, 2022 over the comparative period, to $69.89 per boe resulting in an increase in oil and natural gas sales of $5.6 million over the comparative period of 2021; and

- Closed the disposition of 14,240 acres of undeveloped lands in the Jarvie area of Alberta for proceeds of $1.35 million, recording a gain on the sale of $1.2 million.

Notes

(1) Non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. See "Non-IFRS Measures and Ratios" contained within this press release.

(2) Each of "adjusted funds flow" and "net debt" are capital management measures that do not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures of other entities. See "Non-IFRS Measures and Ratios" contained within this press release.

(3) Supplementary financial measure that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures of other entities. See "Non-IFRS Measures and Ratios" contained within this press release.

Clearview Resources Ltd.
Management Discussion and Analysis (MD&A)
June 30, 2022

The management discussion and analysis ("MD&A") is a review of the financial position and results of operations of the Company for the three and six months ended June 30, 2022 and 2021. The MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the three and six months ended June 30, 2022 and 2021 and the audited financial statements and accompanying notes for the periods ended December 31, 2021 and 2020. The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Unless otherwise noted, all dollar amounts in the tables are expressed in thousands of Canadian dollars ($000's), except per unit amounts. The MD&A has been prepared and approved by the Board of Directors as of August 25, 2022.

Refer to page 26 for information about Non-IFRS Measures, page 28 for information on forward-looking statements and page 29 for measures, conversions and acronyms used in the MD&A.

OVERVIEW OF THE COMPANY

Clearview Resources Ltd. (the "Company") is a privately owned, growth-oriented oil and natural gas producing company based in Calgary, Alberta with production and development primarily focused in the Greater Pembina area of west central Alberta. The Company is a reporting issuer with additional information about the Company available on the Canadian Securities Administrators' System for Electronic Distribution and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.clearviewres.com.

The Company's oil and natural gas properties are listed below:

Region - Alberta	Property	Primary production	P+P Reserves[1]	Average WI	Operatorship[2]
Greater Pembina	Northville	Liquids rich natural gas	5,894	87%	Yes
	Pembina	Liquids rich natural gas	1,457	80%	Yes
	Wilson Creek	Light oil and liquids rich natural gas	3,685	60%	Yes
	Windfall	Light oil	6,165	100.0%	Yes
	Niton	Light oil	1,395	96%	Yes
	Garrington	Light oil and liquids rich natural gas	1,561	94%	Yes
	Caribou	Light oil	491	70.0%	Yes
Other	Bantry	Medium oil	216	40.0%	No
	Carstairs (Unit)	Liquids rich natural gas	697	17.0%	No
	Lindale (Unit)	Light oil with associated natural gas and liquids	101	10.6%	No
	Miscellaneous	Various	107	Various	Mixed
Total			21,769		

[1] mboe of total proved plus probable reserves at December 31, 2021 as determined by the Company's independent reserves evaluator, McDaniel & Associates Consultants Ltd.
[2] operatorship of a majority of the property

The Company's objectives continue to be:

- acquire long life, cash generating oil and natural gas properties with growth potential;
- maintain a low cost and financially robust operating structure;
- reduce the Company's bank debt leverage to a minimal level;
- build the Company's production base to fund the field capital program from internally generated funds;
- maintain a current licensee liability rating of 2.0 or greater; and
- continue pursuing non-core asset dispositions.

SELECTED ANNUAL INFORMATION

	Six months ended		Years ended		
	June 30 2022	June 30 2021	Dec. 31 2021	Dec. 31 2020	Dec. 31 2019
Oil and natural gas sales	22,980	13,658	30,364	16,133	25,687
Adjusted funds flow (1)	5,703	2,355	5,573	2,487	5,494
Per share – basic	0.49	0.20	0.48	0.21	0.48
Per share – diluted	0.45	0.20	0.44	0.21	0.48
Cash provided by operating activities	4,715	1,788	6,130	1,783	4,980
Per share – basic	0.40	0.15	0.53	0.15	0.43
Per share - diluted	0.37	0.15	0.48	0.15	0.43
Net earnings (loss)	2,191	(4,199)	5,212	(10,842)	(8,768)
Per share – basic	0.19	(0.36)	0.45	(0.93)	(0.76)
Per share – diluted	0.18	(0.36)	0.42	(0.93)	(0.76)
Total assets	67,100	66,122	73,277	70,498	80,038
Total long term liabilities	19,134	24,232	24,655	26,387	23,420
Net debt (1)	5,019	11,642	10,193	13,235	15,358
Net capital expenditures (1)	333	675	2,108	376	1,955

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See "Non-IFRS Measures" contained within this MD&A.

In the first six months of 2022, oil and natural gas sales increased by $9.3 million to $23.0 million, versus the first six months of 2021, as a result of higher realized sales prices for all of the Company's production. The increase in revenue of $9.3 million was partially offset by an increase in realized losses on financial instruments of $2.4 million, higher royalties by $2.3 million and increased operating costs of $1.2 million as compared to the same period of 2021. As a result, adjusted funds flow increased to $5.7 million ($0.49 per basic share) in the first six months of 2022. Cash flow from operations increased to $4.7 million in the six months ended June 30, 2022. The net earnings for the six months ended June 30, 2022 was $2.2 million ($0.19 per basic share) versus a net loss of $4.2 million ($0.36 per basic share) in the comparative period of 2021. Net debt was reduced by $5.2 million during the first six months of 2022 as the excess of adjusted funds flow over net capital expenditures was applied against bank debt and working capital.

For the year ended December 31, 2021, the Company's oil and natural gas sales increased to $30.4 million due to higher realized sales prices for all its production while production remained very steady year over year with a 3% increase. Adjusted funds flow was $5.6 million while cash provided by operating activities was $6.1 million for the year ended December 31, 2021. Long term liabilities decreased in the year ended December 31, 2021 due to decommissioning operations undertaken during 2021 to abandon 29 gross (13.2 net) wells and a higher discount rate positively affecting the discounting of decommissioning obligations. Net debt was reduced over the twelve months ended December 31, 2021 as adjusted funds flow in excess of net capital expenditures was applied against bank debt. Net earnings for 2021 were $5.2 million compared to a net loss in the prior year of $10.8 million. The increase in 2021 was primarily due to much higher revenues as a result of higher commodity prices and an impairment reversal of $8.3 million in the fourth quarter of 2021.

In the year ended December 31, 2020, revenues were lower than the comparative period of 2019 due to lower oil prices and lower production volumes from wells being shut-in for part of the second quarter. The shut-in production was primarily operated oil volumes and natural gas associated with the oil production due to low prices for oil and natural gas liquids stemming from the COVID-19 pandemic. The significant decrease in revenue of $9.6 million was partially offset by an increase in realized gains on risk management contracts of $1.1 million, lower royalties of $1.9 million, lower operating costs of $3.0 million, lower transportation costs of $0.2 million and lower general and administrative expenses of $ 0.7 million, resulting in adjusted funds flow being lower by $3.0 million versus the comparative year. Cash provided by operating activities was reduced due to the lower adjusted funds flow and a negative change in operating working capital of $0.6 million. The net loss for the year ended December 31, 2020 increased to $10.8 million, an increase of $2.1 million primarily due to lower adjusted funds flow by $3.0 million and an increase in impairment expense of $0.6 million. These reductions were partially offset by lower depletion expense of $2.0 million. Net debt was reduced by $2.1 million in 2020 as adjusted funds flow in excess of capital expenditures was applied against working capital and bank debt.

DISCUSSION OF OPERATIONS

Capital expenditures

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Land	-	-	-	3	-	100
Reactivations, optimizations and equipping	398	99	302	1,306	593	120
Facilities	223	70	219	336	62	442
Other	(71)	22	(422)	38	20	90
Capital expenditures (1)	550	191	188	1,683	675	149
Disposition of properties	(1,350)	-	100	(1,350)	-	100
Acquisition of properties	-	-	-	-	-	-
Net capital expenditures (1)	(800)	191	(519)	333	675	(51)

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See “Non-IFRS Measures” contained within this MD&A.

In the three months ended June 30, 2022, Clearview undertook a reactivation/optimization program of $0.4 million, focused in the Garrington area of Alberta and approximately $0.2 million on facility upgrades. For the six months ended June 30, 2022, the Company spent $1.7 million, primarily on two reactivation/optimization programs, representing approximately 30% of its adjusted funds flow over the same period. The increase of 120% in downhole operations, over the comparative six months period, is supported by the success of the 2021 program, the improved financial position of the Company and the current commodity price environment.

During the three months ended June 30, 2022, Clearview disposed of lands, which it had acquired in 2021, in the Jarvie area of Alberta, for proceeds of $1.35 million. The Company recorded a gain on the disposition of $1.22 million. The proceeds were immediately applied to reduce the Company’s outstanding bank debt.

Production

Production is summarized in the following table:

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Oil – bbl/d	446	504	(12)	441	483	(9)
Natural gas liquids – bbl/d	482	549	(12)	487	450	8
Total liquids – bbl/d	928	1,053	(12)	928	933	(1)
Natural gas – mcf/d	6,528	7,233	(10)	6,745	7,473	(10)
Total – boe/d	2,016	2,258	(11)	2,052	2,179	(6)

Production for the three months ended June 30, 2022 was 2,016 barrels of oil equivalent per day, lower by 11%, than the comparative three months of 2021. The decrease was due to natural declines, natural gas processing facilities in several areas being down for a portion of the quarter to complete maintenance programs and the shut-in of some production to complete optimization programs late in the quarter. The decrease in oil production has largely been a result of natural declines, the shut-in of production in the Garrington area while undertaking optimization activities later in the quarter and having not drilled a well in the past three and one-half years. Lower natural gas and natural gas liquids production was due to natural declines and reduced production due to turnarounds by the operator in the Carstairs area and the third-party facility owner in the Garrington area.

For the six months ended June 30, 2022, natural gas liquids production was higher by 8% than the comparative period primarily due to changing natural gas processing for a portion of the Company's natural gas production. The current facility extracts greater ethane volumes while processing the natural gas. Oil and natural gas production for the six months ended June 30, 2022 were down 9% and 10%, respectively, over the comparative period of 2021. Total production for the six months ended June 30, 2022 was lower by 6% at 2,052 boe/d versus the comparative period of 2021 as the increase in natural gas liquids production partially offset the decline in oil and natural gas production.

Clearview's production portfolio for the three months ended June 30, 2022 was weighted 22% to oil, 24% to natural gas liquids and 54% to natural gas. For the three months ended June 30, 2021 the production mix was weighted 22% to oil, 24% to natural gas liquids and 54% to natural gas.

Benchmark prices and economic parameters

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Oil – West Texas Intermediate ("WTI") (US $/bbl)	108.42	66.02	64	101.44	61.93	64
Oil – Edmonton Par ($/bbl)	137.77	77.20	78	127.06	71.89	77
Differential – Light oil ($/bbl) (1)	(0.70)	(3.82)	(82)	(1.98)	(5.22)	(62)
NGLs - Pentane ($/bbl)	132.11	79.44	66	127.25	77.00	65
NGLs – Butane ($/bbl)	67.91	36.84	84	70.20	32.56	116
NGLs – Propane ($/bbl)	53.68	30.45	76	55.76	30.80	81
Natural gas – AECO ($/mcf)	7.24	3.09	134	6.00	3.11	93
Exchange rate – US$/Cdn$	0.78	0.82	(4)	0.79	0.80	(1)

(1) The light oil differential is calculated as WTI in Canadian dollars minus the Edmonton Par price.

The refiners' posted prices for Canadian crude oils are influenced by the WTI reference price, transportation capacity and costs, US$/Cdn$ exchange rates and the supply/demand situation of particular crude oil quality streams during the period. Benchmark oil prices in the three months ended June 30, 2022, increased 64% from an average of US $66.02 per barrel in 2021 to an average of US

$108.42 per barrel in 2022. This significant increase in WTI was a result of increased demand as global economies continued to recover from the COVID-19 pandemic in the prior year, including air travel returning to more normal levels. Other contributing factors are a lack of OPEC spare capacity to increase the supply of oil onto the global market to meet the increased demand and the geo-political tension associated with the invasion of Ukraine by Russia, whereby many countries are considering reducing purchases of oil from Russia. Canadian oil prices increased by 78% in the three months ended June 30, 2022, compared to the same quarter in 2021, as the light oil differential narrowed by 82% over the same comparative quarter, on top of the increase in WTI. For the six months ended June 30, 2022, the benchmark oil price and Canadian oil price increased 64% and 77%, respectively, versus the comparative six months period of 2021.

Pentane prices were higher over the three and six months ended June 30, 2022, in a very similar manner to WTI pricing and Canadian light oil prices, with increases of 66% and 65%, respectively, versus the comparative periods of 2021.

Butane prices averaged $67.91 per barrel for the quarter ended June 30, 2022, an increase of 84% over the same quarter of 2021. Butane prices over the six months ended June 30, 2022, have had an even higher increase, gaining 116%, over the comparative period of 2021. The recovery in butane prices in 2022 versus the same periods in 2021 is largely due to increased demand for the product with the recovery of the North American economy and the rise in WTI prices.

Propane prices averaged $53.68 per barrel for the quarter ended June 30, 2022, an increase of 76% compared to the same quarter of 2021. For the six months ended June 30, 2022, propane prices have had a similar increase of 81% versus the comparative period of 2021. Propane prices increased due to continued higher US exports to keep the market in balance with Canadian propane prices increasing as exports continue to increase.

AECO natural gas prices averaged $7.24 per mcf for the three months ended June 30, 2022, an increase of 134% as compared to the same quarter of 2021. Over the comparative six months ended June 30, AECO natural gas prices have increased 93% in 2022 over 2021. AECO pricing continued to be very strong through the first six months of 2022 due to the low supply of natural gas in storage in Alberta and the continued build out of export capacity from Western Canada.

Realized sales prices

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Oil – $/bbl	132.15	72.43	82	120.96	67.73	79
NGLs – $/bbl	66.66	34.23	95	64.36	38.07	69
Natural gas – $/mcf	7.64	3.30	132	6.27	3.42	83
Total – $/boe	69.89	35.07	99	61.88	34.63	79

Realized prices primarily vary from the benchmark prices due to quality differences, including differences for density and sulphur content. The differential can vary considerably from quarter to quarter. During the three months ended June 30, 2022, the Company's realized oil price was higher by 82% than the comparative quarter of 2021 as a result of a 78% increase in Edmonton Par benchmark pricing. For the six months ended June 30, 2022, the Company's realized oil price increased by 79%, consistent with the 77% increase in Edmonton Par benchmark pricing.

Natural gas liquids prices were higher by 95% in the second quarter of 2022 versus the comparative period of 2021. This increase was primarily due to higher prices received for the Company's ethane, propane, pentane production, all increasing over 70%, and the Company's butane pricing increasing by 164%, primarily as a result of the increase in WTI. For the six months ended June 30, 2022, the Company's realized natural gas prices were higher by 69% than the comparative period of 2021.

The Company's realized price for natural gas was higher by 132% for the three months ended June 30, 2022 versus the comparative period of 2021. This compares to a 134% increase in the benchmark AECO price over the same period. For the majority of the Company's natural gas production, the Company receives AECO plus a slightly positive adjustment for heating content from natural gas liquids left in the natural gas stream. For the three months ended June 30, 2022, the premium received by the Company was the same as the comparative period of 2021. A portion of the Company's natural gas production which is sold in Alberta received a lower price adjustment, non AECO based, in the second quarter of 2022 than the comparative quarter of 2021. For the six months ended June 30, 2022, the Company received an average natural gas price of $6.27 per mcf, an increase of 83% over the six months ended June 30, 2021.

On a boe basis, the Company's realized price was 99% higher for the three months ended June 30, 2022, than the comparative period, due to the higher prices received for all its production. On a boe basis, the Company's realized price was 79% higher for the six months ended June 30, 2022, than the comparative period, due to the higher prices received for all its production.

Revenues

Oil and natural gas sales

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Oil	5,359	3,323	61	9,648	5,928	63
Natural gas liquids	2,925	1,709	71	5,671	3,099	83
Total liquids	8,284	5,032	65	15,319	9,027	70
Natural gas	4,537	2,175	109	7,661	4,631	65
Total sales	12,821	7,207	78	22,980	13,658	68
Per boe	69.89	35.07	99	61.88	34.63	79

Crude oil sales increased 61% in the three months ended June 30, 2022 as a decrease in oil production volumes of 12% was offset by an increase of 82% in realized oil prices. Crude oil sales for the six months ended June 30, 2022 were 63% higher than the comparative period of 2021 as higher prices more than offset the lower production volumes.

Natural gas liquids revenues were higher by 71% in the quarter ended June 30, 2022 as production decreases of 12% were offset by higher realized natural gas liquids prices by 95%. Natural gas liquids sales for the six months ended June 30, 2022 were 83% higher than the comparative period of 2021 due to price increases of 69% and higher production volumes of 8%.

Natural gas revenue increased 109% in the quarter ended June 30, 2022 as lower production volumes of 10% were sold for a 132% higher realized natural gas price than in the comparative quarter of 2021. Natural gas sales for the six months ended June 30, 2022 were 65% higher than the comparative period of 2021 as higher prices more than offset the lower production volumes.

The 78% increase in oil and gas sales for the three months ended June 30, 2022 is due to a higher average price received per boe by 99% but lower total production of 11% than the comparative quarter of 2021. The 68% increase in oil and gas sales for the six months ended June 30, 2022 is due to a higher average price received per boe by 79% but lower total production of 6% than the comparative quarter of 2021.

Revenues from the sale of oil, natural gas and natural gas liquids are normally collected on the 25th day of the month following production. Clearview receives over 96% of its monthly production revenue from its customers on this day throughout the year. The remaining 4% is collected within 30 days after the 25th day and represents joint operations, whereby the operator sells the production on Clearview's behalf and subsequently pays Clearview for its working interest share of the revenues.

Processing income

Clearview has a working interest in natural gas processing and compression facilities at its Carstairs, Garrington, Wilson Creek and Northville properties. The Company earns revenue from processing fees on third party production volumes utilizing these facilities, a fee for service arrangement.

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Processing income	114	149	(23)	249	267	(7)
Per boe	0.62	0.73	(15)	0.67	0.68	(1)

In the three months ended June 30, 2022, processing income was $114 thousand, a decrease of 23%, versus the comparative period of 2021. For the six months ended June 30, 2022, processing income was lower by 7% than the comparative period of 2021. The decrease from the comparative periods was primarily due to lower third party production volumes being processed as a result of a facility being offline for part of the second quarter of 2022 for maintenance.

The Company had the following financial commodity price contracts outstanding at June 30, 2022.

Commencement Date	Expiry Date	Units	Volume	Underlying Commodity	Fixed Price
January 1, 2022	October 31, 2022	GJ/day	3,000	AECO 5A - Financial	$2.75
July 1, 2022	September 30, 2022	Bbls/day	100	Edmonton Par - Financial	$80.30
July 1, 2022	September 30, 2022	Bbls/day	150	Edmonton Par - Financial	$71.90 - $85.90**

** The Company entered into a costless collar contract whereby it will realize a minimum price of $71.90 per barrel and a maximum price of $85.90 per barrel for the term of the contract.

The fair value of the financial commodity contracts outstanding as at June 30, 2022 is estimated to be a liability of $1.8 million as a result of the significant increase in commodity prices. At December 31, 2021, the fair value of the financial contracts outstanding was a liability of $1.1 million. The fair value of these contracts is based on the forward prices and market values provided by independent sources and represents the asset/liability that would have been received from/paid to the counterparties to settle the contracts at the end of the reporting period. Due to the volatility of commodity prices, interest rates and foreign exchange rates, actual amounts may differ from these estimates.

For the three months ended June 30, 2022, the Company recognized an unrealized gain of $1.4 million on its outstanding commodity contracts versus an unrealized loss of $1.2 million in the three months ended June 30, 2021. For the six months ended June 30, 2022, the Company recognized an unrealized loss of $0.7 million on its outstanding commodity contracts versus an unrealized loss of $2.2 million in the six months ended June 30, 2021. The unrealized loss in the three and six months ended June 30, 2022 and 2021 is the difference between the fair values of the commodity contracts at June 30 and the fair values of outstanding commodity contracts at the respective prior reporting periods.

For the three months ended June 30, 2022, the Company had a realized loss on commodity contracts of $2.5 million versus a realized loss in the comparative period of $1.0 million. For the six months ended June 30, 2022, the Company had a realized loss on commodity contracts of $3.9 million versus a realized loss in the comparative period of $1.5 million.

Management monitors the forward price market for oil and natural gas, on an ongoing basis, and may contract additional production volumes as attractive pricing opportunities become available or if production increases from development or acquisitions.

Royalties

Amount	Three months ended June 30 2022	June 30 2021	% Change	Six months ended June 30 2022	June 30 2021	% Change
Crown – oil	938	245	283	1,453	324	348
Crown – natural gas liquids	880	499	76	1,625	836	94
Crown – natural gas	440	145	203	733	324	126
Gas cost allowance	(777)	19	(4,189)	(926)	(379)	144
Total Crown	1,481	908	63	2,885	1,105	161
Freehold	305	150	103	559	273	105
Gross over-riding	307	162	90	535	297	80
Total royalties	2,093	1,220	72	3,979	1,675	138
Per boe	11.41	5.94	92	10.71	4.25	152

The Company pays royalties to the provincial government ("Crown"), freeholders and gross over-riding royalty holders, which may be individuals or companies, and other oil and gas companies that own surface or mineral rights. Crown royalties are calculated on a sliding scale based on commodity prices and individual well production rates. Royalty rates can change due to commodity price fluctuations and changes in production volumes on a well-by-well basis, subject to a minimum and maximum rate restriction prescribed by the Crown. The provincial government has also enacted various royalty incentive programs that are available for wells that meet certain criteria which can result in fluctuations in royalty rates. Freehold and gross overriding royalties are generally at a fixed rate. The majority of the Company's production is on Crown lands.

The Company reviews its entitlement to gas cost allowance at each reporting period. The timeframe for the royalty regulatory process, the complexity of the calculation and the uncertainty (particularly for non-operated properties from which the Company takes its revenue in kind) as to whether the Company will be eligible to actually receive the allowance are factors considered in determining the estimate and the amount to record for that period. During the three months ended June 30, 2022, the Company received a positive gas cost allowance adjustment of $0.3 million related to the prior year.

Royalty rate	Three months ended June 30 2022	June 30 2021	% Change	Six months ended June 30 2022	June 30 2021	% Change
Total Crown	11.5%	12.6%	(9)	12.6%	8.1%	56
Freehold	2.3%	2.1%	10	2.4%	2.0%	20
Gross over-riding	2.4%	2.2%	9	2.3%	2.2%	5
Total royalties	16.2%	16.9%	(4)	17.3%	12.3%	41

The overall royalty burden for the three months ended June 30, 2022, decreased by 4% to a rate of 16.2% versus 16.9% for the comparative period. Crown royalty rates were lower by 9% primarily due to the receipt of a positive gas cost allowance adjustment of $0.3 million, more than offsetting higher royalties due to higher prices received for all the Company's production in the quarter. In the three months ended June 30, 2021, the Company received a negative gas cost allowance adjustment. Crown royalties on natural gas and natural gas liquids production were much higher than gas cost allowance in 2022. Freehold royalties and gross over-riding royalties increased as well due to higher realized prices in the second quarter of 2022 versus the comparative period.

In the six months ended June 30, 2022, total royalties increased by 41% due to the impact of much stronger prices for all the Company's production.

Transportation expenses

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Transportation costs	335	373	(10)	614	691	(11)
Per boe	1.83	1.82	1	1.65	1.75	(6)

Transportation expenses include trucking costs for delivery of the Company's oil production and third-party pipeline tariffs to deliver natural gas production to the purchasers at the main market hubs. During the three and six months ended June 30, 2022, the Company had 74% and 71%, respectively, of its natural gas volumes under firm service transportation contracts with NGTL and operators of midstream facilities that process the Company's natural gas production.

Transportation expense decreased 10% and 11%, respectively, in the three and six months ended June 30, 2022, versus the comparative period of 2021, due to lower production volumes of oil and natural gas.

Operating expenses

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Operating costs	3,671	2,923	26	7,295	6,051	21
Per boe	20.01	14.22	41	19.65	15.34	28

The Company continues to focus on reducing production costs given the volatility of oil and natural gas prices. However, components of operating an oil and natural gas property are essentially fixed, e.g. property taxes, lease rentals and insurance.

Operating costs per boe for the three months ended June 30, 2022 were $20.01 per boe, higher by 41% than the comparative quarter of the prior year, at $14.22 per boe. This increase reflects a 26% increase in absolute operating costs with a 11% decrease in average production per day. For the six months ended June 30, 2022, the Company's operating costs per boe have increased 28%, representing a 21% increase in costs and a decrease in production volumes of 6% versus the comparative period of 2021. The increase in absolute operating costs is a reflection of upward price pressure on field services from increased demand due to rising commodity prices. In addition, there has been general inflation related to fuel and power costs, chemicals, lubricants and other consumables used in operations. The Company has also experienced higher fees from third party plant owners for the processing of its natural gas production and incurred higher repairs and maintenance, carbon taxes and manpower costs, post the costs constraints of early 2021, than in the comparative period of 2021.

General and administrative expenses

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Gross costs	939	621	51	1,487	1,144	30
Overhead recoveries	(61)	(50)	22	(126)	(99)	27
Total G&A expenses	878	571	54	1,361	1,045	30
Per boe	4.79	2.78	72	3.66	2.65	38

General and administrative costs, net of recoveries, increased 54% in the quarter ended June 30, 2022 versus the comparative period of 2021 and increased 30% over the six months ended June 30, 2022 versus the comparative period. The increase in costs is primarily due to the payment of earned bonuses and professional fees.

Stock based compensation

Stock based compensation is the amortization over the vesting period of the fair value of stock options. The Company has granted options to acquire voting common shares to directors, officers and employees to provide an incentive and retention component of the compensation plan. The Board of Directors of the Company set the terms of the options at the time of grant. The fair value of all options granted is estimated at the time of the grant using the Black-Scholes option pricing model.

The first round of options granted in 2016 expire 7 years from the date of grant and vest one third immediately and one third on each of the first and second anniversaries. Subsequent grants also expire 7 years from the date of grant but vest one third on each of the first, second and third anniversaries.

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Stock based compensation	59	61	(3)	113	119	(5)
Per boe	0.32	0.30	7	0.30	0.30	-

Stock based compensation expense for the three and six months ended June 30, 2022 was very similar to the comparative periods of 2021, respectively. The slight decrease in expense is primarily due to graded vesting which records more expense in the earlier years after granting and the reversal of stock based compensation expense related to options which were cancelled.

Depletion and depreciation

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Depletion	1,732	2,166	(20)	3,525	4,169	(15)
Depreciation	1	2	(50)	2	3	(33)
Total	1,733	2,168	(20)	3,527	4,172	(15)
Per boe – depletion	9.44	10.55	(11)	9.49	10.57	(10)
Per boe - depreciation	0.01	-	100	0.01	0.01	-
Total	9.45	10.55	(10)	9.50	10.58	(10)

The Company calculates depletion on property, plant and equipment using the unit-of-production method based on proved plus probable reserves. Depreciation is calculated based on the useful lives of office equipment and furniture.

The decrease in depletion for the three and six months ended June 30, 2022 is primarily due to the addition of proved plus probable reserves at December 31, 2021 and lower production volumes in 2022. The depletion rate per boe decreased by 11% and 10%, respectively, for the three and six months ended June 30, 2022. The lower depletion rate per boe and lower production volumes of 11% and 6%, for the three and six months ended June 30, 2022, respectively, resulted in an overall reduction in depletion expense of 20% and 15%, respectively, versus the comparative periods of 2021.

Other costs (income)

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Site rehabilitation program	-	-	-	-	(225)	(100)
Recovery of bad debts	-	(18)	(100)	-	(18)	(100)
Total other income (costs)	-	(18)	(100)	-	(243)	(100)
Per boe – cash	-	(0.09)	(100)	-	(0.05)	(100)
Per boe – non cash	-	-	-	-	(0.57)	(100)

During 2022, the Company has not received any grants from the Site Rehabilitation Program of the Government of Alberta. During the six months ended June 30, 2021, the Company received $0.2 million in eligible government grants from the Site Rehabilitation Program of the Government of Alberta.

Finance costs

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Interest - bank debt	100	265	(62)	255	541	(53)
Interest rate swaps	-	-	-	-	9	(100)
Interest - convertible debentures	31	31	-	63	63	-
Credit facility fees and costs	50	6	733	60	6	900
Cash finance costs (1)	181	302	(40)	378	619	(39)
Accretion expense	248	118	110	399	253	58
Total finance costs	429	420	2	777	872	(11)
Per boe – cash finance costs (1)	0.99	1.47	(37)	1.02	1.57	(37)
Per boe – accretion expense	1.35	0.57	137	1.07	0.64	67

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See “Non-IFRS Measures” contained within this MD&A.

Cash finance costs include interest on bank debt and lender fees, realized gains or losses on interest rate swaps and interest on convertible debentures.

Interest on bank debt in the three and six months ended June 30, 2022 decreased by 62% and 53%, respectively, versus the comparative periods of 2021. The decrease was due to lower outstanding bank debt being reduced by adjusted funds flow in excess of capital expenditures and a lower credit spread based on the lending agreement.

As of June 30, 2022, the Company is paying 6.7% (lender’s prime rate of 3.70% plus a credit spread of 3.0%) on prime based loans. The Company also has the option of borrowing using the lender’s guaranteed notes which are subject to a stamping fee plus the guaranteed note rate for 30, 60, 90 and 180 day terms.

The interest rates applicable to drawings under the lending agreement are based on a pricing margin grid and can change quarterly as a result of the ratio of all outstanding indebtedness to annualized quarterly funds flows as calculated in accordance with the agreement governing the facility (“Debt to Funds Flow”). Annualized quarterly funds flow is defined as earnings before depletion and depreciation, stock based compensation, accretion of decommissioning obligations and debenture discounts, unrealized gains or losses on commodity contracts, gains or losses on dispositions, non cash other costs (income) and deferred income taxes.

The interest rate on the convertible debentures is 10%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year.

In addition, the Company paid its lender a standby fee on the difference between the credit facility of $15.0 million and the combined prime-based loans and guaranteed notes borrowings in the first five months of 2022. In June of 2022, the standby fee was calculated based on the new credit facility limit of $10.0 million. In the six months ended June 30, 2021, the standby fee was calculated based on the combined credit facilities limit of $21.25 million.

The accretion of decommissioning obligations relates to the passing of time until the Company estimates it will retire its assets and restore the asset locations to a condition which at a minimum meets environmental standards. This accretion expense is estimated to extend over a term of the next 47 years due to the long-term nature of certain assets. Accretion expense increased 110% in the three months ended June 30, 2022 and 58% in the six months ended June 30, 2022, as compared to the same periods of 2021. This increase was due to the higher risk free discount rate used in calculation the decommissioning obligation at June 30, 2022.

Income taxes

The Company has concluded that it is not probable that the deferred income tax asset associated with temporary timing differences will be realized. As a result, it has not been recognized on the statement of financial position at June 30, 2022. Therefore, no deferred income tax expense or recovery has been recorded in earnings in the current period.

Clearview has no current income taxes payable and has estimated tax pools available against income of $140.2 million, including non-capital tax loss carry-forwards of $79.4 million which will expire over the years 2024 to 2040.

The Company's estimated tax pools as at June 30, 2022 are set out below:

Nature of tax pool	%[1]	Regular	Successor[2]	Total
Canadian exploration expense (CEE)	100	86	9,341	9,427
Canadian development expense (CDE)	30	4,758	9,348	14,106
Canadian oil and gas property expense (COGPE)	10	21,988	6,197	28,185
Foreign resource expenses	10	3,812	-	3,812
Undepreciated capital cost (UCC)	25	5,253	-	5,253
Share issue costs	20	2	-	2
Non-capital losses carry forward	100	79,416	-	79,416
Total tax pools		115,315	24,886	140,201

[1] The percentage rate shown is the maximum rate of deduction.
[2] The pools can be claimed to the extent of future profits attributable to the acquired properties related to the pools.

Adjusted funds flow

The following is a reconciliation of cash provided by operating activities to adjusted funds flow:

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Cash flow provided by operating activities	2,382	342	596	4,715	1,788	164
Add back (deduct)						
Decommissioning expenditures	189	-	100	189	80	136
Change in non-cash working capital	675	636	6	799	487	64
Adjusted funds flow (1)	3,246	978	232	5,703	2,355	142

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See "Non-IFRS Measures" contained within this MD&A.

Adjusted funds flow increased 232% for the three months ended June 30, 2022, primarily due to higher revenues and lower cash finance costs offset by higher realized losses on financial instruments, higher royalties and higher operating costs. For the three months ended June 30, 2022, cash provided by operating activities was $2.4 million compared to $0.3 million for the quarter ended March 31, 2021.

Adjusted funds flow increased 142% for the six months ended June 30, 2022, primarily due to higher revenues and lower cash finance costs offset by higher realized losses on financial instruments, higher royalties and higher operating costs. For the six months ended June 30, 2022, cash provided by operating activities was $4.7 million compared to $1.8 million for the six months ended June 30, 2021.

Net earnings (loss)

	Three months ended			Six months ended		
	June 30 2022	June 30 2021	% Change	June 30 2022	June 30 2021	% Change
Net earnings (loss)	3,848	(2,527)	(252)	2,191	(4,199)	(152)
Per boe	20.97	(12.29)	(271)	5.91	(10.64)	(156)
Per share – basic	0.33	(0.22)	(250)	0.19	(0.36)	(153)
Per share – diluted	0.30	(0.22)	(236)	0.18	(0.36)	(150)

The Company had net earnings of $3.8 million for the three months ended June 30, 2022, compared to a net loss of $2.5 million in the comparative period of 2021. In addition to the higher adjusted funds flow in the three months ended June 30, 2022, Clearview also realized a gain on the disposition of assets for $1.2 million and a $2.5 million reduction in unrealized losses on financial instruments in the second quarter of 2022.

The Company had net earnings of $2.2 million for the six months ended June 30, 2022, compared to a net loss of $4.2 million in the comparative period of 2021. In addition to the higher adjusted funds flow in the six months ended June 30, 2022, Clearview also realized a gain on the disposition of assets for $1.2 million and a $1.4 million reduction in unrealized losses on financial instruments in the second quarter of 2022.

Netback analysis

Barrel of oil equivalent ($/boe)	Three months ended June 30 2022	June 30 2021	% Positive (Negative)	Six months ended June 30 2022	June 30 2021	% Positive (Negative)
Realized sales price	69.89	35.07	99	61.88	34.63	79
Royalties	(11.41)	(5.94)	(92)	(10.71)	(4.25)	(152)
Processing income	0.62	0.73	(15)	0.67	0.68	(1)
Transportation	(1.83)	(1.82)	(1)	(1.65)	(1.75)	6
Operating	(20.01)	(14.22)	(41)	(19.65)	(15.34)	(28)
Operating netback (2)	37.26	13.82	170	30.54	13.97	119
Realized gain (loss) – financial instruments	(13.80)	(4.90)	(182)	(10.50)	(3.82)	(175)
General and administrative	(4.79)	(2.78)	(72)	(3.66)	(2.65)	(38)
Other costs (income)	-	0.09	(100)	-	0.05	(100)
Cash finance costs (2)	(0.99)	(1.47)	37	(1.02)	(1.57)	37
Corporate netback (2)	17.68	4.76	271	15.36	5.98	157
Unrealized gain (loss) – financial instruments	7.76	(5.63)	238	(1.86)	(5.67)	67
Stock based compensation	(0.32)	(0.30)	(7)	(0.30)	(0.30)	-
Depletion and depreciation	(9.45)	(10.55)	10	(9.50)	(10.58)	10
Accretion	(1.35)	(0.57)	(137)	(1.07)	(0.64)	(67)
Gain on disposition of assets	6.65	-	100	3.28	-	100
Other (costs) income	-	-	-	-	0.57	(100)
Net earnings (loss)	20.97	(12.29)	271	5.91	(10.64)	156

(1) % Positive (Negative) is expressed as being positive (better performance in the category) or negative (reduced performance in the category) in relation to operating netback, corporate netback and net earnings.
(2) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See “Non-IFRS Measures” contained within this MD&A.

The Company’s corporate netback for the quarter ended June 30, 2022 increased 271% to $17.68 per boe versus the comparative period. The increase is primarily due to higher realized sales price per boe partially offset by higher royalties per boe and higher operating costs per boe in the current period versus the comparative period.

SUMMARY OF QUARTERLY RESULTS

Three months ended	Jun 30 2022	Mar 31 2022	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020	Sep 30 2020
Production								
Oil (bbl/d)	446	436	433	450	504	463	487	531
Natural gas liquids (bbl/d)	482	492	487	467	549	350	345	410
Natural gas (mcf/d)	6,528	6,965	6,755	6,942	7,233	7,715	7,443	7,143
Total (boe/d)	2,016	2,088	2,045	2,074	2,258	2,098	2,072	2,132
Financial								
Oil and natural gas sales	12,821	10,159	8,918	7,788	7,207	6,451	4,870	4,371
Net earnings (loss)	3,848	(1,657)	10,512	(1,101)	(2,527)	(1,672)	16,891	(1,761)
Per share – basic	0.33	(0.14)	0.90	(0.09)	(0.22)	(0.14)	1.45	(0.15)
Per share - diluted	0.30	(0.14)	0.82	(0.09)	(0.22)	(0.14)	1.45	(0.15)

(1) Non-IFRS measure or ratio does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See “Non-IFRS Measures” contained within this MD&A.

In the second quarter of 2022, oil and natural gas sales increased to $12.8 million as a result of higher prices for crude oil, natural gas, pentanes and butanes and higher production volumes of oil. The increase in revenue of $2.7 million was primarily offset by higher royalties of $0.2 million and higher general and administrative costs of $0.4 million and an increase in realized losses on financial instruments of $1.2 million as compared to the first quarter of 2022. The net earnings for the three months ended June 30, 2022 was $3.8 million ($0.33 per basic share), an increase from the prior quarter, primarily due to higher revenue, a gain on sales of assets of $1.2 million and an unrealized gain on financial instruments of $1.4 million versus an unrealized loss on financial instruments in the first quarter of 2022 of $2.1 million.

In the first three months of 2022, oil and natural gas sales increased to $10.2 million as a result of higher prices for crude oil, natural gas, pentanes, propane and butanes and higher production volumes of primarily natural gas. The increase in revenue of $1.3 million was primarily offset by higher royalties of $0.2 million and higher operating costs of $0.5 million and a decrease of $0.3 million of other income in the quarter as compared to the fourth quarter of 2021. The net loss for the three months ended March 31, 2022 was $1.7 million ($0.14 per basic share), an increase from the prior quarter, primarily due to higher operating costs and a higher unrealized loss on financial instruments.

In the fourth quarter of 2021, oil and natural gas sales increased to $8.9 million as a result of higher prices for crude oil, pentanes, propane and butanes and higher production volumes of natural gas liquids. The increase in revenue of $1.1 million was primarily offset higher royalties of $0.7 million, an increase in the realized loss on financial instruments of $0.2 million but other income of $0.3 million as compared to the third quarter of 2021. Net earnings for the three months ended December 31, 2021 was $10.5 million ($0.90 per basic share), primarily as a result of an impairment reversal of $8.3 million.

In the third quarter of 2021, oil and natural gas sales increased to $7.8 million as a result of higher prices for crude oil, natural gas, pentanes, propane and butanes and higher production volumes of natural gas liquids. The increase in revenue of $0.6 million was primarily offset by an increase in the realized loss on financial instruments of $0.4 million but lower royalty costs of $0.3 million as compared to the second quarter of 2021. The net loss for the three months ended September 30, 2021 was $1.1 million ($0.09 per basic share).

In the second quarter of 2021, oil and natural gas sales increased to $7.2 million as a result of higher prices for crude oil, pentanes and butanes and higher production volumes of crude oil and natural gas liquids. The increase in revenue of $0.8 million was primarily offset by an increase in the realized loss on financial instruments of $0.5 million and higher royalty costs as compared to the first quarter of 2021. The net loss for the three months ended June 30, 2021 was $2.5 million ($0.22 per basic share).

In the first three months of 2021, oil and natural gas sales increased to $6.5 million as a result of higher prices for crude oil and natural gas liquids production and much higher prices for natural gas production as a result of extreme cold weather during February. The increase in revenue of $1.6 million was partially offset by an increase in the realized loss on financial instruments of $0.4 million and higher operating costs as compared to the fourth quarter of 2020. The net loss for the three months ended March 31, 2021 was $1.7 million ($0.14 per basic share). Net debt was reduced by $0.8 million during the first quarter of 2021 as the excess of adjusted funds flow over capital expenditures and abandonment and reclamation expenditures of $0.8 million was applied against bank debt and working capital.

In the fourth quarter of 2020, production was slightly lower than the previous quarter due to normal production declines and continued minimal spending on workovers or optimization projects. Oil and natural gas sales increased by 11% in the three months ended December 31, 2020 from the previous quarter due to higher realized sales prices. Higher oil and natural gas sales were partially offset primarily by an increase in other costs and cash finance costs. The net earnings for the three months ended December 31, 2020 was $16.9 million compared to a net loss of $1.8 million in the previous quarter. The significant change in net earnings was a result of an impairment reversal of $18.6 million in the fourth quarter due to a significant improvement in commodity prices compared to the first quarter of 2020 and positive technical revisions in the Company's reserves at December 31, 2020.

In the third quarter of 2020, production was higher than the previous quarter due to shut-in production being brought back on-stream. Oil and natural gas sales increased by 86% in the three months ended September 30, 2020 from the previous quarter due to higher production volumes by 24% and higher realized sales prices. Higher oil and natural gas sales were partially offset by primarily much lower realized gains on commodity contracts. The net loss for the three months ended September 30, 2020 was $1.8 million compared to $2.8 million in the previous quarter. The major difference in the net loss was the higher adjusted funds flow in the third quarter versus the second quarter of 2020.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a planned capital program of $2.5 to $3.0 million for 2022, primarily of discretionary expenditures and no significant commitments. The Company's expected 2022 adjusted funds flow should provide the liquidity to execute this capital program and further reduce outstanding bank debt.

The Company's liquidity was further strengthened during the six months ended June 30, 2022 as net debt was reduced by $5.2 million as Clearview's adjusted funds flow in excess of net capital expenditures was used to repay outstanding bank debt.

As a result, net debt is $5.0 million at June 30, 2022, down from $10.2 million at December 31, 2021, with the components set out below.

As at	June 30, 2022	Dec. 31, 2021
Cash and cash equivalents	-	1,183
Trade and other receivables	5,328	2,933
Prepaid expenses and deposits	1,014	703
Bank debt	(3,175)	(8,772)
Accounts payable and accrued liabilities	(6,561)	(4,622)
Decommissioning obligations	(410)	(410)
Convertible debentures	(1,215)	(1,208)
Net debt (1)	(5,019)	(10,193)

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See "Non-IFRS Measures" contained within this MD&A.

Balance sheet strength and flexibility remain a priority of the Company even through this much improved commodity price environment extending into 2022. The Company continues to consider funding alternatives, including an equity raise and/or non-core asset sales, building on the steps taken in prior years. Improved liquidity is a priority as the Company continues to evaluate strategic acquisitions. The Company monitors net debt as a key component of managing liquidity risk and determining capital resources available to finance future development.

As of June 30, 2022, the Company has a revolving, operating demand loan ("Operating Facility") with an Alberta based financial institution ("Lender") with a facility limit of $10.0 million (December 31, 2021 - $15.0 million).

During the three months ended June 30, 2022, the Company renewed its credit agreement with its lender, resulting in an upward revision to the Operating Facility, from $8.75 million to $10.0 million. In addition, the lender authorized the repayment of the $6.25 million term loan under the Business Credit Availability Program ("BCAP"), supported by the Export Development Canada ("EDC") Guarantee and the commensurate elimination of this credit facility ("EDC Facility"). The repayment was funded by cash held by the Company and borrowings under the Operating Facility.

The Operating Facility is reserve-based, revolving and payable on demand. As the available lending limits are based on the lender's interpretation of the Company's reserves and future commodity prices, there can be no assurance as to the amount of available credit that will be determined at each scheduled review. Drawings under the facility can be undertaken in the form of prime-based loans or guaranteed notes offered by the Lender.

The Operating Facility is secured by a general security agreement providing a security interest over all present and acquired property and a floating charge on all oil and natural gas assets.

The interest rates applicable to drawings under the facilities are based on a pricing margin grid and can change quarterly as a result of the ratio of all outstanding indebtedness to annualized quarterly funds flows as calculated in accordance with the agreement governing the facility ("Debt to Funds Flow"). Annualized quarterly funds flow is defined as earnings before depletion and depreciation, stock based compensation, accretion of decommissioning obligations and debenture discounts, unrealized gains or losses on commodity contracts, gains or losses on dispositions, non-cash other costs (income) and deferred income taxes.

Under the Operating Facility, prime-based loans are subject to an interest rate of lender prime plus a credit spread of 3.00% to 6.00%, depending on the Debt to Funds Flow of less than 1.0 to greater than 4.0.

Guaranteed notes are subject to the Canadian Dollar Offered Rate ("CDOR") plus a stamping fee of 4.00% to 7.00%, depending on the Debt to Funds Flow of less than 1.0 to greater than 4.0. Guaranteed notes may be undertaken for terms of 30, 60, 90 or 180 days.

The Company is subject to certain reporting and financial covenants, pursuant to its lending agreement. The agreement requires compliance with a working capital covenant whereby the Company must maintain a minimum working capital ratio of 1 to 1. For calculating compliance with this covenant, the amount drawn on the Operating Facility, classified as a current liability, and the fair value of financial instruments are excluded from working capital. Conversely, the amount of the undrawn portion of the Operating Facility is added to current assets. At June 30, 2022, the Company's working capital ratio for purposes of the lender's working capital covenant was 1.9:1 (2.2:1 at December 31, 2021). In addition, the Company and its lender have agreed to a covenant whereby the Company shall maintain a liability management rating ("LMR") of no less than 2.0. Clearview's LMR as at December 31, 2021 was 2.2. The Company is also required to maintain commodity swap contracts for 50% (approximately 3,000 GJ per day) of its natural gas production volumes and 250 barrels per day of its oil production volumes. The Company has satisfied the requirement to contract a portion of its production volumes as per the lending agreement.

At June 30, 2022, the Company had $3.2 million of prime-based loans and $10 thousand in letters of credit outstanding on the Operating Facility.

The next credit review is scheduled to be completed by no later than June 30, 2023. In the event that the Operating Facility limit is reduced and the amount outstanding exceeds this facility limit, the Company shall have thirty days to repay any shortfall.

As of June 30, 2022, the Company has $1.26 million of unsecured convertible debentures outstanding. The interest rate on the debenture is 10%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. During the term of the debenture, the debenture is convertible into common shares of the Company at the option of the holder based on a conversion price of $1.50 per common share.

The debentures have a term of five years and mature on November 30, 2025. The debentures may not be redeemed by the Company prior to December 1, 2021. During the remainder of the term, the Company may redeem the debentures over the term based on the following terms:

Year 2 – 110% of the principal amount plus accrued interest
Year 3 – 105% of the principal amount plus accrued interest
Years 4 and 5 – 100% of the principal amount plus accrued interest

The subscribers to the debenture offering consisted of current shareholders of the Company, with the directors and officers of the Company participating in the offering.

The Company manages liquidity risk, the risk that the Company will not be able to meet its financial obligations as they become due, by monitoring cash flows from operating activities, reviewing actual capital expenditures against budget, managing maturity profiles of financial assets and liabilities and having an active commodity price risk management program.

CONTRACTUAL OBLIGATIONS

The Company has a lease for office space which expires June 30, 2023 and may be cancelled by either the Company or the landlord on one month's notice to the other party. The following is a summary of the Company's future minimum contractual obligations and commitments as of June 30, 2022.

	2022	2023	2024	2025	2026	Thereafter
Bank debt	3,175	-	-	-	-	-
Accounts payable and accrued liabilities	6,561	-	-	-	-	-
Decommissioning obligations	410	410	410	410	410	17,494
Convertible debentures	-	-	-	1,262	-	-
Total	10,146	410	410	1,672	410	17,494

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements. The commodity contracts for oil and natural gas prices and interest rate swaps disclosed in the MD&A are recorded at fair value as Financial Instruments on the statements of financial position at each reporting period with gains and losses recognized in earnings.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of voting common shares, an unlimited number of non-voting common shares and an unlimited number of preferred shares, issuable in series. As of August 25, 2022, the Company has 11,671,387 voting common shares outstanding and 556,100 options to acquire voting common shares outstanding. All outstanding options have a 7-year life from the date of grant and vest as follows, based on respective exercise prices of between $1.25 and $5.00 per option.

Vesting period	Options-$4.50	Options-$5.00	Options-$1.25	Options-$3.96	Total
Currently vested	154,000	92,500	86,534	-	333,034
Vesting in the future in the three months ending					
December 31, 2022			86,533	16,667	103,200
December 31, 2023			86,533	16,667	103,200
December 30, 2024			-	16,666	16,666
Total	154,000	92,500	259,600	50,000	556,100

For further details about the options refer to Note 9 to the financial statements as at and for the year ended December 31, 2021.

RELATED PARTY TRANSACTIONS

There were no related party transactions in the three and six months ended June 30, 2022 and June 30, 2021.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's audited financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. These estimates and assumptions are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision to these estimates over time.

Management is often required to make judgments, assumptions and estimates in the application of International Financial Reporting Standards that may have a significant impact on the financial results of the Company. The Company's significant accounting policies are described in Note 3 to the audited financial statements for the periods ended December 31, 2021 and December 31, 2020. Certain estimates and judgments are described in Note 2 to the audited financial statements for the periods ended December 31, 2021 and December 31, 2020.

Impact of COVID-19

Throughout 2021 and continuing in 2022, both oil and natural gas prices increased significantly, due to a combination of improved global economic activity combined with the roll-out of COVID-19 vaccinations and reduced oil and natural gas supply, partly due to the recent invasion of Ukraine by Russia. Estimates and judgments made by management in the preparation of the financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period.

The following is a discussion of the accounting estimates that are critical in determining the Company's financial results.

Property, plant and equipment

Oil and natural gas reserves - The Company's proved and probable oil and natural gas reserves at the current and prior year end were evaluated and reported on by the Company's independent qualified reserves evaluator. The estimation of reserves is a subjective process. Forecasts are based on geological and engineering data, projected future rates of production, estimated commodity price forecasts and the timing of future expenditures, all of which are subject to a number of uncertainties and interpretations. The Company expects that over time its reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels. Proved and probable reserve estimates can have a significant impact on net earnings, as they are a key component in the calculation of depletion on a unit of production basis. Significant changes to commodity price forecasts and/or reserve estimates could also result in impairment or an impairment recovery.

Depletion - The unit-of-production method of depletion is based on estimated proven and probable reserves. Changes in estimated proved and probable reserves or future development costs have a direct impact on depletion expense.

Impairment - The impairment test uses forecast prices determined by the Company's independent reserve evaluator adjusted for price differentials specific to the Company and considered reasonable and relevant to the Company's products. The Company is also exposed to variability in operating and capital cost estimates and discount rates.

Decommissioning obligations

Decommissioning obligations are estimated for all wells and facilities in which the Company has an interest, regardless of whether reserves have been attributed to those assets by the Company's independent reserves evaluator. The Company estimates the future retirement date and likely current abandonment and reclamation costs for each well and facility based on current regulatory requirements, the regulator's estimates of such costs used to determine abandonment and reclamation costs and the Company's own experience, including historical costs incurred for abandonment or reclamation. To estimate future retirement costs, the Company applied a 1.78% inflation factor to its estimate of current costs. The Company believes this inflation factor is reasonable over the long term and is consistent with rates used by others in the industry. The risk-free rate is used to discount decommissioning provisions to the current reporting date. Expected retirement dates are based on the productive life of the wells as determined by the independent qualified reserves evaluator and by regulatory requirements.

Stock based compensation

The Company's accounting policy for stock based compensation was applied to account for the options granted during the periods ended June 30, 2022 and June 30, 2021. The costs of stock based compensation are calculated by reference to the fair value of the options at the date on which they are granted, using the Black-Scholes option pricing model. The Company is not listed on any stock exchange so judgment is required to determine the exercise price and to estimate volatility for purposes of the Black-Scholes option pricing model. The exercise price has been the same price at which the Company issued voting common shares near the date of the option grant. If options are issued in the future and there have not been recent issues of the voting common shares to third parties, judgment will be necessary to estimate a fair value for the exercise price. The estimate of volatility is based on oil and natural gas producers listed on a Canadian stock exchange.

Deferred tax assets

At each reporting period the Company evaluates deferred income tax assets to make a determination of whether the assets are likely to be realized. Based on management's assessment that it is not probable that future taxable income will be available against which the temporary differences will be utilized, all deferred tax assets previously recognized were expensed in 2015 and 2016. If the Company were to record deferred income tax assets in the future or at such time as it is required to record a net deferred income tax liability, it will be required to determine substantially enacted income tax rates applicable to the future years. The Company estimates the accounting and tax values during the period over which temporary difference are likely to reverse and tax rates expected to be effective when the temporary differences reverse.

Financial instruments

The estimated fair values of derivative financial instruments resulting in financial assets and liabilities, by their very nature, require estimates. The Company ensures the price received for a portion of its oil and natural gas volumes through the use of financial derivatives and estimates the mark to market value at each reporting period by applying estimated forward prices to the contracted volumes.

Cash-generating units ("CGU")

The determination of which assets constitute a cash generating unit requires management to make judgments as to the assets to be grouped together. A cash-generating unit is defined to be the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Because impairment testing is performed at the level of the cash-generating unit, rather than for individual assets, the composition of a CGU is an important judgement that may significantly impact the determination of recoverable amounts and the resulting impairment. The key estimates used in the determination of future cash flows from oil and natural gas assets include the following:

Reserves – The Company utilizes the reserves prepared by the Company's independent qualitied reserves evaluator. Assumptions that are valid at the time of the reserve estimation may change significantly when new information becomes available. Changes in forecast prices, production levels or results of future drilling may change the economic status of reserves and may result in reserves being revised.

Oil and natural gas prices – The Company utilizes the forecast prices provided by the Company's independent qualitied reserves evaluator. Commodity prices can fluctuate significantly within short periods of time for a variety of reasons including supply and demand fundamentals, access to facilities and pipelines, inventory levels, exchange rates, weather, and economic and geopolitical factors.

Operating costs, future development costs and estimates and timing of future decommissioning obligations – Estimates of future costs are used in the cash flow model, based on an analysis of actual costs incurred in recent years and then escalated for assumed future inflation. Actual results in the future may vary considerably from these estimates.

Discount rate – The Company estimates a range of discount rates for each of the six different categories of reserves (three categories for each of proved and probable reserves, being producing, developed but not producing and undeveloped). The estimated ranges of discount rates are those likely to be applied by an independent market participant and consideration of comparable asset transactions. Changes in the general economic environment could result in significant and rapid changes to discount rates being applied in the marketplace.

The determination of assets constituting a cash-generating unit requires judgment as to the assets to be grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Lease obligations

Lease obligations are estimated using the rate implicit in the lease, unless this rate is not readily determinable, in which case a discount rate equal to the Company's incremental borrowing rate is used.

This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment. Lease terms are based on assumptions regarding extension terms and renewal options that allow for operational flexibility and future market conditions.

Liquidity

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy, ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. See further discussion related to liquidity in Note 14 of the audited financial statements for the year ended December 31, 2021.

NEW ACCOUNTING POLICIES

New accounting standards

Various amendments to existing standards and new accounting requirements have been released that are effective January 1, 2022. The Company does not expect the new requirements to have a material impact on the financial statements.

Future accounting pronouncements

On January 23, 2020, the International Accounting Standards Board announced an amendment to IAS 1 “Presentation of financial statements re; classification of liabilities as current or non-current which is effective for annual periods beginning on or after January 1, 2023. The amendment clarifies that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The Company does not plan to early adopt these amendments.

INDUSTRY CONDITIONS AND RISKS

The business of exploration, development, and acquisition of oil and gas reserves involves financial, operational and regulatory risks inherent in the oil and gas industry, several of which are beyond control of the Company, which may impact the Company's results.

The Company's revenues, profitability, future growth and the carrying value of its properties are substantially dependent on prevailing prices of oil and natural gas. The Company's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to volatility in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Company.

While the Board of Directors has the overall responsibility for the establishment and oversight of the Company’s risk management framework, management has the responsibility to administer and monitor these risks. Refer to Note 14 of the audited financial statements for the year ended December 31, 2021 for additional analysis of these risks.

The Company’s activities expose it to a variety of financial risks that arise from its exploration, development, production, and financing activities such as credit risk, liquidity risk and market risk. Presented below is information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital. Further quantitative disclosures are included throughout this MD&A and in the Company’s audited financial statements. The Company employs risk management strategies and polices to ensure that any exposure to risk complies with the Company’s business objectives and risk tolerance levels. The Company manages commodity price risks by focusing its acquisition program on areas that will generate attractive rates of return even at substantially lower commodity prices than those prices being received at the time of the acquisition. The Company uses derivative financial instruments to manage commodity price risk as described elsewhere in this MD&A.

The Company manages its working capital, net debt and the ratio of net debt to adjusted funds flow so as not to overextend the Company. Capital expenditures are limited to cash provided by operating activities, available lines of credit and proceeds from issuing shares when the Company believes that it is prudent.

Operational risks include exploration and development of economic oil and gas reserves, unsuccessful exploration and development drilling activity, competition from other producers, reservoir performance, safety and environmental concerns, access to and ability to retain cost effective contract services, escalating industry costs for contracted services and equipment, product marketing and hiring and retaining qualified employees.
The Company attempts to control operating risks by:

- maintaining a disciplined approach to implementation of the exploration and development program,
- monitoring operations and maintaining close communications with operators and joint interest partners,
- maintaining insurance commensurate with its level and scope of operations to protect against loss from destruction of assets, pollution, blowouts, or other losses.

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial, and local laws and regulations. Environmental legislation provides for, among other things, restrictions, and prohibitions on spills, releases, or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil, or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge.

Although the Company believes that it is compliant with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development, or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

The Company's operations are subject to risks normal in the operation and development of oil and natural gas properties and the drilling of oil and natural gas wells, including encountering unexpected formations or pressures, blowouts and fires, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all these risks, nor are all such risks insurable, however management believes that adequate insurance has been obtained, where available. Environmental regulation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The Company expects it will be able to fully comply with all regulatory requirements in this regard.

The Company is subject to a variety of regulatory risks that it does not control. Safety and environmental matters are monitored to ensure compliance and to ensure employees, contractors and the public are protected. Changes in government or regulatory policies for matters such as royalties, income taxes, surface rights, mineral rights, operational requirements or processes for regulatory approvals, may impact the Company’s operations, financial results and real or perceived risk to investors or creditors. These matters are largely beyond the Company’s control but are monitored and managed to the extent possible.

Widening concerns over climate change, fossil fuel consumption, greenhouse gas emissions, and water and land use could lead governments to enact additional laws, regulations and costs or taxes that may be applicable to Clearview. Changes to environmental regulations related to climate change could impact the demand for, development of or quality of the Company’s petroleum products, or could require increased capital expenditures, operating expenses, asset retirement obligations and costs, which could result in increased costs which would reduce the profitability and competitiveness of Clearview if commodity prices do not rise commensurate with the increased costs. In addition, such regulatory changes could necessitate the Company to develop or adapt new technologies, possibly requiring significant investments of capital.

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified.

Non-IFRS Measures

Throughout this MD&A and other materials disclosed by the Company, Clearview uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Clearview's performance. Management believes that the presentation of these non-IFRS and other financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Clearview's business performance.

Capital Management Measures

Adjusted Funds Flow

Adjusted funds flow represents cash provided by operating activities before changes in operating non-cash working capital and decommissioning expenditures. The Company considers this metric as a key measure that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment, to repay debt and return capital to shareholders. Management believes that this measure provides an insightful assessment of the Company's operations on a continuing basis by eliminating the actual settlements of decommissioning obligations, the timing of which is discretionary. Adjusted funds flow should not be considered as an alternative to or more meaningful than cash provided by operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Clearview's determination of adjusted funds flow may not be comparable to that reported by other companies. Clearview also presents adjusted funds flow per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.

Net Debt

Clearview closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of its capital structure. The Company uses net debt (current assets, excluding financial derivatives, less current liabilities, excluding financial derivatives, less convertible debentures to assess financial strength, capacity to finance future development and to assist in assessing the liquidity of the Company.

Non-IFRS Measures and Ratios

Capital Expenditures

Capital expenditures equals additions to property, plant & equipment and additions to exploration & evaluation assets. Clearview considers capital expenditures to be a useful measure of adjusted funds flow used for capital reinvestment. The most directly comparable IFRS measure to capital expenditures is additions to property, plant & equipment and additions to exploration & evaluation assets.

Net Capital Expenditures

Net capital expenditures equals capital expenditures plus acquisitions of property, plant & equipment and less dispositions of property, plant & equipment. Clearview uses net capital expenditures to measure its total capital investment compared to the Company's annual capital budget expenditures. The most directly comparable IFRS measure to net capital expenditures is cash used in investing activities.

	Three months ended		Six months ended	
	June 30 2022	June 30 2021	June 30 2022	June 30 2021
Cash used in investing activities	(710)	541	301	511
Changes in non-cash working capital	(90)	(350)	32	164
Net capital expenditures	(800)	191	333	675

Cash Finance Costs per boe

Cash finance costs per boe is calculated by dividing cash finance costs by total production volumes sold in the period. Management considers cash finance costs per boe an important measure to evaluate the Company's cost of debt financing relative to the Company's corporate netback per boe. The most directly comparable IFRS measure to cash financing costs is finance costs.

	Three months ended		Six months ended	
	June 30 2022	June 30 2021	June 30 2022	June 30 2021
Finance costs	429	420	777	872
Accretion of decommissioning obligations and convertible debentures	(248)	(118)	(399)	(253)
Cash finance costs	181	302	378	619

Operating Netback per boe

Operating netback per boe is calculated by dividing operating netback by total production volumes sold in the period. Operating netback equals oil and natural gas sales plus processing income, less royalties, transportation expenses and operating expenses. Management considers operating netback per boe an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Clearview's operating netback per boe can be seen in the section entitled "Netback Analysis" of this MD&A.

Corporate Netback per boe

Corporate netback per boe is calculated as operating netback less general and administrative expenses and finance costs, plus/(minus) realized gains (losses) on financial instruments, minus(plus) other costs (income), plus accretion of decommissioning obligations and convertible debentures divided by total production volumes sold in the period. Management considers corporate netback per boe an important measure to assist management and investors in assessing Clearview's overall cash profitability. The calculation of Clearview's corporate operating netback per boe can be seen in the section entitled "Netback Analysis" of this MD&A.

Supplementary Financial Measures

Adjusted funds flow per share is comprised of adjusted funds flow divided by the basic weighted average common shares.

Adjusted funds flow per diluted share is comprised of adjusted funds flow divided by the diluted weighted average common shares.

Realized sales price – oil is comprised of light crude oil commodity sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's oil production.

Realized sales price - ngl is comprised of natural gas liquids commodity sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's ngl production.

Realized sales price – natural gas is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's natural gas production.

Realized sales price – total is comprised of oil and natural gas sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's total production on a boe basis.

Forward-looking statements

The matters discussed in the MD&A include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as “anticipates”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects”, “believes”, or words or phrases of similar meaning. In addition, any statement that may be made concerning future performance, strategies or prospects and possible future corporate action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date. Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Company. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. The Company stresses that the above-mentioned list of important factors is not exhaustive. The Company urges all readers to consider these and other factors carefully before making any investment decisions. The Company urges all readers to avoid placing undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise these forward-looking statements as a result of new information, future events or otherwise, except as required under applicable securities laws.

Measures, conversions and acronyms

In this document, the abbreviations set forth below have the following meanings:

bbl	Barrel	mcf	Thousand cubic feet
mbbl	Thousand barrels	mmcf	Million cubic feet
bbl/d	Barrels per day	mcf/d	Thousand cubic feet per day
NGLs	Natural gas liquids	mmbtu	Million British Thermal Units
boe	Barrels of oil equivalent	gj	Gigajoule
boe/d	Barrels of oil equivalent per day	mboe	Thousand boe

Boe - Barrels of oil equivalent is determined on the basis of 1 boe to 6 mcf of natural gas and boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6 mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

WTI - West Texas Intermediate is the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade**.**
AECO – AECO is a natural gas storage facility located at Suffield, Alberta and the price of natural gas at this terminal is used as a benchmark for Canadian purposes.
API - an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To	Multiply by
mcf	1,000 m^3 of gas	0.028
1,000 m^3 of gas	Mcf	35.493
Bbl	m^3 of oil	0.158
m^3 of oil	bbl	6.290
Feet	Meters	0.305
Meters	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
mcf	gj	0.95

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