



Corporate Presentation

March 2022 | TSXV: PSH OTCQB: PSHIF

Corporate Summary

TSXV: PSH | OTCQB: PSHIF

Basic Shares Outstanding	mm	660
Fully Diluted Shares Outstanding	mm	701
Market Cap	C\$mm	\$574
Net Debt	C\$mm	\$144
Enterprise Value	C\$mm	\$718
Net Debt/Cash Flow (YE 2022E)	x	0.2

10,500–11,000 boe/d

(2022E average production, 85% Oil & NGLs)

11,000 boe/d

(2022E exit production)

55.6 mmboe / **72.0** mmboe (at Dec 2021)

TP Reserves / P+P Reserves

>C\$450 mm (at Dec 2021)

Tax pools for US purposes

C\$8.0 mm (at Dec 2021)

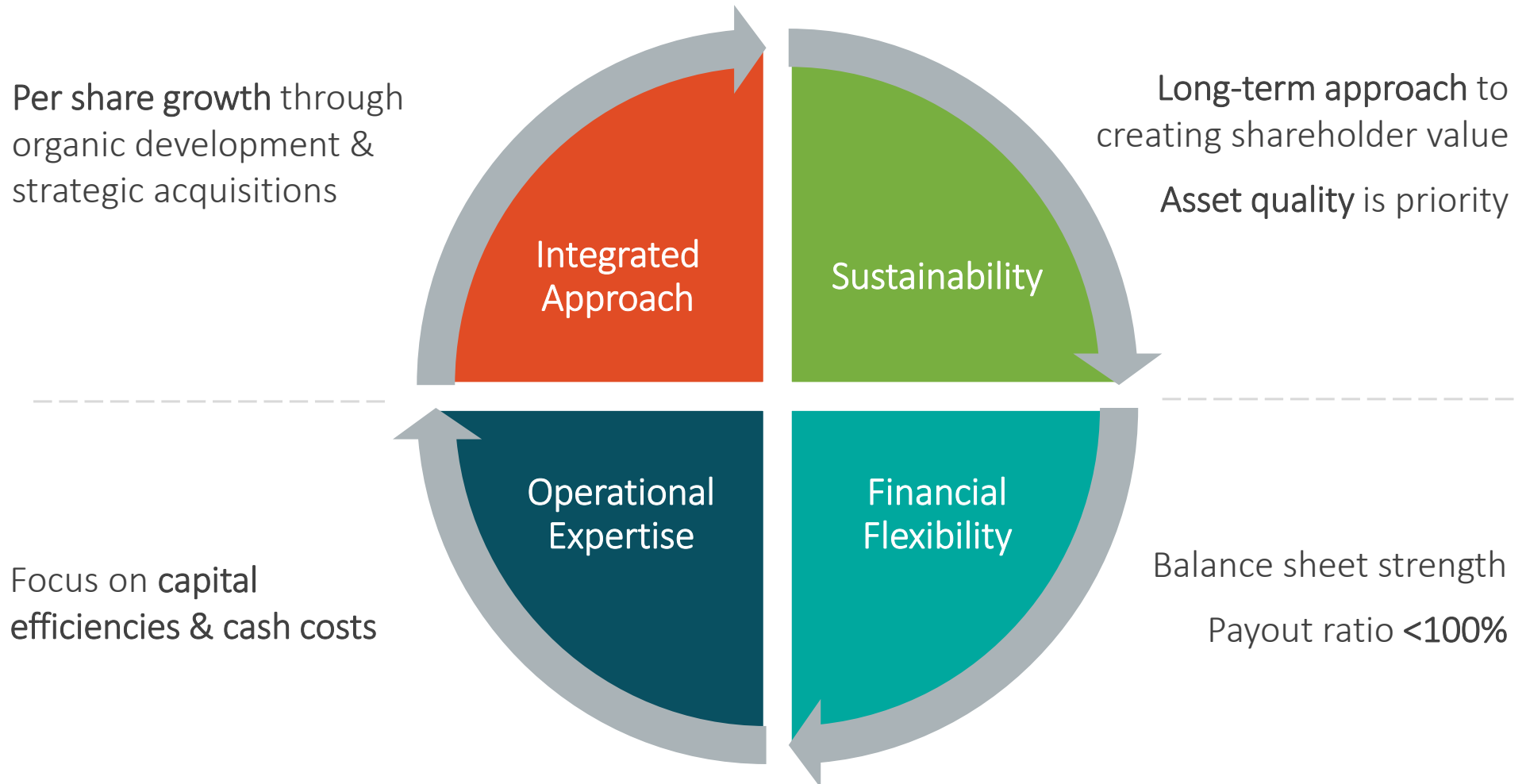
Negligible ARO



See Slide Notes and Advisory Statements at the end of this presentation

Proven Strategy

Proven and repeatable strategy to generate value and consolidate/develop the play with a consistent approach throughout the cycle



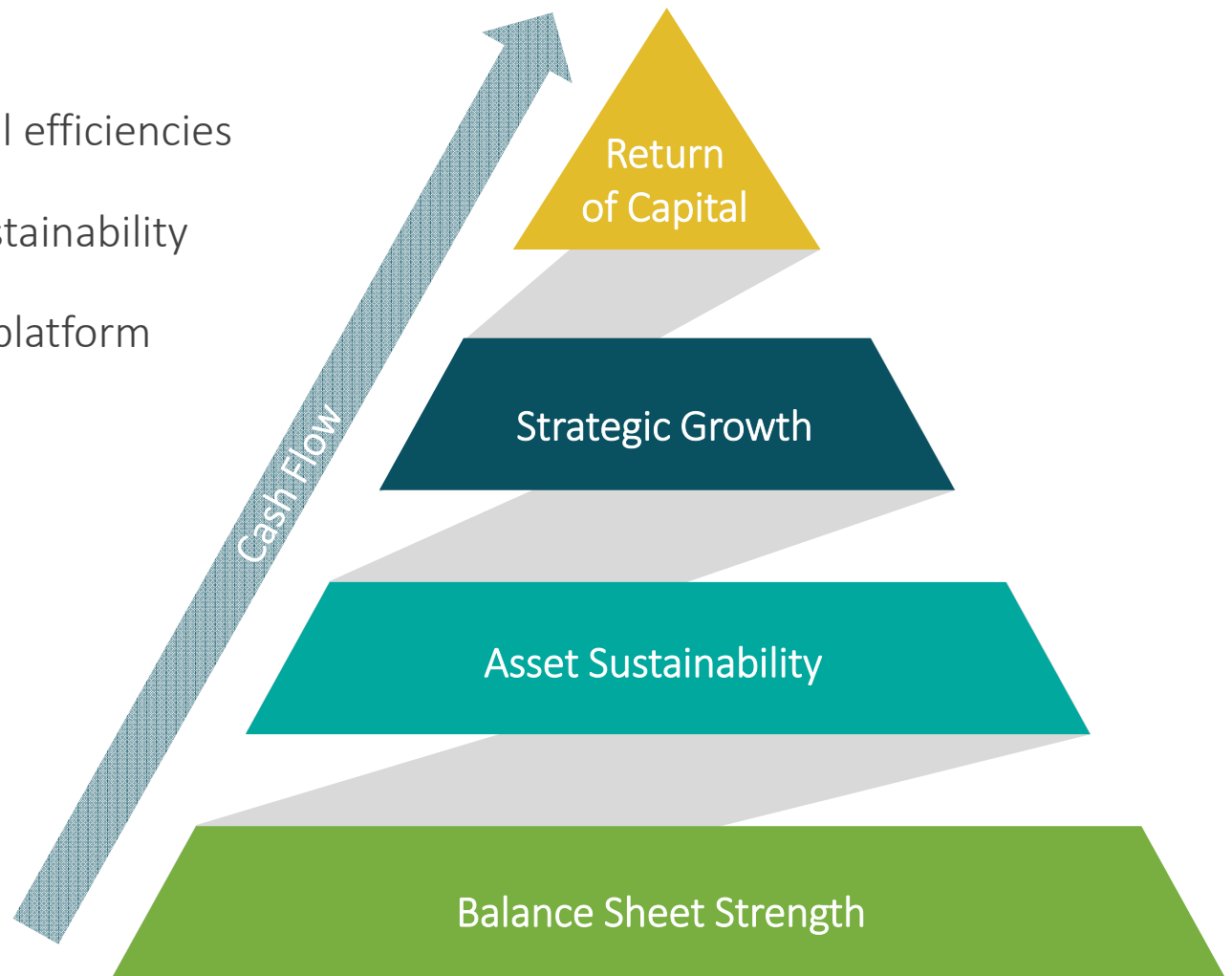
See *Slide Notes* and *Advisory Statements* at the end of this presentation

Strategic Priorities

Free cash flow with commitment to high quality assets and maintaining financial flexibility

Managing a Cyclical Business

- ✓ Balance sheet strength is key
- ✓ Focus on asset quality / capital efficiencies
- ✓ Manage decline profile for sustainability
- ✓ Maintain and expand growth platform using free cash flow
- ✓ Return of capital is an allocation decision



Ideal Asset Platform

Focused, high-netback light oil

THE HEART OF THE BAKKEN PLAY

Assets focused in the most prolific part of North Dakota Bakken / Three Forks with **97%** of acreage held by production and development opportunities in the core of the play

STABLE OIL WEIGHTED BASE PRODUCTION

Modest 2022E growth to average **~10,750 boe/d** with **~85% light oil & liquids** weighting, **~30% decline rate** and industry leading low carbon intensity profile

HIGH IMPACT ECONOMIC DRILLING INVENTORY

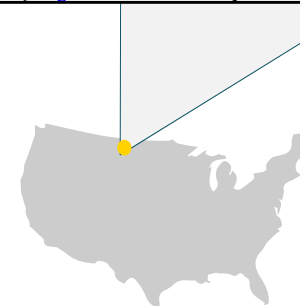
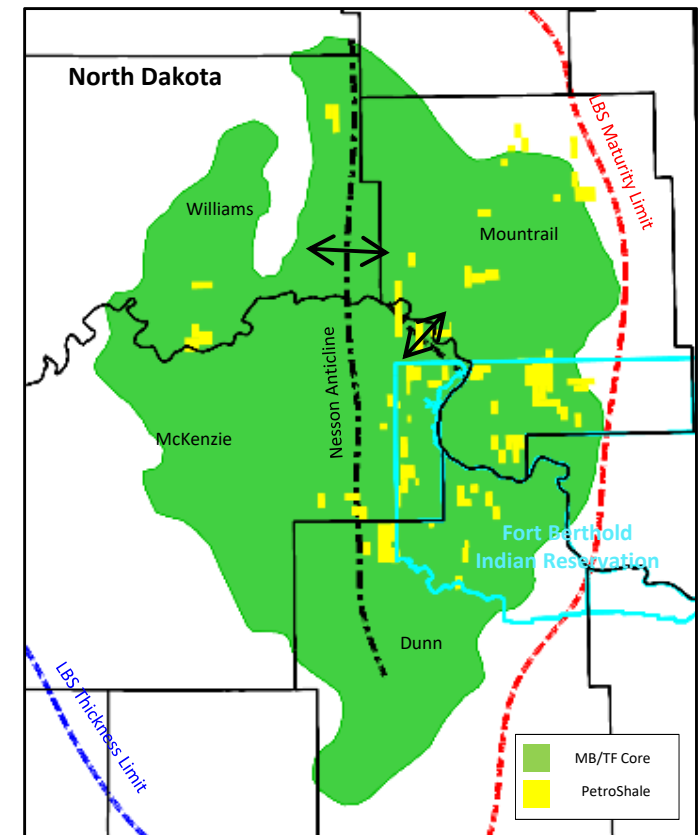
> 600 boe/d IP365 type curve forecast generates **< 1 year payout** at \$50 WTI with a significant resource in place, averaging **200 feet of over-pressured** reservoir

SUSTAINABLE FREE CASH FLOW GENERATION

> \$100 million free cash flow in 2022 at \$95 WTI with de-risked inventory to maintain current production for **> 5 years** and a corporate **break-even** of **US\$40 WTI**

CONSOLIDATION OPPORTUNITIES

> 1mm boe/d of current production and **~4.3 Billion bbls** of undiscovered, technically recoverable oil in surrounding areas provide consolidation and growth prospects



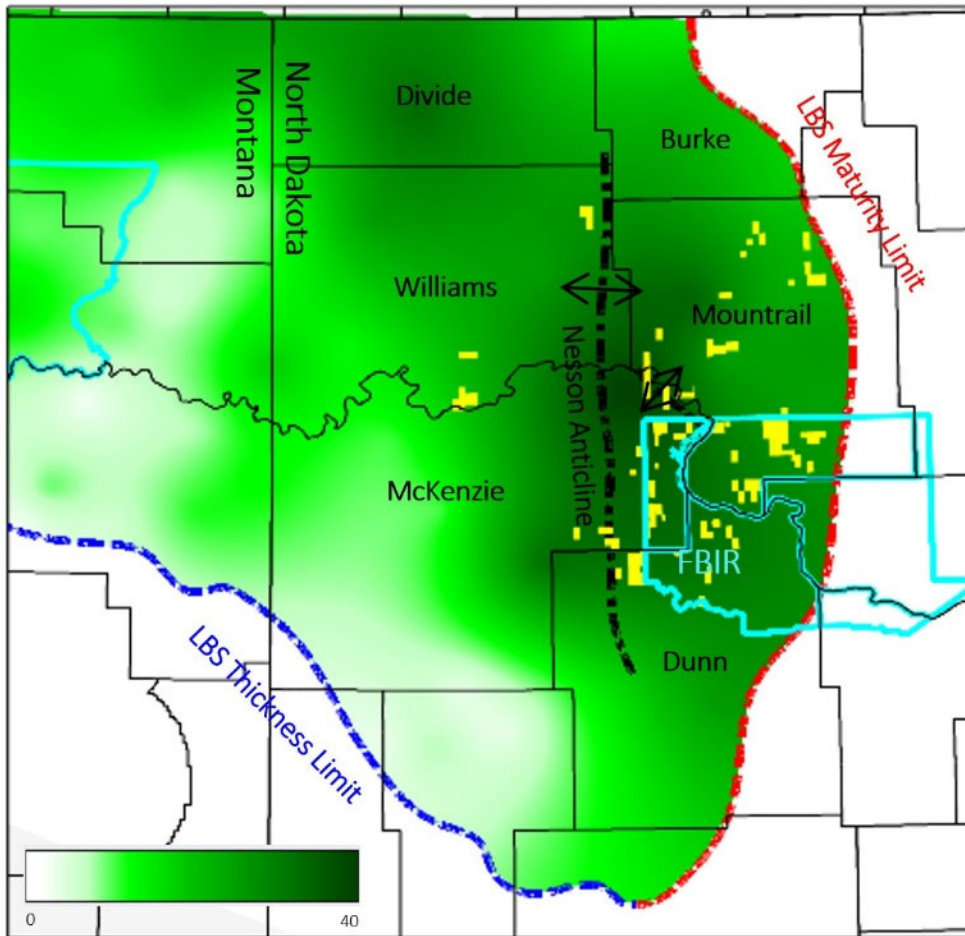
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High Quality Acreage

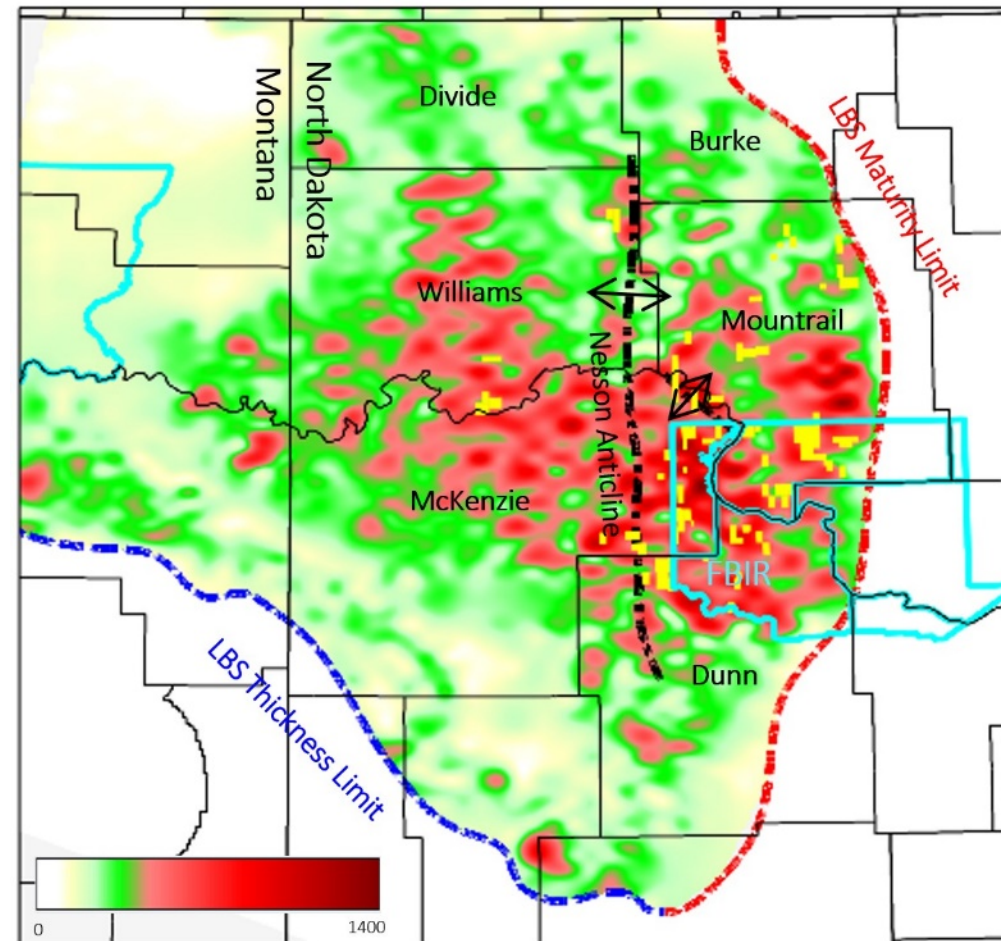
Sizeable drilling inventory and acreage situated in heart of the Bakken / Three Forks

Bakken/Three Forks OIP (MMBo/sec)



Situated in the heart of the play...

Bakken/Three Forks IP365 (bopd)



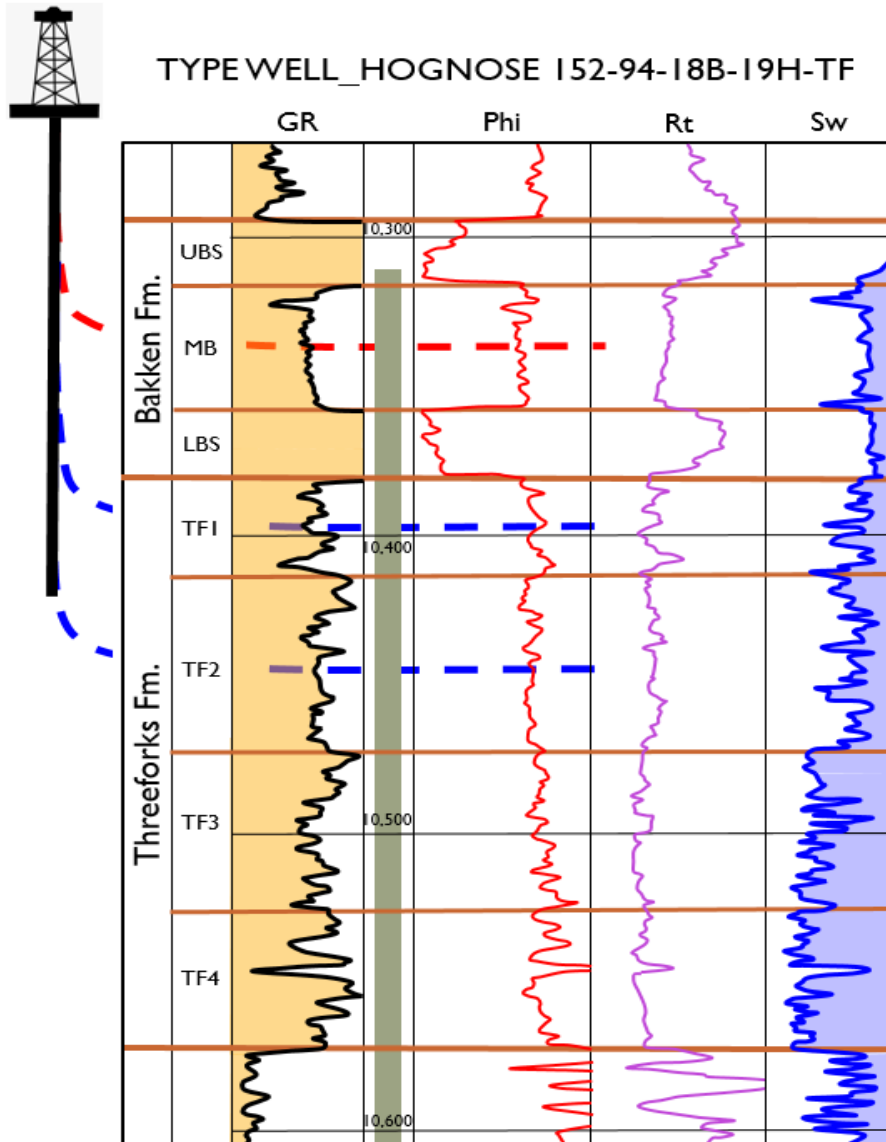
...and surrounded by the most productive wells in the basin.



See Slide Notes and Advisory Statements at the end of this presentation

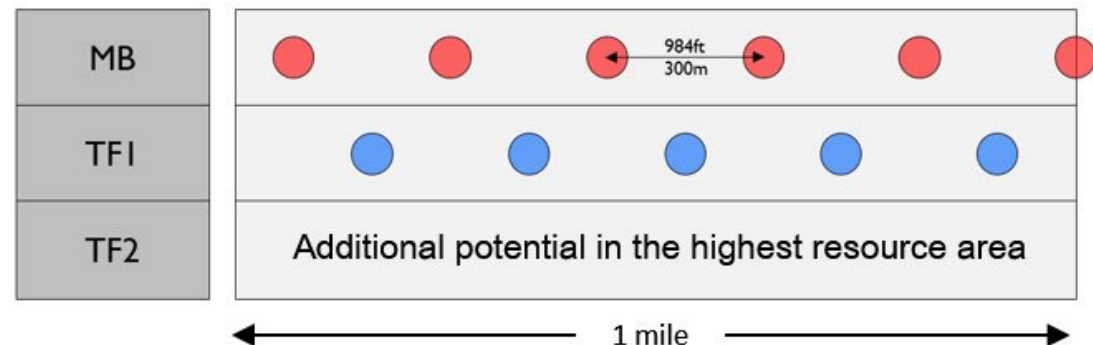
Significant Resource Development

Stacked pay serves as a multiplier for drilling locations



Reservoir Attributes	Bakken	Three Forks
Lithology	Dolomitic Siltstone and Shale	Silty Dolomite and Limestone
Average Depth	10,300'	10,400'
Average Thickness	100'	100' (TF1 + TF2)
Porosity	5-9%	3-8%
Water Saturation	20-30%	30-50%
Permeability	.001-1 mD	.0001-1 mD
Pressure Gradient	.70 -.76 psi/ft.	.70 -.76 psi/ft.
TMax	430-445° C	-
TOC	5-18%	-
Gravity	40-43° API	40-43° API

Winerack development pattern 640 and 1280 acre DSU

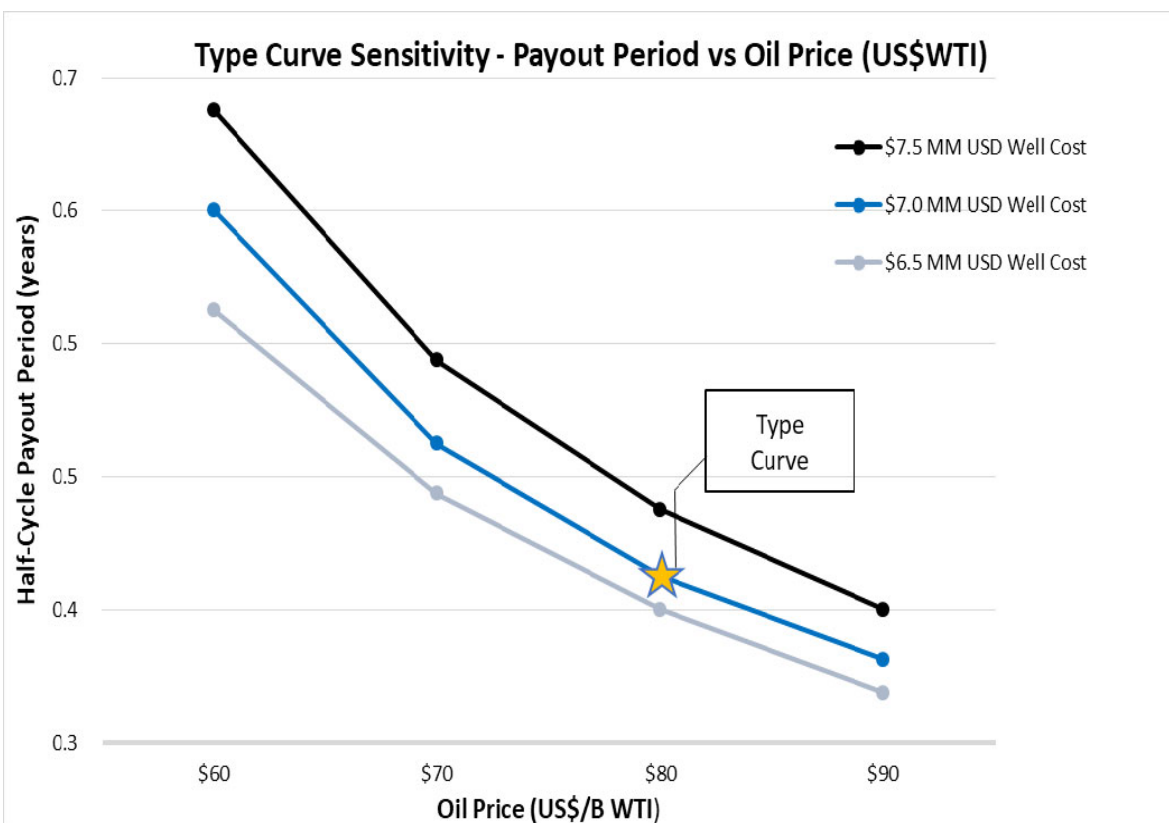


~11 wells per drill spacing unit, 6 MB and 5 TF1



Cash Flow Engine

Robust economics for a sustainable free cash flow model



Single Well Economics	US\$70 WTI	US\$80 WTI	US\$90 WTI
DCET Capital (US\$mm)	7.0	7.0	7.0
IP365 (boepd)	641	641	641
Reserves (mbbl)	750	750	750
Production Adds (US\$/boepd)	10,920	10,920	10,920
Reserve Adds (US\$/boe)	8.51	8.48	8.46
NPV10 (US\$mm)	19.3	24.0	28.7
P/I	2.8	3.4	4.1
ROR (%)	>200	>200	>200
Payout (years)	0.5	0.4	0.35
Recycle Ratio	>6x	>7x	>8x

Breakeven 10% IRR = US\$30 WTI



See Slide Notes and Advisory Statements at the end of this presentation

Sustainability & Debt Repayment

Prioritizing debt reduction in 2022

10,750 boe/d

Annual average production (2022E)
(~85% oil & NGLs)

US\$WTI	\$60	\$70	\$80	\$90	\$100
WTI differential (US\$)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)
FX (US\$/C\$)	0.77	0.78	0.78	0.79	0.80
Capital Efficiency (C\$/boepd)	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
Cash Flow - hedged (C\$mm)	\$108	\$127	\$144	\$159	\$173
Maintenance Capital (C\$mm)	(\$59)	(\$58)	(\$58)	(\$57)	(\$56)
Free Cash Flow (C\$mm)	\$49	\$69	\$86	\$102	\$117
Payout Ratio	55%	46%	40%	36%	32%
Net Debt / Cash Flow (2022E)	0.9x	0.6x	0.4x	0.3x	0.2x

Enhancing Financial Flexibility to Capitalize on Opportunities



See Slide Notes and Advisory Statements at the end of this presentation

Five Pillars of ESG

Dedicated ESG program based on five pillar program



Health & Safety

- Deliver secure, safe working environment for all employees, contractors and the community
- Committed to rapid and thorough incident response



Governance & Board Oversight

- High level of engagement & oversight
- Comprehensive & diverse knowledge-base and extensive experience in O&G management



Environment, spills, water use & land use

- Environmental program based on prevention, minimization, and transparency
- Committed to meeting and/or exceeding Federal, State, and Tribal environmental regulations across all aspects of our operations



Emissions

- Quantify, monitor and track/report GHG emissions
- Committed to controlling and minimizing GHG emissions and identifying opportunities for further emissions reductions across operated assets



Social Engagement & Culture

- Promote corporate culture of accountability and inclusivity
- Create and maintain positive impact in the communities in which we operate through engagement, giving back and job creation



Investment Summary

Positioned for Disciplined Growth



Pure-Play U.S. Bakken/Three Forks

- World-class resource
- Focused asset base
- Light oil weighted
- Industry-leading development economics
- Constructive business environment



Sustainable Business

- Significant free cash flow & debt reduction in 2022
- Modest maintenance capital requirements
- Reliable runway of high-quality drilling prospects



Experienced, Proven Team

- Strong track record of executing proven strategy in the Williston Basin
- Capital allocation prudence
- Financial discipline
- Efficient operators



Investment & Upside

- Predictable, low risk asset base
- Extensive consolidation opportunities
- Long term, sustainable business plan
- Track record of value creation

Commitment to ESG Principles



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ATB Financial
National Bank of Canada

Investor Relations

5 Quarter Investor Relations, Inc.

Legal Counsel

Burnet, Duckworth & Palmer LLP (Calgary)
Bryan Cave Leighton Paisner (Denver)

Transfer Agent

TSX Trust Company

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Haywood Securities
Peters & Co. Limited
Raymond James Ltd.

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Board of Directors

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Brett Herman
David Rain
Gary Reeves
Jacob Roorda
Dale O. Shwed

Management Team

Brett Herman President & CEO	Sandy Brown Vice President Geosciences
Jason Skehar Chief Operating Officer	Kristine Lavergne Vice President Engineering
Marvin Tang Vice President Finance & CFO	Shane Manchester Vice President Operations
Anthony Baldwin Vice President Business Development	





Appendix

2022 Capital Program

US\$45 million (~C\$58 million) capital program objectives:

- ✓ Maximize free cash flow generation with a focus on debt repayment
- ✓ Focus on stabilizing production and moderating the corporate decline rate
- ✓ Execute capital program efficiently with a focus on minimizing technical risk
- ✓ Create optionality, both financial and operationally
- ✓ Capital efficiency ~C\$17,000/boepd
- ✓ Payout ratio well under 100%



Guidance & Modeling Assumptions (2022)

Significant free cash flow potential

PRODUCTION

Annual Average:	10,500 boe/d - 11,000 boe/d (85% oil & NGLs)
Exit:	~11,000 boe/d (85% oil & NGLs)

CASH FLOW

Annual average royalty rate:	~20%
Opex, transportation & production taxes:	~C\$15.00/boe
G&A:	~C\$1.85/boe
Realized oil price differential to US\$WTI:	~US\$3.00/bbl

SUSTAINABILITY

Capital spending:	US\$45 million (~C\$58 million)
Capital efficiency:	~C\$17,000/boepd (all-in IP365)
Corporate decline:	~30%

SENSITIVITY

+/- US\$1.00 WTI:	C\$1.7 million
+/- US\$0.10 Henry Hub:	C\$0.2 million
+/- US\$0.01 FX:	C\$2.5 million



Hedges

Oil Contracts (WTI)	Quarter	Volume (bbls/d)	Swap (US\$)	Sold Put (US\$)	Bought Put (US\$)	Sold Call (US\$)
Costless Collars	Q1 2022	2,500	-	-	48.10	63.29
	Q2 2022	2,750	-	-	48.73	62.72
	Q3 2022	1,500	-	-	50.83	65.32
	Q4 2022	1,500	-	-	50.83	65.32
Fixed Swaps	Q1 2022	1,118	56.85	-	-	-
	Q2 2022	833	58.63			
	Q3 2022	417	62.78			
	Q4 2022	317	62.78	-	-	-

Natural Gas Contracts (Henry Hub)	Quarter	Volume (Mmbtu/d)	Swap (US\$)	Sold Put (US\$)	Bought Put (US\$)	Sold Call (US\$)
Fixed Swaps	Q1 2022	2,000	3.43	-	-	-
	Q2 2022	2,000	3.43	-	-	-
	Q3 2022	2,000	3.43	-	-	-



Slide Notes

Slide 2

1. Net debt/Cash flow (YE 2022E) refers to “net debt to cash flow” and is calculated using forward benchmark commodity prices as at March 9, 2022 (annual average WTI of US\$95.64), and is a non-IFRS measure; see Non-IFRS Measures in Advisory Statements.
2. 2021 average production of 10,548 boe/d is comprised of 6,930 bbls/d of light crude oil, 1,747 bbls/d of NGL and 11,226 mcf/d of associated natural gas.
3. TP Reserves and P+P Reserves refers to “Total Proved Reserves” and “Proved + Probable Reserves”, respectively, and are based on independent reserves evaluation prepared by Netherland Sewell & Associates effective Dec 31, 2021; see Advisory Statements.
4. Market cap is calculated as 660 million basic shares outstanding (being 523.4 million basic shares outstanding as at December 31, 2021, plus 136.3 million common shares issued in connection with the equity financing announced on January 13, 2022), multiplied by PetroShale’s closing share price of \$0.87 per share on March 9, 2022.
5. Net debt of \$144 million is pro forma the net proceeds from the equity financing announced on January 13, 2022.
6. Enterprise value is calculated as market capitalization plus net debt.
7. ARO refers to “asset retirement obligations” or “decommissioning obligation” and the C\$8.0 million value is the inflated and discounted amount as presented in the Company’s financial statements as at December 31, 2021; for more information, see PetroShale’s Q4 2021 financial statements available on SEDAR at www.sedar.com.

Slide 3

1. “Payout ratio” is a non-IFRS measure and represents capital expenditures divided by cash flow; see Non-IFRS Measures in Advisory Statements for more information.

Slide 5

1. “4.3 Billion bbls of undiscovered, technically recoverable oil in surrounding areas” is from information prepared and publicly disclosed by the U.S. Geological Survey (“USGS”), a scientific agency of the United States government. Source USGS publication: “Assessment of Undiscovered Continuous Oil Resources in the Bakken and Three Forks Formations of the Williston Basin Province, North Dakota and Montana, 2021”.

Slide 6

1. “OIP” refers to “oil-in-place” and is the estimated quantity of petroleum that is estimated to exist in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, plus those estimated quantities in accumulations yet to be discovered. There is no certainty that it will be commercially viable to produce any portion of such resources.
2. See Advisory Statements for more information on initial production rates over a period of 365 days (IP365).
3. Maps are internally generated using publicly available industry information as well as information from an independent petrophysical consulting firm.

Slide 8

1. “Breakeven 10% IRR” refers to breakeven internal rate of return and based on half cycle economics; see Advisory Statements for more information.
2. P/I refers to profit to investment ratio, which is calculated as a project's NPV10 divided by DCET capital.
3. Single well economics are reflective of half cycle economics and is not the same as resulting corporate economics.

Slide 9

1. Maintenance capital for 2022 is equivalent to US\$45mm (the translated C\$ equivalent changes slightly in the various US\$WTI scenarios due to different currency rates under each US\$WTI scenario).
2. Estimated annual average production in 2022 is estimated to comprise of 7,570 bbls/d of light crude oil, 1,579 bbls/d of NGL and 9,611 mcf/d of conventional natural gas.
3. “Payout ratio” is a non-IFRS measure and represents capital expenditures divided by cash flow; see Non-IFRS Measures in Advisory Statements.
4. Free Cash Flow is a non-IFRS measure; see Non-IFRS Measures in Advisory Statements for more information.

(continued)



ADVISORY STATEMENTS

Forward-looking Statements

Certain information set forth in this presentation, including (among other things): Lucero's proposed development opportunities, business plans and intentions, expectations for realizing certain benefits from higher well density spacing within its DSUs (including as described below under "Drilling Locations"), the Company's belief that more development opportunities exist within its core focus areas, expectations from near-term drilling activity, timing of drilling and well completion activity, expected results from wells following a 'type curve', and the Company's investment summary, including the potential set forth therein, may constitute forward-looking statements under applicable securities laws and necessarily involve substantial known and unknown risks and uncertainties. In addition, statements relating to "reserves" are deemed to be forward-looking as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Lucero's control, including without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, volatility in production rates, environmental risks, inability to obtain drilling rigs or other services, capital expenditure costs, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, delays resulting from or inability to obtain required third party and regulatory approvals, ability to access sufficient capital from internal and external sources, inability to access gas transportation and processing infrastructure, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are **interpreted** and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, and the uncertainty of estimates and projections of production, costs and expenses. Management believes there is a reasonable basis for the forward-looking statements contained in this presentation.

With respect to forward-looking statements contained in this presentation, Lucero has made a number of assumptions. The key assumptions underlying the aforementioned forward-looking statements include assumptions regarding (among other things): that increased well density within a drilling spacing unit will provide additional economic drilling locations (as set forth herein); the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required third party and regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; that the net proceeds of the Offered Shares will remain consistent with those stated in the Company's short form prospectus; the timing of drilling plans and completion operations; the ability of the operator of the projects in which the Company has an interest in operating the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates, decline rates and ultimate resource recovery from wells; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas production. Certain or all of the forgoing assumptions may prove to be untrue.

Lucero's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional information on these and other factors that could affect Lucero's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements contained in this document are made as at the date of this presentation and Lucero does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Non-IFRS Measures: Within this presentation, any references made to "operating netback", "operating netback prior to hedging", "net debt", "net debt to cash flow", "payout ratio", "cash flow" and "free cash flow", which are not defined by IFRS and therefore may not be comparable to performance measures presented by others. Operating netback represents revenue, plus or minus any realized gain or loss on financial derivatives, less royalties, production taxes, operating costs and transportation expense. The operating netback is then divided by the working interest production volumes to derive the operating netback on a per Boe basis. Operating netback prior to hedging represents operating netback prior to any realized gain or loss on financial derivatives. Net debt represents total liabilities, excluding decommissioning obligation, lease liabilities, deferred tax liabilities and any financial derivative liability, less current assets. Net debt to cash flow represents net debt divided by cash flow. Payout ratio represents capital expenditures divided by cash flow. Cash flow represents cash flow from operating activities prior to finance expense and changes in non-cash working capital. The Company believes that cash flow provides useful information to the reader in that it measures the Company's ability to generate funds to service its debt and other obligations and to fund its operations, without the impact of changes in non-cash working capital which can vary based solely on timing of settlement of accounts receivable and accounts payable. Free cash flow is a non-IFRS measure which should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with IFRS. Free cash flow is presented to assist management and investors in analyzing performance by the Company as a measure of financial liquidity and the capacity of the Company to repay debt and pursue other corporate objectives. Free cash flow equals cash flow from operating activities less capital expenditures. Management believes that in addition to net income (loss) and cash flow from operating activities, operating netback, net debt, net debt to cash flow, cash flow and free cash flow are useful supplemental measures as they assist in the determination of the Company's operating performance, leverage and liquidity. Operating netback is commonly used by investors to assess performance of oil and gas properties and the possible impact of future commodity price changes on energy producers. Investors should be cautioned, however, that these measures should not be construed as an alternative to either net income (loss) or cash flow from operating activities, which are determined in accordance with IFRS, as indicators of the Company's performance.



ADVISORY STATEMENTS, CONT'D

Analogous Information: In this presentation, Lucero has provided certain information on the production rate of a well on properties adjacent to the Company's acreage which is "analogous information" as defined by applicable securities laws. This analogous information is derived from publicly available information sources which the Company believes are predominantly independent in nature. Some of this data may not have been prepared by qualified reserves evaluators or auditors and the preparation of any estimates may not be in strict accordance with Canadian Oil & Gas Evaluation Handbook. Regardless, estimates by engineering and geotechnical practitioners may vary and the differences may be significant. Lucero believes that the provision of this analogous information is relevant to Lucero's activities and forecasting, given its property ownership in the area; however, readers are cautioned that there is no certainty that the forecasts provided herein based on analogous information will be accurate.

Initial Production Rates: Any references in this presentation to well-flow test results, initial production rates, and/or initial production rates over a period of 365 days ("IP365") are useful in confirming the presence of hydrocarbons, however, such test results and rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such test results and rates in calculating the aggregate production for the Company. Well-flow test results and initial production rates may be estimated based on other third party estimates or limited data available at the time. Well-flow test result data should be considered to be preliminary until a pressure transient analysis and/or well-test interpretation has been carried out. In all cases in this presentation, well-flow test results and initial production results are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

Drilling Locations: This presentation may disclose drilling locations in two categories: (i) proved and probable locations; and (ii) unbooked locations. Proved plus probable drilling locations set forth herein are based on the Company's most recent independent reserves evaluation as prepared by Netherland, Sewell & Associates Inc. ("NSAI") as of December 31, 2021. Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill any unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations may have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, management has less certainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

BOE. Where amounts are expressed on a barrel of oil equivalent ("Boe") basis, natural gas volumes have been converted to Boe using a ratio of 6,000 cubic feet of natural gas to one barrel of oil (6 Mcf: 1 Bbl). **This Boe conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value. In this presentation, mboe refers to thousands of barrels of oil equivalent.**

Company Interests. Company interest means, in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) before the deduction of royalties payable and including such entity's royalty interest in production and reserves. Where volumes of reserves have been presented, they have been presented as company working interest, gross of royalties unless otherwise indicated. Where volumes of production have been presented, they have been presented as company working interest, gross of royalties, except where otherwise noted. Company net revenue interests is the share of production to the Company after all burdens, such as royalties and overriding royalties, have been deducted from the Company's working interest. Relative price deck used by NSAI in their reserves evaluation has/will be disclosed within our 2021 Annual Information Form available on our SEDAR profile. There is no assurance that the forecast prices and cost assumption will be attained and variances could be material. The recovery and reserve estimates of our tight oil and shale gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual tight oil and shale gas reserves may be greater than or less than the estimates provided herein. It should not be assumed that the discounted future revenue estimated by NSAI represents the fair market value of the reserves.

Forward Looking Financial Information: This presentation contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's prospective results of operations, cash flows, net debt, and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs, including the assumptions set forth in the slide entitled "Guidance and Modelling Assumptions (2022)". FOFI contained in this corporate presentation was made as of the date of this corporate presentation and was provided for the purpose of providing further information about the Company's future business operations, the Company disclaims any intention or obligation to update or revise any FOFI contained in this corporate presentation, whether as a result of new information, future events or otherwise, unless required pursuant to applicable cautioned that the FOFI contained in this corporate presentation should not be used for purposes other than for which it is disclosed herein. Additionally, readers are advised that historical results, growth and transactions described in this presentation may not be reflective of future results, growth and transactions with respect to the Company.



ADVISORY STATEMENTS, CONT'D

Reserves Disclosures. Estimates pertaining to the Company's reserves and the net present value of future net revenue attributable thereto are based upon the independent engineering evaluation of the crude oil, natural gas liquids and natural gas reserves of the Company prepared by NSAI, the Company's independent reserves evaluator, as at December 31, 2021, which is prepared in accordance NI 51-101 and the COGE Handbook. The estimates pertaining to reserves provided in this presentation are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves and the estimated number of potential undeveloped drilling locations to which reserves have been attributed, may be greater than or less than the estimates provided in this presentation and the differences may be material. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Estimates of net present value of future net revenue attributable to the Company's reserves do not represent fair market value and there is uncertainty that the net present value of future net revenue will be realized. There is no assurance that the forecast price and cost assumptions applied by NSAI in evaluating Lucero's reserves will be attained and variances could be material. The reserves information contained in this presentation should be reviewed in conjunction with the annual information form of the Company for the year ended December 31, 2021 which is/will be available on SEDAR, and contains important additional information regarding the independent reserve evaluation that was conducted by NSAI and a description of, and important information about, the reserves terms used in this presentation.

Notice To U.S. Readers. The Company's reserves information contained in this presentation has generally been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. Reserves categories such as "proved reserves" and "probable reserves" may be defined differently under Canadian requirements than the definitions contained in the United States Securities and Exchange Commission ("SEC") rules. In addition, under Canadian disclosure requirements and industry practice, reserves and production are reported using gross volumes, which are volumes prior to deduction of royalty and similar payments. The practice in the United States is to report reserves and production using net volumes, after deduction of applicable royalties and similar payments. Canadian disclosure requirements require that forecasted commodity prices be used for reserves evaluations, while the SEC mandates the use of an average of first day of the month price for the 12 months prior to the end of the reporting period.

Selected Definitions

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time.

"**ESG**" means Environmental, Social, and Governance.

"**IRR**" means Internal Rate of Return and is a measure used to compare the profitability of an investment and represents the discount rate at which the net present value of costs equals the net present value of the benefits.

"**NI 51-101**" means National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

"**reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

"**proved reserves**" or ("**1P reserves**") are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**probable reserves**" or ("**2P reserves**") are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves or ("**P+P reserves**").

Certain Abbreviations:

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|---------|--|---------|---|
| • bbl | means barrel | • MMboe | means million barrels of oil equivalent |
| • boe/d | means barrel of oil equivalent per day | • MM | means millions |
| • EUR | means estimated ultimate recovery | • IP365 | means 365 day average initial production rate |

