

Twin Butte Energy Ltd.

Information Memorandum – Receivership Process



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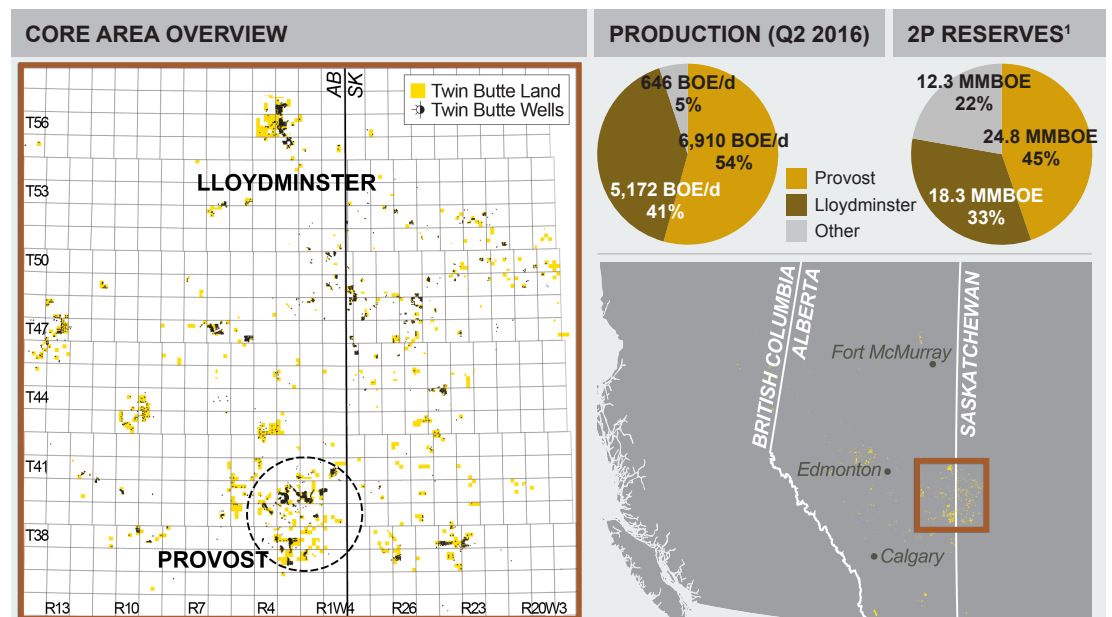
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FTI Consulting Canada Inc. ("FTI"), in its capacity as Court appointed Receiver and Manager of Twin Butte Energy Ltd. ("Twin Butte" or the "Company"), is seeking offers to acquire, restructure or recapitalize Twin Butte and has retained Peters & Co. Limited ("Peters & Co.") and CIBC World Markets Inc. ("CIBC") as its joint exclusive selling agents to assist in this process. Confidential information will be made available to parties who execute a confidentiality agreement.

Offers to acquire, restructure or recapitalize are subject to the terms and conditions outlined in the sale and investment solicitation process ("SISP") approved by the Court of Queen's Bench of Alberta, with non-binding Phase I bids or restructuring proposals due at 12:00 pm MST on November 17, 2016 and binding Phase II bids or restructuring proposals due at 12:00 pm MST on December 15, 2016. Any asset sale will be completed on an "as is, where is" basis and subject to approval of the Court. The SISP procedures have been posted to the websites of the selling agents and receiver and are available to all prospective transaction parties.

CORPORATE HIGHLIGHTS

- Q2 2016 average production of 12,728 BOE/d (89% oil and liquids):
 - Production base transitioned to a lower, more predictable, decline profile
- Q2 2016 field netback of \$12.76/BOE (excluding realized hedges):
 - Annualized net operating cash flow (before hedging, G&A and interest) of ~\$59 million
- Proved plus Probable reserves of 55.4 MMBOE¹:
 - Proved reserves of 32.5 MMBOE¹
 - Proved developed producing reserves of 21.0 MMBOE¹
- Material growth potential with medium and heavy horizontal drilling inventory of 750-1,000 locations:
 - Internally developed technological advancements in horizontal medium / heavy oil drilling (unlined and multi-lateral) have yielded positive results and increased drilling inventory
 - Well costs (DC&E) range from \$620,000-\$920,000 for single to quad multilateral wells
- Significant medium oil (API of 21° to 25°) production base at Provost with Q2 2016 production of 6,910 BOE/d (94% oil and liquids)
- Large scale heavy oil (API of 12° to 16°) production base at Lloydminster with Q2 2016 production of 5,172 BOE/d (89% oil and liquids)
- Additional non-core properties with Q2 2016 production of 646 BOE/d (43% oil and liquids)
- Large, concentrated land position including over 308 net sections of undeveloped land
- Substantial tax pool balance of \$596 million as at June 30, 2016
- Existing technical and field staff, along with management team, in place for prospective bidders



¹ As per the McDaniel and Associates Consultants Ltd. reserves report effective December 31, 2015

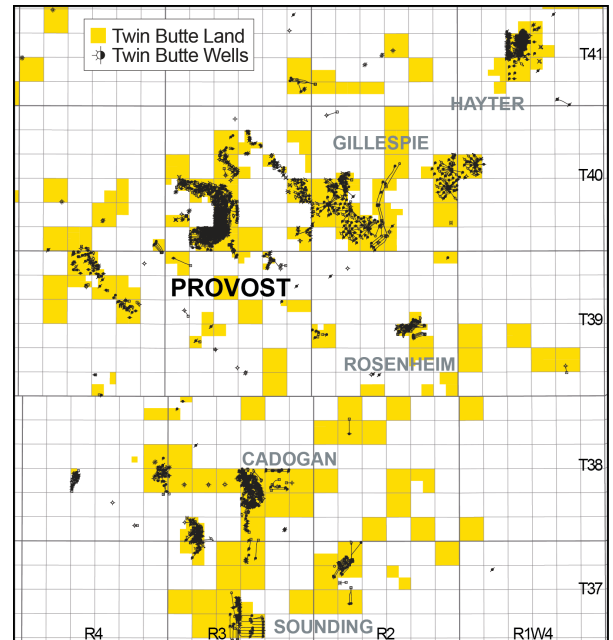
This Information Memorandum is prepared solely for the use of certain qualified Interested Parties to provide information only. The information contained herein, while obtained from sources that we believe to be reliable, is not guaranteed as to its accuracy or completeness. This Information Memorandum is for information purposes only and does not constitute an offer to sell or a solicitation to buy securities of Twin Butte Energy Ltd.



PROVOST MEDIUM OIL OVERVIEW

- **Predictable Medium Oil Production Base**
 - Stable, high netback production of 6,910 BOE/d (Q2 2016) is obtained primarily from the Cummings / Dina and Sparky zones and Lithic channels (Rex, GP, Waseca)
- **High Working Interest (~87%) in 160 Net Sections**
- **Multi-zone Medium Oil Potential**
 - Horizontal multistage fractured wells targeting the Sparky and Lithic channel intervals have opened up significant inventory for development
 - Low-risk drilling inventory of 330-375 future horizontal locations
 - Proved plus Probable reserves of 24.8 MMBOE¹
- **Evolving Technologies are Driving Lower Costs and Higher Returns**
 - Successful deployment of new multi-lateral horizontal drilling techniques:
 - DC&E costs for Sparky short lateral multistage horizontals are anticipated to average ~\$700,000 per well
 - Six Sparky horizontal wells brought on production in Q3 2015 yielded an average rate of >100 BOE/d (>85% oil) per well over the first three months, exceeding type curve expectations
 - The Sounding Lake Sparky play yields development economics comparable to the Doddsland Viking oil play based on current Twin Butte costs and productivity (based on C\$50 WCS equivalent pricing)
 - Long term waterflood potential directly offsetting existing successful Sparky waterflood pilot along with the introduction of Alberta's modernized royalty framework supporting new waterflood projects
 - Potential for horizontal water injectors to further reduce capital and operating costs
- **Expanding Area Infrastructure**
 - New oil battery at Sounding Lake commissioned in Q3 2015 is continuing to drive lower operating costs for current production, future development and waterflood recovery

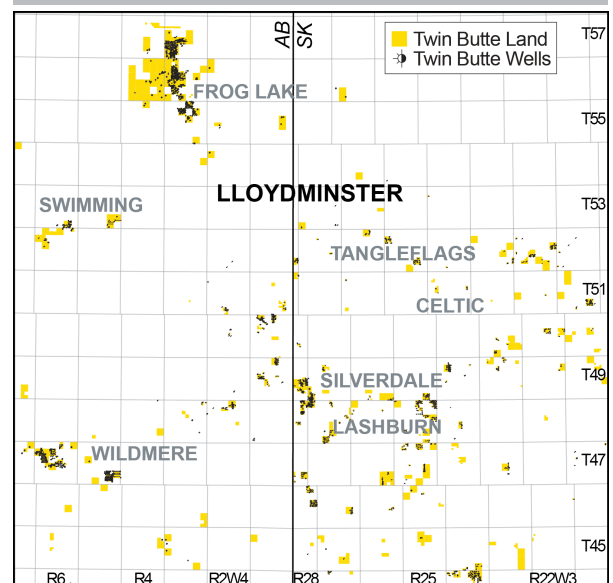
PROVOST MEDIUM OIL



LLOYDMINSTER HEAVY OIL OVERVIEW

- **Heavy Oil Production Base with Material Horizontal Development Potential**
 - Conventional heavy oil production of 5,172 BOE/d (Q2 2016)
 - Prospective for multiple zone development including the Colony, Upper McLaren, Sparky, General Petroleum, Rex and Waseca at depths of 500 to 700 metres
 - Horizontal drilling inventory of 400-600 future oil development locations
 - Proved plus Probable reserves of 18.3 MMBOE¹
- **High Working Interest (~85%) in 286 Net Sections**
- **Multiple Upside Waterflood Projects Identified**
 - Expected to reduce overall heavy oil decline rates and increase asset value upside
 - New waterflood projects are supported by Alberta's modernized royalty framework
 - Recently implemented waterflood at Freemont is showing good pressure response during fill-up
- **Area Leader in Technology Advancement**
 - Increased inventory on existing land base due to multi-lateral horizontal drilling:
 - DC&E costs for Lloydminster unlined single and multistage frac horizontals are anticipated to average ~\$700,000 per well
 - The operating cost structure of current horizontal development in the area of \$9.28/BOE (2016 YTD) is significantly lower than the costs associated with legacy vertical production
 - Five wells brought on production in Q3 2015 have yielded an average rate of >80 Bbls/d over the first three months, exceeding type curve expectations

LLOYDMINSTER HEAVY OIL



¹ As per the McDaniel and Associates Consultants Ltd. reserves report effective December 31, 2015



NON-CORE OVERVIEW

- Q2 2016 production of 646 BOE/d (43% oil and liquids)
- Proved plus Probable reserves of 12.3 MMBOE¹
- Non-core operating areas include West Central Alberta, Pincher Creek, and the Peace River Arch

¹ As per the McDaniel and Associates Consultants Ltd. reserves report effective December 31, 2015

FINANCIAL OVERVIEW

NETBACK SUMMARY (Q2 2016)				
Netbacks (\$/BOE)	Provost	Lloyd	Other	Corporate
Production (BOE/d)	6,910	5,172	646	12,728
Realized price	\$37.81	\$32.95	\$25.42	\$35.21
Royalties	(\$3.50)	(\$3.15)	(\$5.53)	(\$3.46)
Operating costs ¹	(\$16.65)	(\$19.62)	(\$38.89)	(\$18.99)
Field netback	\$17.66	\$10.18	(\$19.00)	\$12.76

¹ Includes transportation costs

TAX POOLS (June 30, 2016)		
Classification (\$MM)	Amount	Annual Deductibility
Canadian development expense	\$176	30%, declining balance
Canadian oil and gas property expense	\$211	10%, declining balance
Undepreciated capital cost	\$180	Primarily 25%, declining balance
Non-capital losses	\$27	100%
Other	\$2	Various
Total	\$596	

Process and Contacts



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FTI, Peters & Co. and CIBC expressly reserve the right at any time to amend or terminate these sale procedures, to decline an Interested Party the ability to participate in the process, to terminate discussions with any or all Interested Parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.

Offers to acquire, restructure or recapitalize are subject to the terms and conditions outlined in the sale and investment solicitation process ("SISP") approved by the Court of Queen's Bench of Alberta, with non-binding Phase I bids or restructuring proposals due at 12:00 pm MST on November 17, 2016 and binding Phase II bids or restructuring proposals due at 12:00 pm MST on December 15, 2016. Any asset sale will be completed on an "as is, where is" basis and subject to approval of the Court. The SISP procedures have been posted to the websites of the selling agents and receiver and are available to all prospective transaction parties.

CONTACTS

Peters & Co. and CIBC will act as the sole contact for all Interested Parties. The directors, officers and employees of Twin Butte should not be contacted directly. All communications and inquiries from Interested Parties should be directed to one of the representatives listed below:



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Disclaimer

This Information Memorandum is based on information provided by Twin Butte from its own records and from other sources. The Information Memorandum is being distributed, on behalf of Twin Butte and FTI, by Peters & Co. and CIBC, FTI's financial advisors, solely for the use by certain qualified Interested Parties. The sole purpose of the Information Memorandum is to assist Interested Parties in determining whether or not to proceed with further investigation of the potential acquisition, restructure or recapitalization of the Company ("**Transaction**").

The information contained herein (the "**Information**") has been prepared in good faith to assist Interested Parties in completing their own independent evaluation of the assets, but does not purport to be all inclusive or to contain all of the information that an Interested Party may desire or that may be required by an Interested Party to properly evaluate the assets. In all cases, the Interested Parties should conduct their own independent investigation and analysis of the assets and the data set forth in this Information Memorandum.

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Neither Peters & Co., CIBC, FTI, the Company nor their respective affiliates will assume any liability for the Interested Parties' use of this Information Memorandum or any other oral, written or other communication transmitted to the Interested Parties during the course of its evaluation of the assets.

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The Interested Party will conduct its own independent evaluation and analysis of the Information and satisfy itself as to the quality, accuracy, completeness and materiality of the same. The Interested Party will rely solely on its own independent evaluation and analysis of the Information when deciding whether or not to submit a bid, enter into a definitive purchase agreement and consummate a Transaction.

This Information Memorandum may include certain statements, estimates, forecasts and projections provided by the Company and with respect to the anticipated future performance of the assets. Such statements, estimates, forecasts and projections reflect various assumptions made by the Company, FTI, Peters & Co. and / or CIBC concerning anticipated results, which may or may not prove to be correct. No representations or warranties are made as to the accuracy of such statements, estimates, forecasts or projections. The only Information that will have any legal effect will be that specifically represented or warranted in a definitive purchase agreement, when, as and if executed, with respect to a possible Transaction and executed on behalf of the Company and the purchaser or investor.

NEITHER THIS INFORMATION MEMORANDUM NOR ITS DELIVERY TO AN INTERESTED PARTY SHALL CONSTITUTE OR BE CONSTRUED TO BE AN OFFER TO SELL ANY SECURITIES OF THE COMPANY. THIS INFORMATION MEMORANDUM SHALL NOT BE DEEMED AN INDICATION OF THE STATE OF AFFAIRS OF THE COMPANY NOR CONSTITUTE ANY INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.