

Connacher Performance Presentation - 2016



Great Divide SAGD Facilities - 10587

This Presentation contains forward looking information including, expectations for future production and total bitumen recovery, estimates of reserves, future development of the **SAGD+**[®] process commercial project at Algar and mini-steam expansion at Pod One and the anticipated impact thereof, growth potential associated with certain additional capital investment options and development projects to be undertaken at Algar, sustainability of production, well and plant performance, the steam to oil ratio ("SOR"), and plant reliability.

Forward looking information is based on management's expectations regarding the Company's future growth and financial position; results of operations and production, future commodity prices and foreign exchange rates; future capital and other expenditures (including the amount, nature, and sources of funding thereof), plans for and results of drilling activity; environmental matters; business prospects and opportunities; and future economic conditions. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of geological interpretations; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), risk of commodity price and foreign exchange rate fluctuations, risks associated with the impact of general economic conditions, risks and uncertainties associated with maintaining the necessary regulatory approvals and securing the financing to proceed with the operation and continued expansion of the Great Divide oil sands project.

This presentation includes information pertaining to the reserves as at December 31, 2015, as evaluated by GLJ Petroleum Consultants Ltd., in their report for the year ended December 31, 2015 (the "GLJ Report"). Statements relating to reserves are deemed to be forward looking statements, 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. Certain information and assumptions relating to the reserves reported herein are set out in the Corporation's Annual Information Form for the year ended December 31, 2015, which is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. There is no assurance that the forecast price and cost assumptions contained in the GLJ Report will be attained and variances could be material. The reserves estimates of Connacher's properties described herein are estimates only. The actual reserves on Connacher's properties may be greater or less than those calculated.

Design capacity is not necessarily indicative of the stabilized production levels or steam generation capacity that may ultimately be achieved at Connacher's SAGD project sites. Reported average production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected in this presentation due to, among other factors, difficulties or interruptions encountered during the production of bitumen.

Although Connacher believes that the expectations in such forward looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. The forward looking information included in this presentation is expressly qualified in its entirety by this cautionary statement. The forward looking information included herein is made as of the date of this presentation and Connacher assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.

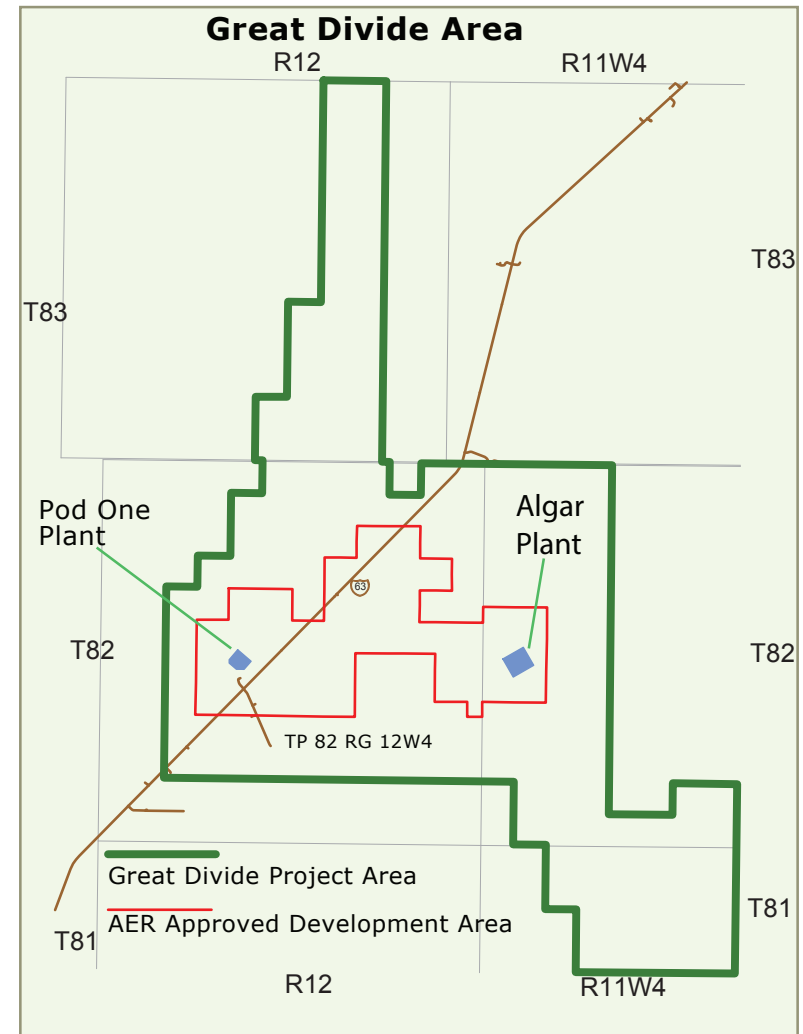
Subsurface Presentations	
Background	Gord Trainor
Geology	Gord Trainor
Recovery Process	Michael Hardcastle
Completions & Artificial Lift, Monitoring	Michael Hardcastle
Scheme Performance	Michael Hardcastle
Future Plans (Existing Developments)	Gord Trainor

Surface Presentations	
Facilities	Merv Pond
Measurement & Reporting	Hollis Sylvester
Water Recycle	Hollis Sylvester
Future Plans	Hollis Sylvester



Subsurface - Background

- Connacher is a focused developer, producer, and bitumen marketer from its in-situ oil sands projects in Alberta's Athabasca oil sands.
- Primary driver of value is the continued development of its bitumen production at its Great Divide oil sands operations using in-situ recovery methods
- Oil sands reserves and resources include 435,748 Mbbl of 2P reserves (as of 31 December 2015 per GLJ Petroleum Consultants) ⁽¹⁾

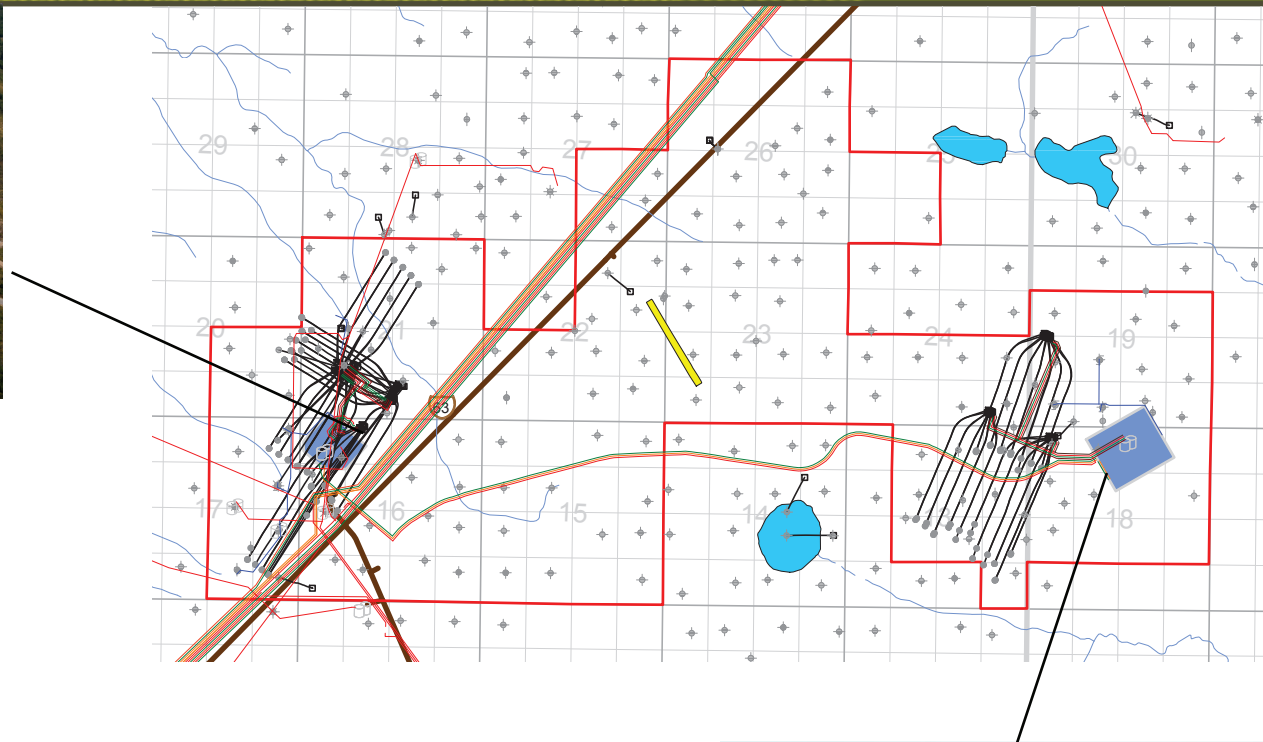


⁽¹⁾ See Slide [Appendix B](#) for Reserve Definitions



Pod One

- First Steam September 2007
- First Bitumen October 2007



Algar

- First Steam May 2010
- First Bitumen July 2010



Highlights - 2016 Connacher Presentation

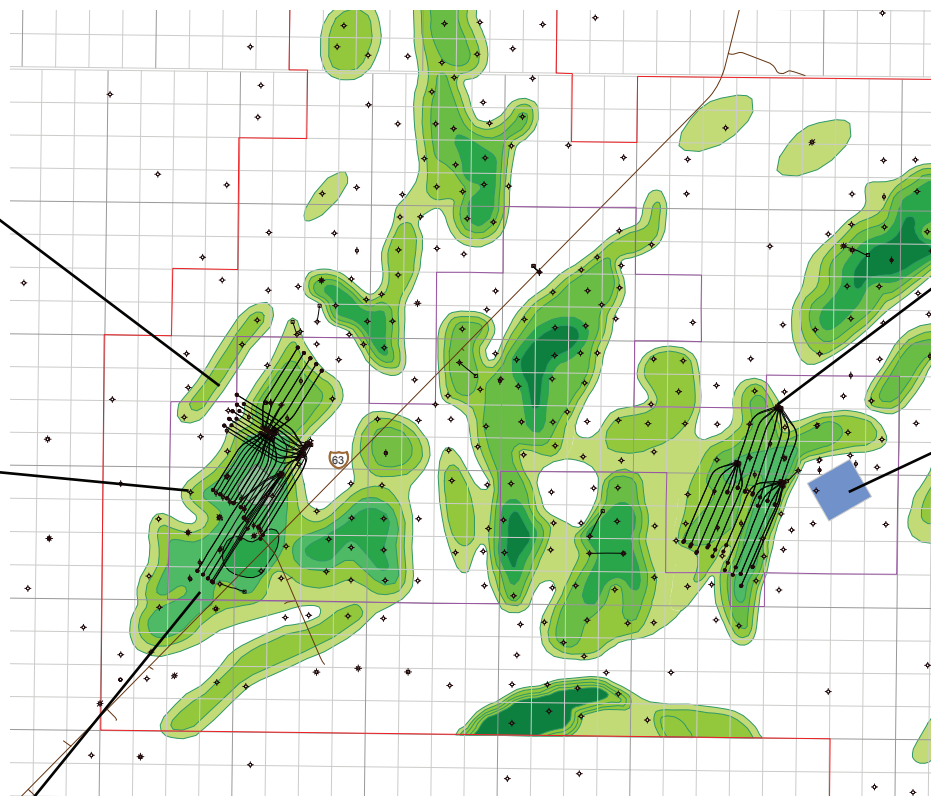
No Changes to Net Pay
and other Geology Maps

January 2016 Pod
One Production
Ramp Down

Mini Expansion
at Pod One
Approved

Pad 104

- 10 Well Pairs Approved
- 4 Wells Drilled and Producing

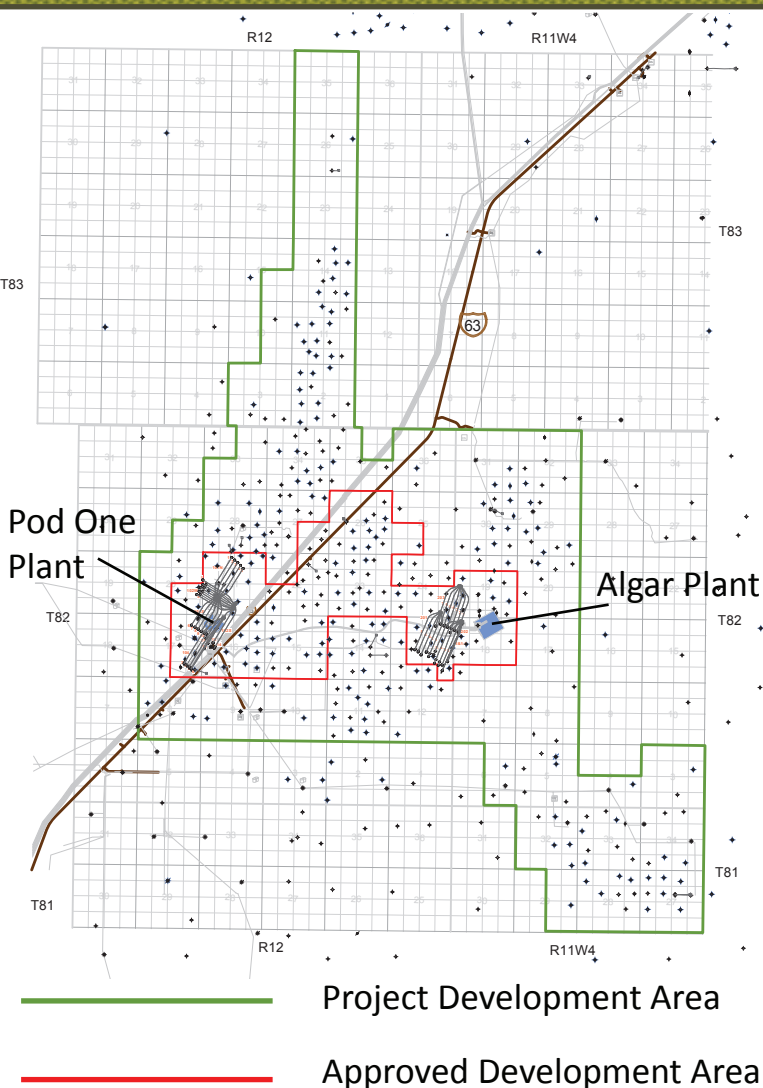


January 2016
Algar Production
Ramp Down

SAGD+® Process
Commercial
Project Approved
at Algar

Other

- Pump Performance Update
- Water Recycle Update
- Facilities and MARP updates
- HSE Updates

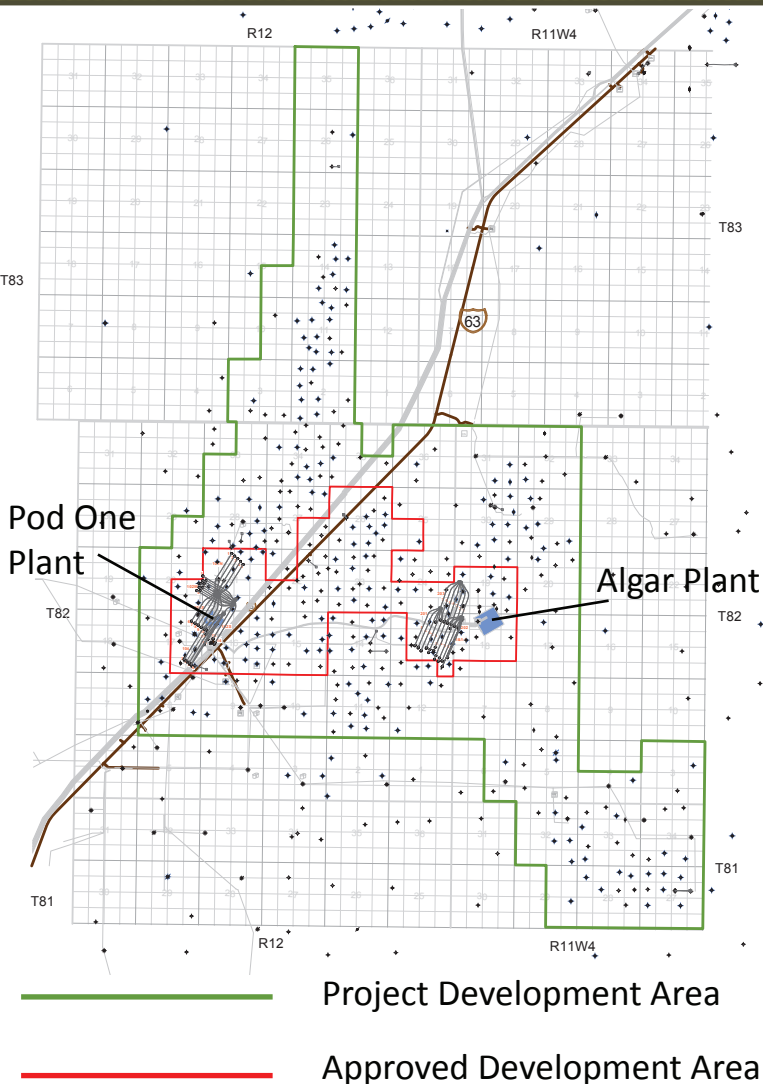


Pod One Current Development

- 23 Well Pairs and 13 Infills
 - Pad 101N - 5 Well Pairs
 - Pad 101S - 6 Well Pairs, 6 Infills
 - Pad 102W - 5 Well Pairs, 5 Infills
 - Pad 102S - 3 Well Pairs, 2 Infills
 - Pad 104 - 4 Well Pairs 80m interwell spacing

Pod One Development History

- Original 15 Well Pairs Drilled in 2007
- all well pair interwell spacing 100m except Pad 104
- 2 Well Pairs Drilled in 2009 (101S and 102S)
- 2 Well Pairs Drilled in 2010 (102S)
- 4 Infills Drilled in 2013 (102W)
- 4 Well Pairs Drilled in 2013 (104)



Algar Current Development

- 18 Well Pairs Producing
 - Pad 201S - 5 Well Pairs 100m interwell spacing
 - Pad 202S - 6 Well Pairs (1 re-drill) 100m interwell spacing
 - Pad 203S - 7 Well Pairs 100m interwell spacing

Algar Development History

- Original 17 Well Pairs Drilled in 2009
- Replacement Well Pair (202-01) drilled in 2013
- Approved for 5 Infills on Pad 203 in 2014

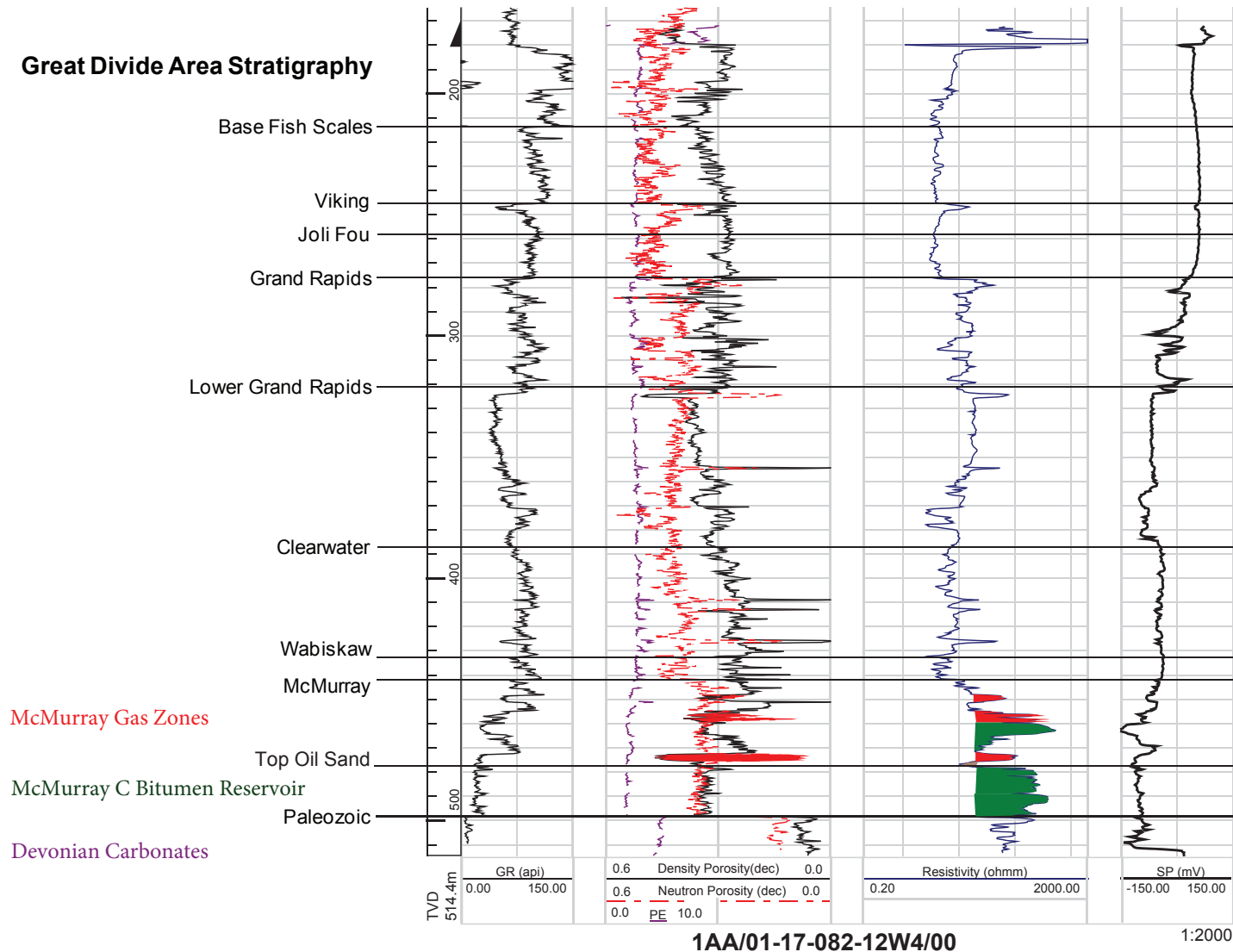
Great Divide Summary

	Pod One @ Sept 30, 2016	Algar @ Sept 30, 2016
First Steam	September 2007	May 2010
First Sales Oil	October 2007	June 2010
Cumulative Bitumen Produced e ³ m ³	3,280	2,125
Cumulative Steam Injected e ³ m ³	12,534	9,850
Cumulative SOR	3.82	4.64
Number of Producing Well Pairs	13	18
Number of Circulating Well Pairs	0	0
Infill Wells Producing	2	0
Wells Using Gas Lift	0	15
Wells Using Downhole Pumps	15	3
Operating Pressure Gas Lift	NA	3850 - 3900 kPa
Operating Pressure Pump	1300 - 2980 kPa	3000 - 3800 kPa
Directive 51 Operating MOP	6205 kPa Maximum Operating Pressure	6205 kPa Maximum Operating Pressure



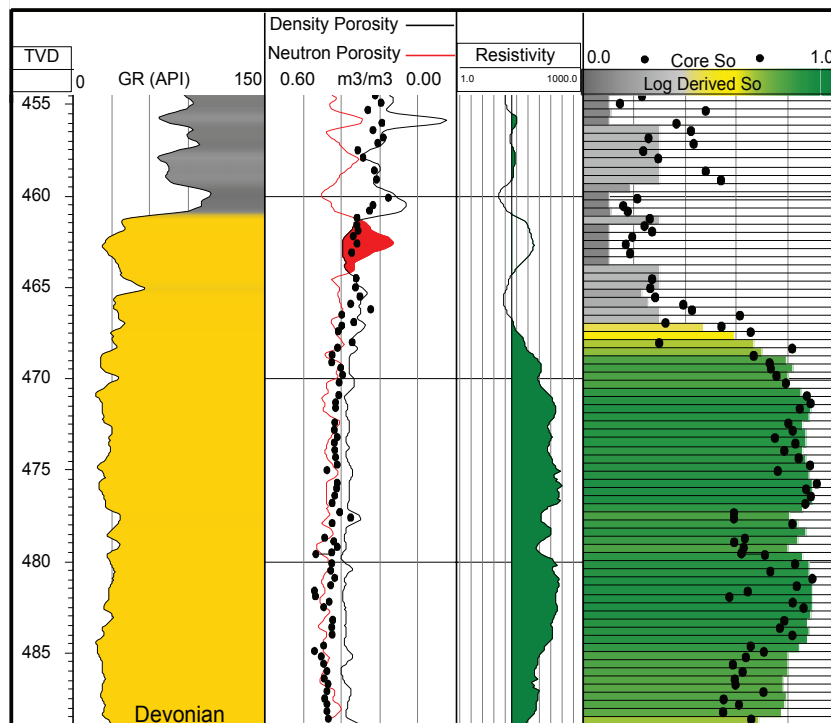
Subsurface - Geology

Great Divide Area Type Well



Great Divide Area Core & Log Data

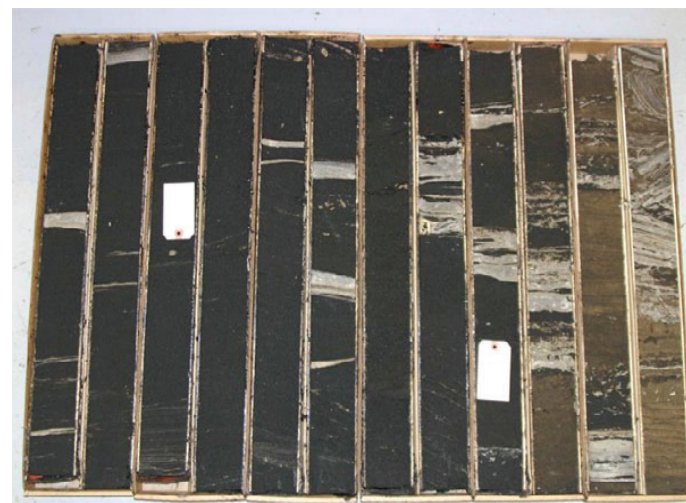
Typical Composite Log with Interpretation and core data comparison.



1AA/13-16-082-12W4/00

- Log vs Core Comparison
- Analytical interpretation of geophysical logs to determine bitumen saturations (wt%) gives good correlation with core derived bitumen saturations (wt%). Examples shown below.

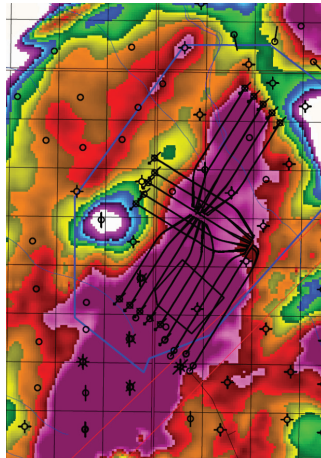
Well	Log NetPay	Core Net Pay	Log Bitumen Wt %	Core Bitumen Wt %
100/08-17-082-12W400	21.3	23.3	13.6%	14.0%
1AA/03-17-082-12W400	13.2	12.0	11.6%	12.7%
1AA/03-21-082-12W400	14.9	13.3	10.2%	10.4%
1AA/07-16-082-12W400	25.9	27.7	11.5%	12.7%
1AA/10-21-082-12W400	20.8	17.2	13.2%	14.8%



Great Divide Reservoir Parameters

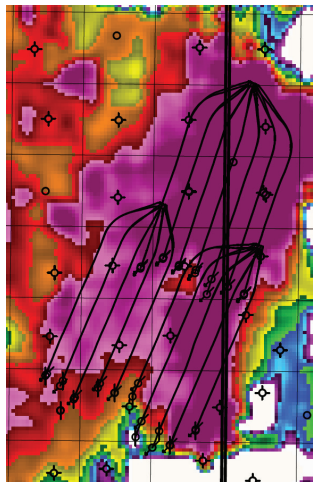
	Pod One		Algar	
	Range	Average	Range	Average
Reservoir Thickness (m)	10 - 30	22	10 - 30	25
Depth to Top of Reservoir (m)	450 - 490	475	465 - 500	485
Reservoir Net Pay (m)	10 - 25	21	10 - 30	22
Oil Saturation (%)	75 - 85	80	72-80	76
Bitumen Density (kg/m3)		1018		1018
Bitumen Viscosity (cPs)		> 1 million		> 1 million
Porosity (%)	32 - 34	33	32 - 34	33
Vertical Permeability (mD)	1500 - 4000	-	1500 - 4000	-
Horizontal Permeability (mD)	2000 - 5000	-	2000 - 5000	-
Initial Reservoir Temperature (°C)		13		13
Initial Reservoir Pressure (kPa)		3500		4500
Initial Bottom Water Pressure (kPa)				2500

Great Divide Area - 3D Seismic

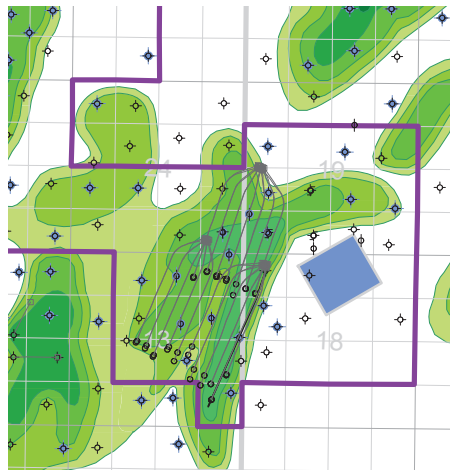
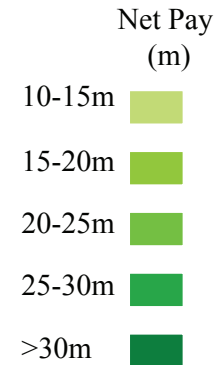
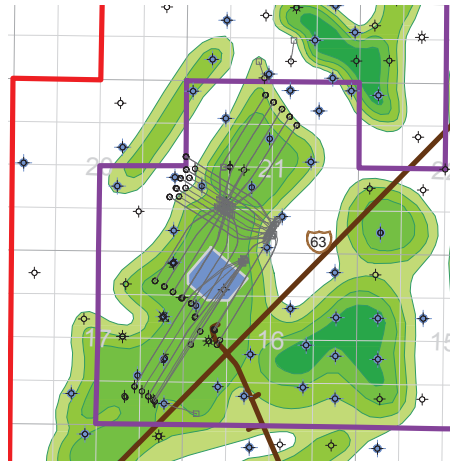


Pod One

3D Seismic - Interpreted
McMurray Sand Isochron



Algal



3D Seismic has been successfully used by Connacher to define edges, sand thickness and paleo structure, and ultimately reduces the drilling costs.

No new Seismic was shot during the 2015-16 exploratory season.

Great Divide Area Oil Sands Facies and Pay

Zones

Defined by Vshale

Connacher Cut-Offs

Z1 (Sand): 0-10% fines

Z2 (Sandy IHS): 10-20% fines

Z3 (IHS): 20-50% fines

Z4 (Muddy IHS): 50-80% fines

Z5 (Mud): 80-100% fines

Z6 (Breccia): >10% clasts

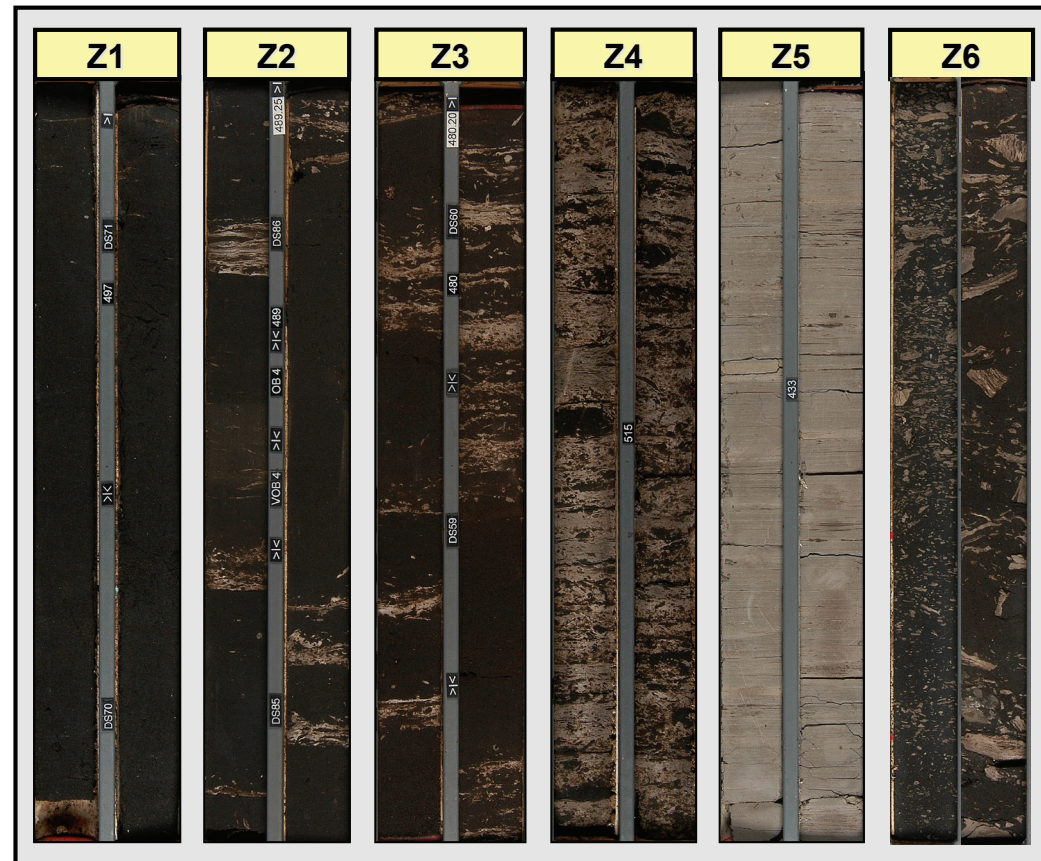
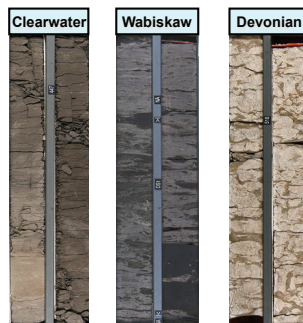
Pay Base Criteria

Minimum bitumen grade: 7wt%

Minimum Net/Gross ratio: 80 %

Maximum included shale interval: 2m

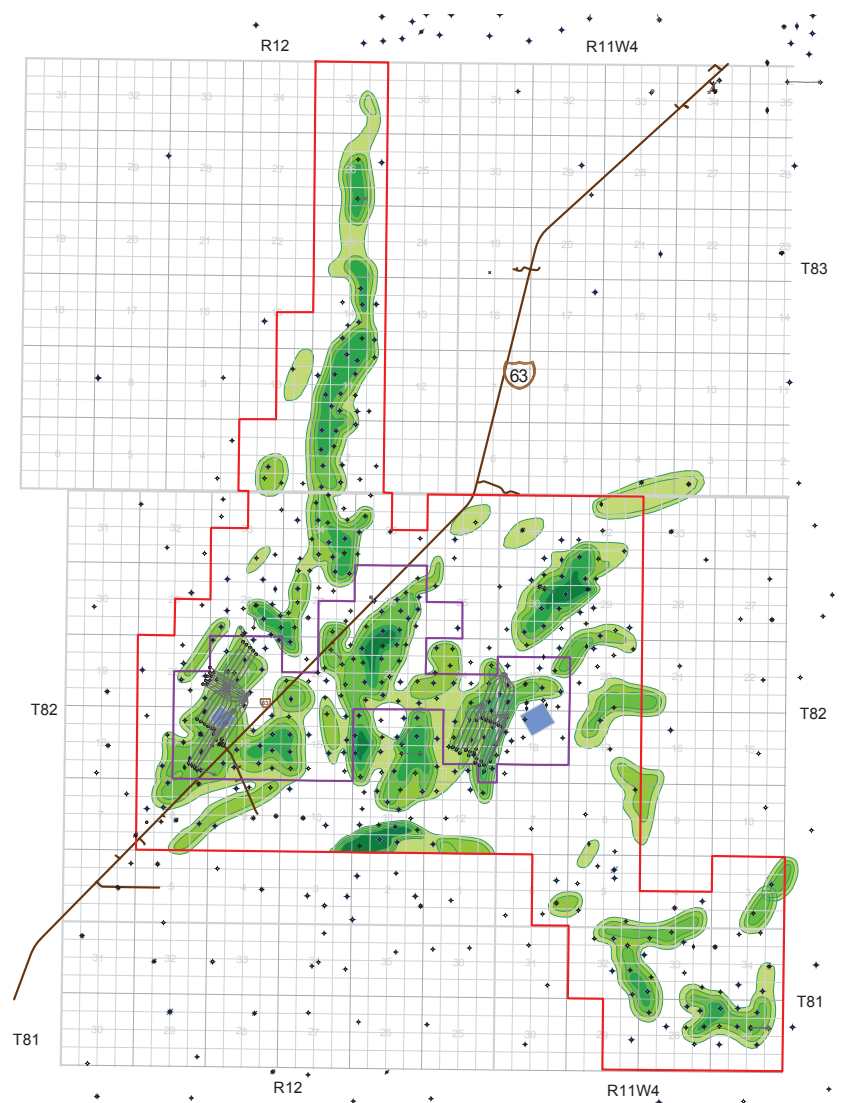
Minimum zone thickness: 10 m



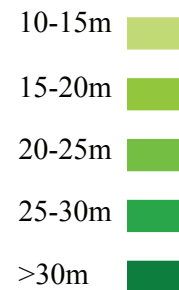
Core displayed is from a number of separate wells

Facies Z1, Z2, and Z3 are included in net pay

Net Pay Map Great Divide Area



Net Pay
(m)

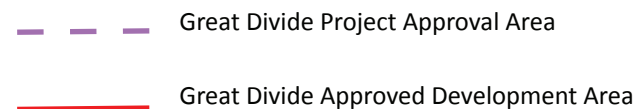


Minimum Criteria:

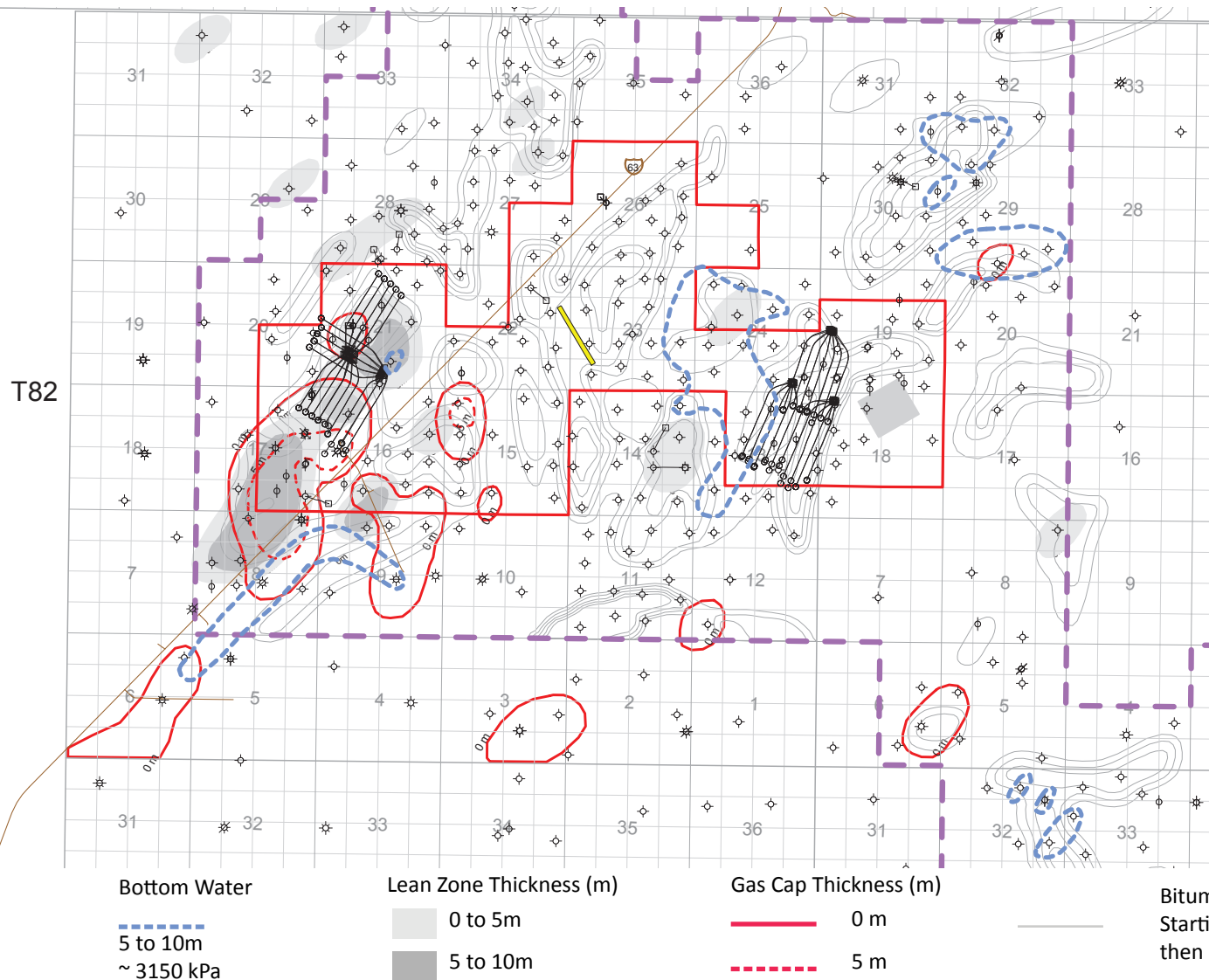
Continuous Net Pay >10m

Saturation 7% Bitumen by Weight

Porosity >25%



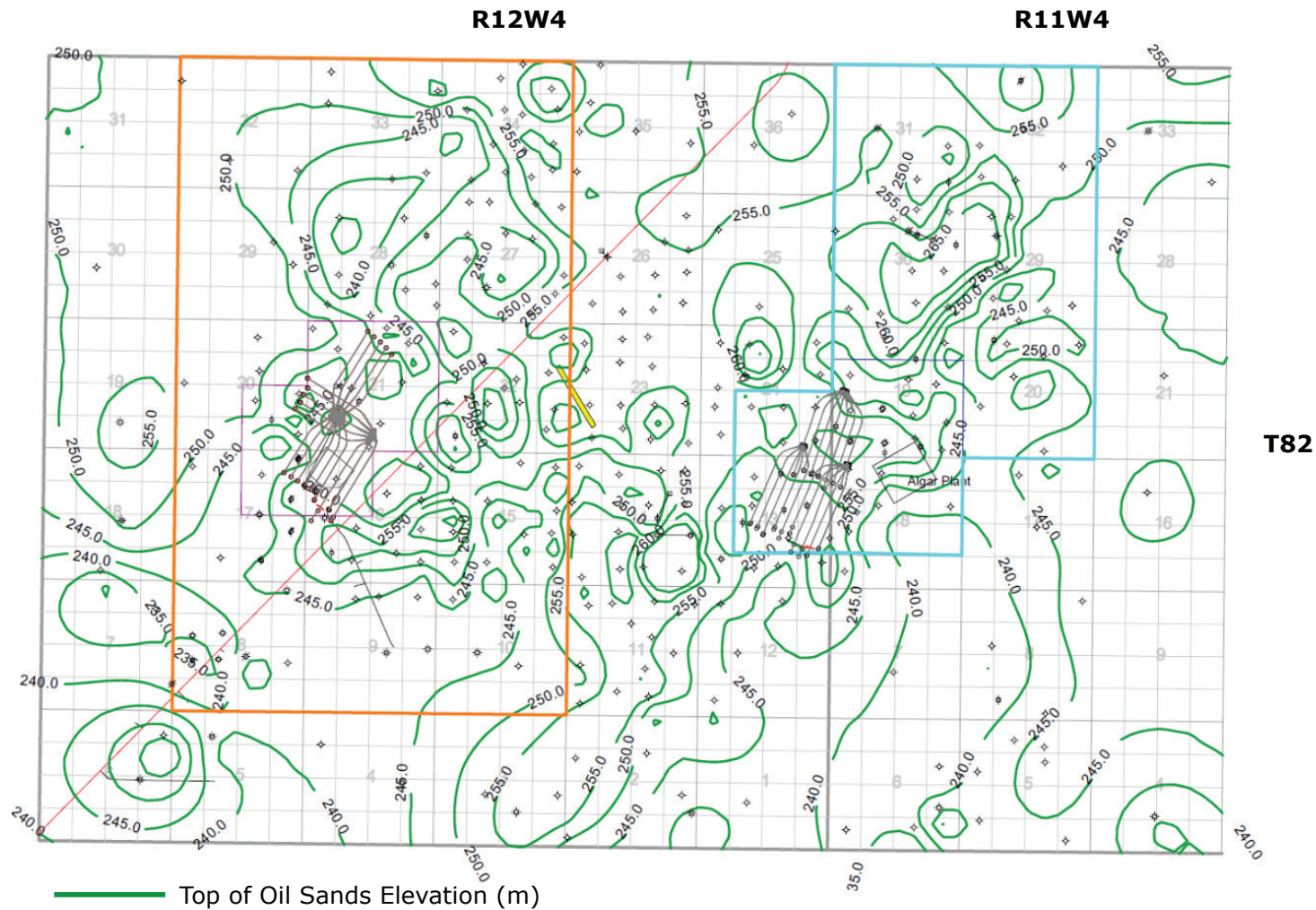
Combined Gas Cap & Lean Zone & Bottom Water Map

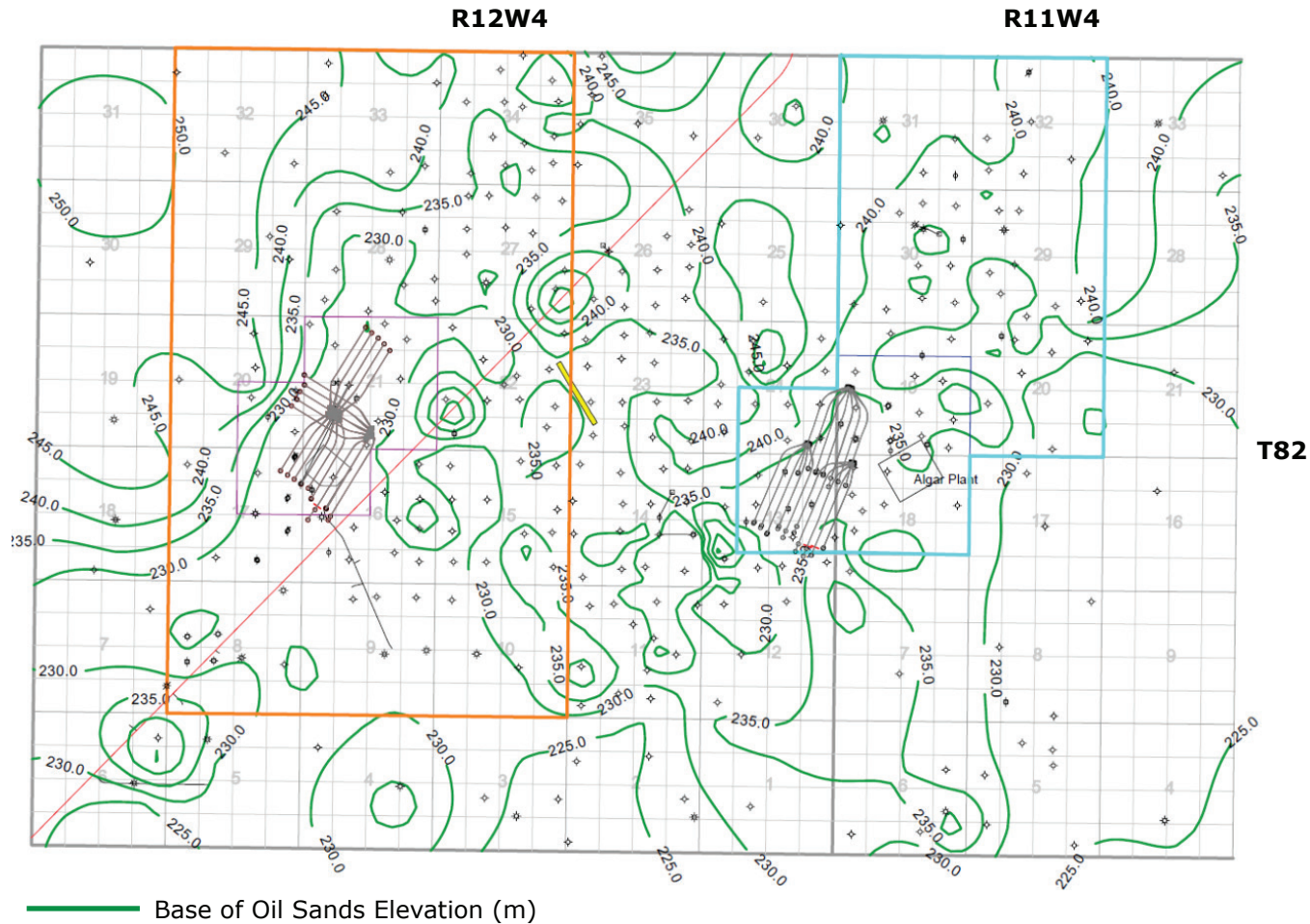


Original pressure of the gas cap was 2027 kPa in 1988. Subsequent to depletion, the lowest pressure recorded was 746 kPa in 2003.

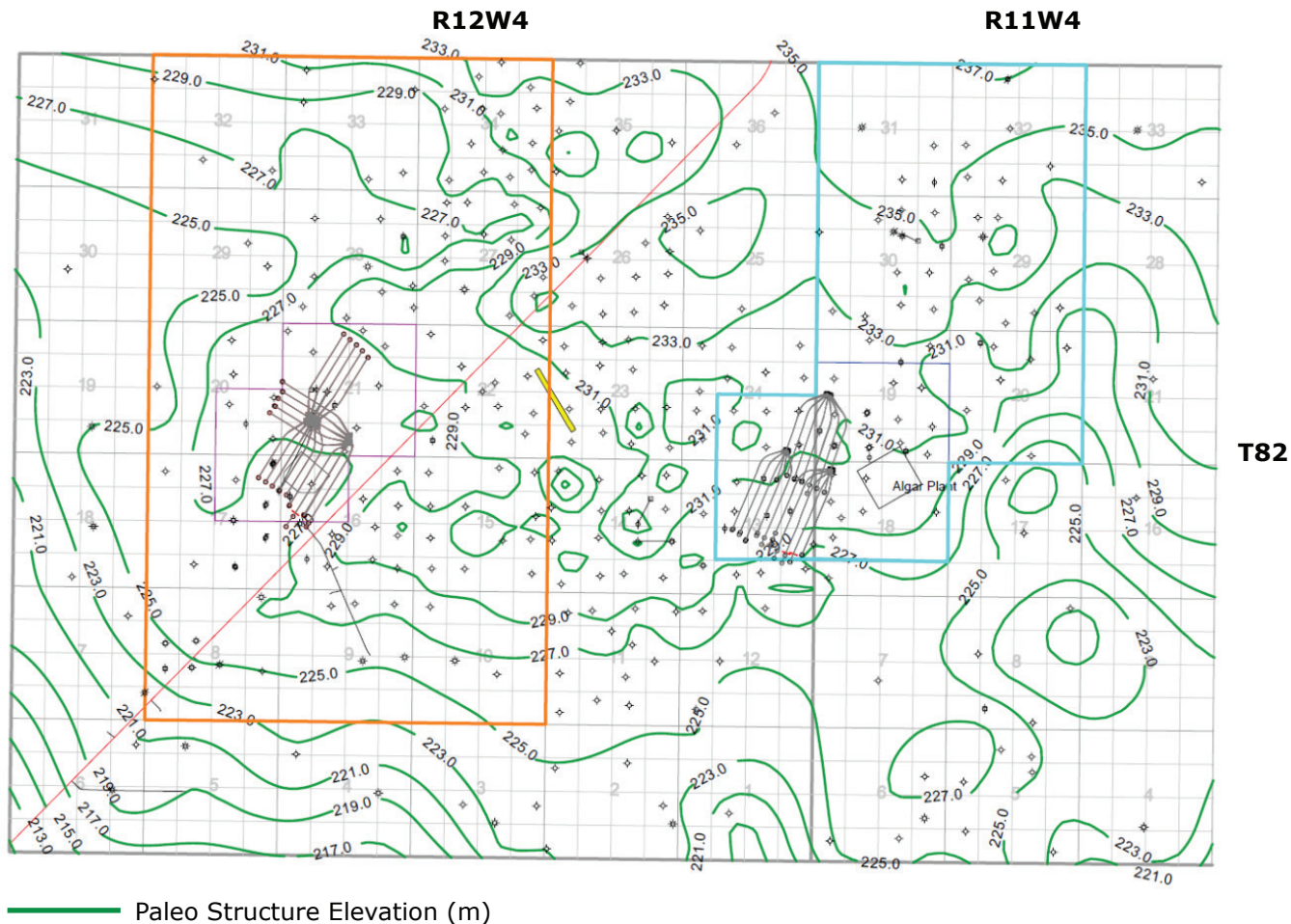
Estimated original BW pressure of 2500 kPa [based on lowest (520m Kb) gage in Algar obs well 100/15-13-082-12W4 prior to steam injection May 2010.

Top of Oil Sands Elevation



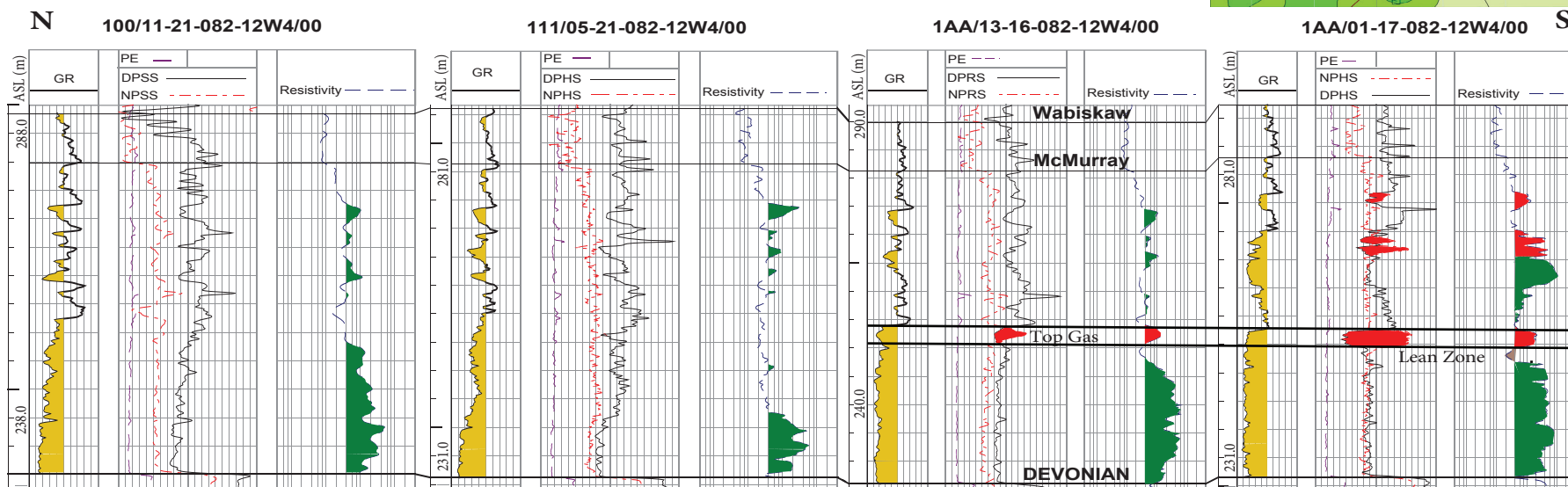
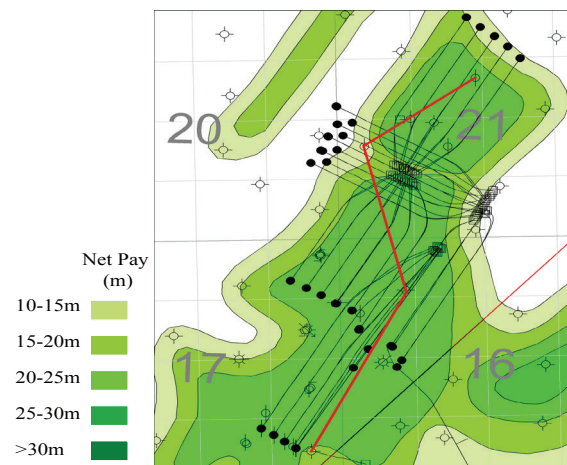


Paleo Structure Elevation



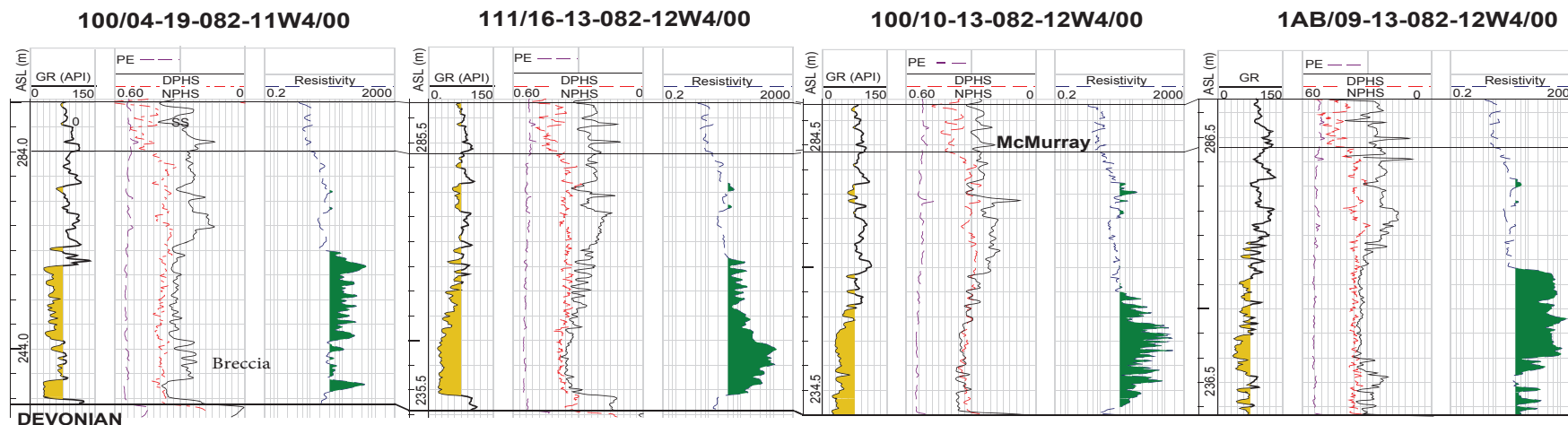
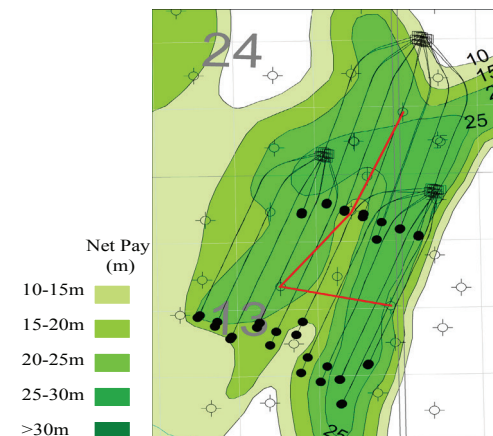
Typical Section - Pod One

Pad 101N is characterized by a higher abundance of IHS in the upper part of the reservoir. As seen in well 05 - 21, the sand body gradually thins to the west. In contrast, the reservoir to the south is dominated by clean Z1 sand facies but develops a gas cap with a lean zone above the bitumen pay column.

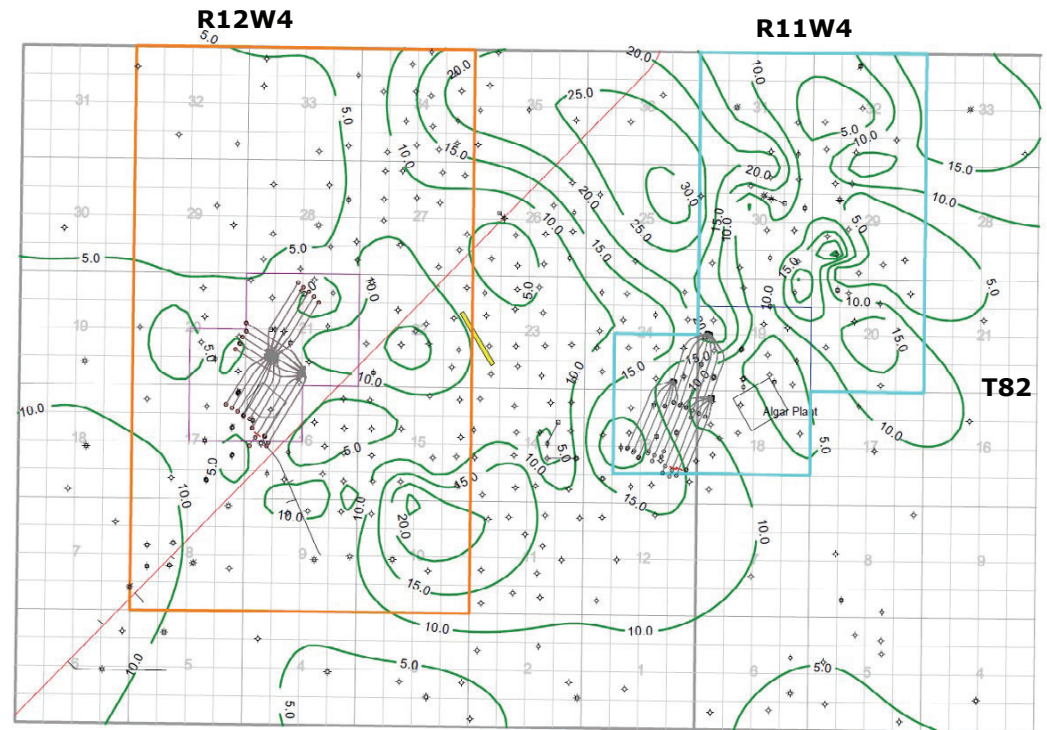
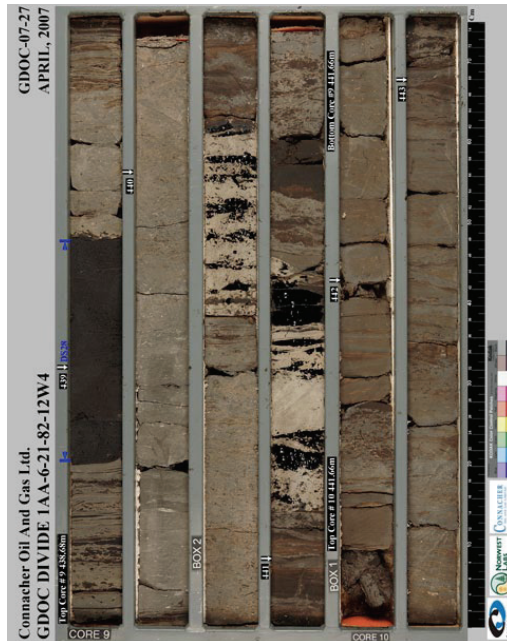


Typical Section - Algar

The Algar reservoir has a some IHS along with a breccia deposit to the north seen in well 100/04-19. Despite poor gamma ray, well 1AB/09-13 confirms high quality reservoir to the east which can be seen on the resistivity curve and verified by core. The poor gamma ray is caused by inaccurate log calibration.



Cap Rock Integrity



Regional McMurray IHS and Shale Caprock Map — Cap-rock Thickness (m)

The cap-rock in the Great Divide Area consists of a mixture of muddy inclined heterolithic strata (IHS) and a mudstone that average over 10 meters in thickness. The muddy IHS consists of 80% volume of shale that is bio-turbated with mud-lined and sand-filled burrows. Muddy IHS is interpreted to be deposited in a muddy point bar. The light grey mudstone is thinly bedded with the top containing siderite nodules and rootlets. It is interpreted to be deposited in a mud flat to swamp environment. Above are core photos of the cap rock from well 1AA/06-21-82-12W4.

This regionally extensive McMurray caprock is considered the caprock for the project. The McMurray caprock is overlain by the Wabiskaw and Clearwater shales described on the following slide.

Cap Rock Integrity - Mini Frac Tests

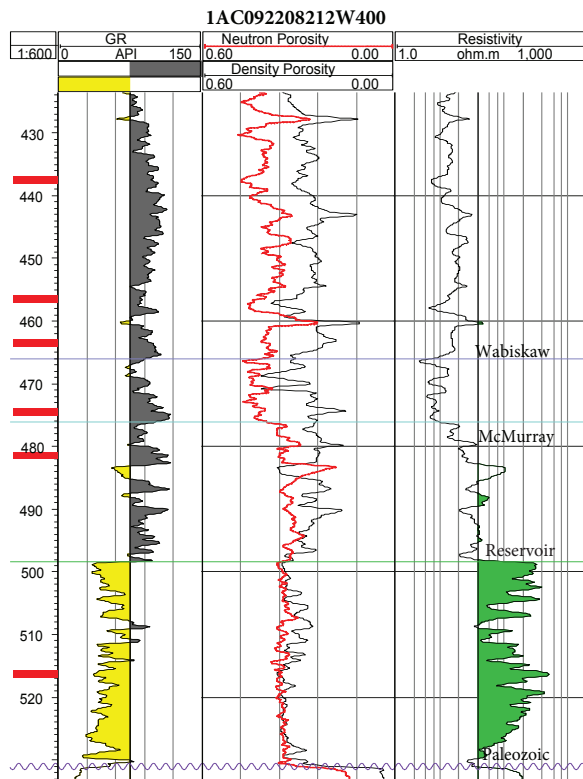
Results of the 1st Mini Frac at 1AB/14-27-082-12W4

Zone Tested	Test Interval (mKb)	BH Fracture Pressure (kPa)	Gradient (kPa/m)	Closure Pressure (kPa)
Clearwater Shale	390 - 395	8,463	21.7	5,805
Wabiskaw Shale	417 - 425	10,991	26.3	9,500
McMurray Shale	449 - 452	8,583	19.1	6,106
McMurray Oilsand	461 - 466	8,463	17.7	5,805

A Mini Frac test was conducted in well 1AB/14-27-082-12W4 in February 2010. Certain concerns were raised about one test being representative for the whole project area and also the closure pressure determined for the Wabiskaw which could have been influenced by local changes in rock mechanical properties.

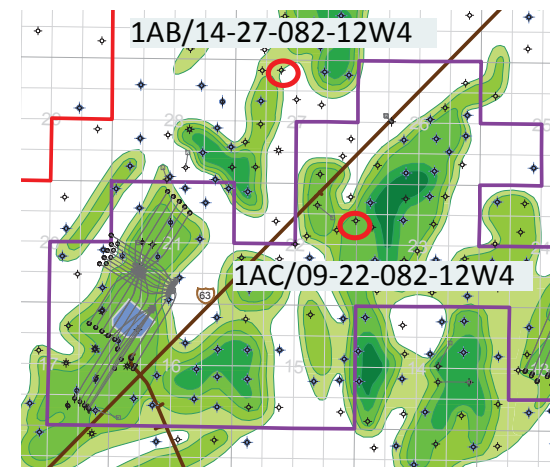
Consequently a second test was conducted at 1AC/09-22-082-12W4 in April 2013, and this is reported in the table below.

Results for the second test are similar to the first. Although the Wabiskaw measured the highest stress gradient it was reduced from the first test.

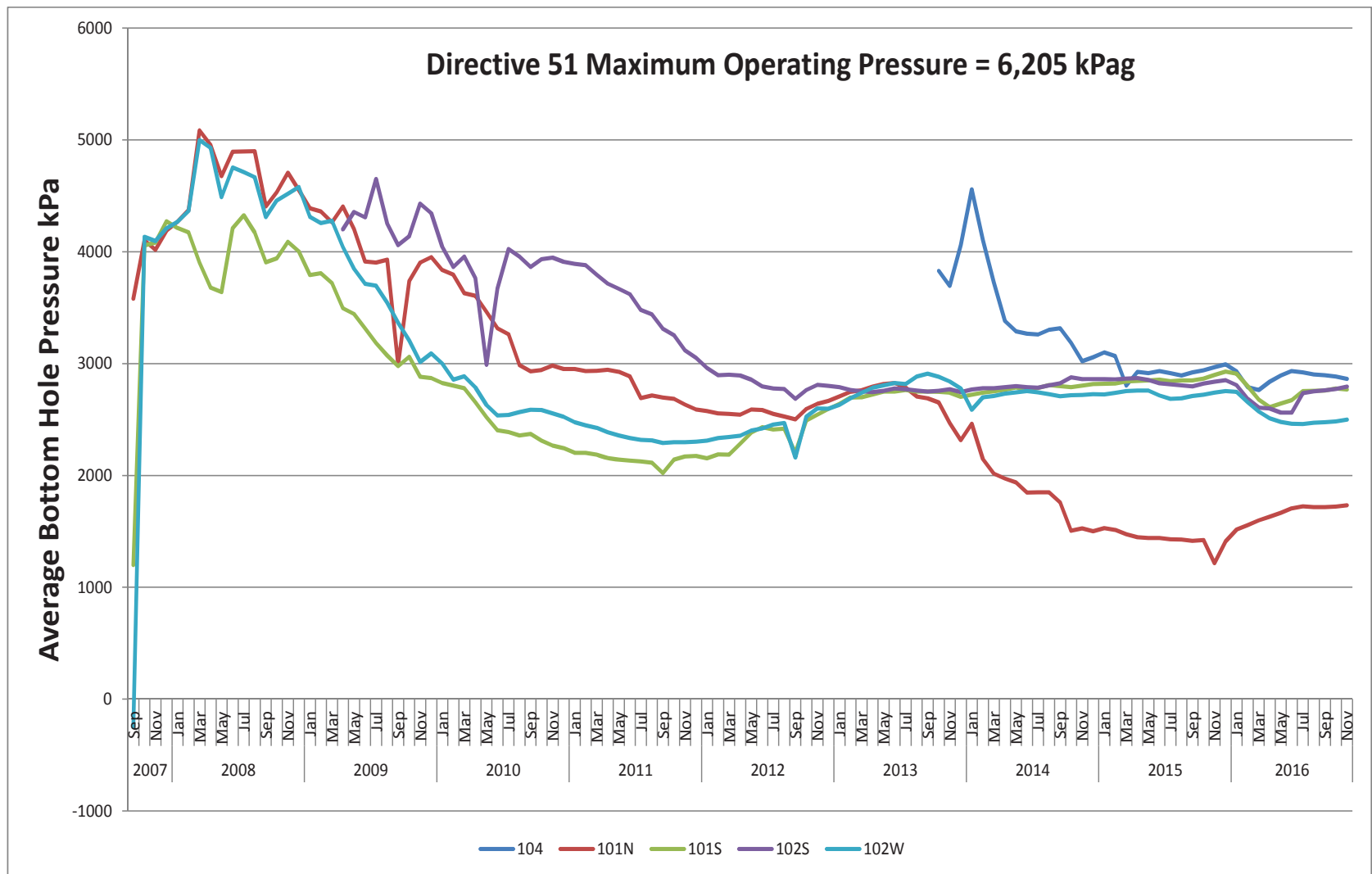


Results of the 2nd Mini Frac at 1AC/09-22-082-12W4

Zone Tested	Test Interval (mKb)	BH Fracture Pressure (kPa)	Gradient (kPa/m)	Closure Pressure (kPa)
Clearwater Shale	463 - 464	8,635	18.6	6,421
Wabiskaw Shale	474 - 475	10,534	22.2	7,917
McMurray Shale	481 - 482	8,057	16.7	6,155
McMurray Oilsand	517 - 518	6,503	12.6	5,397

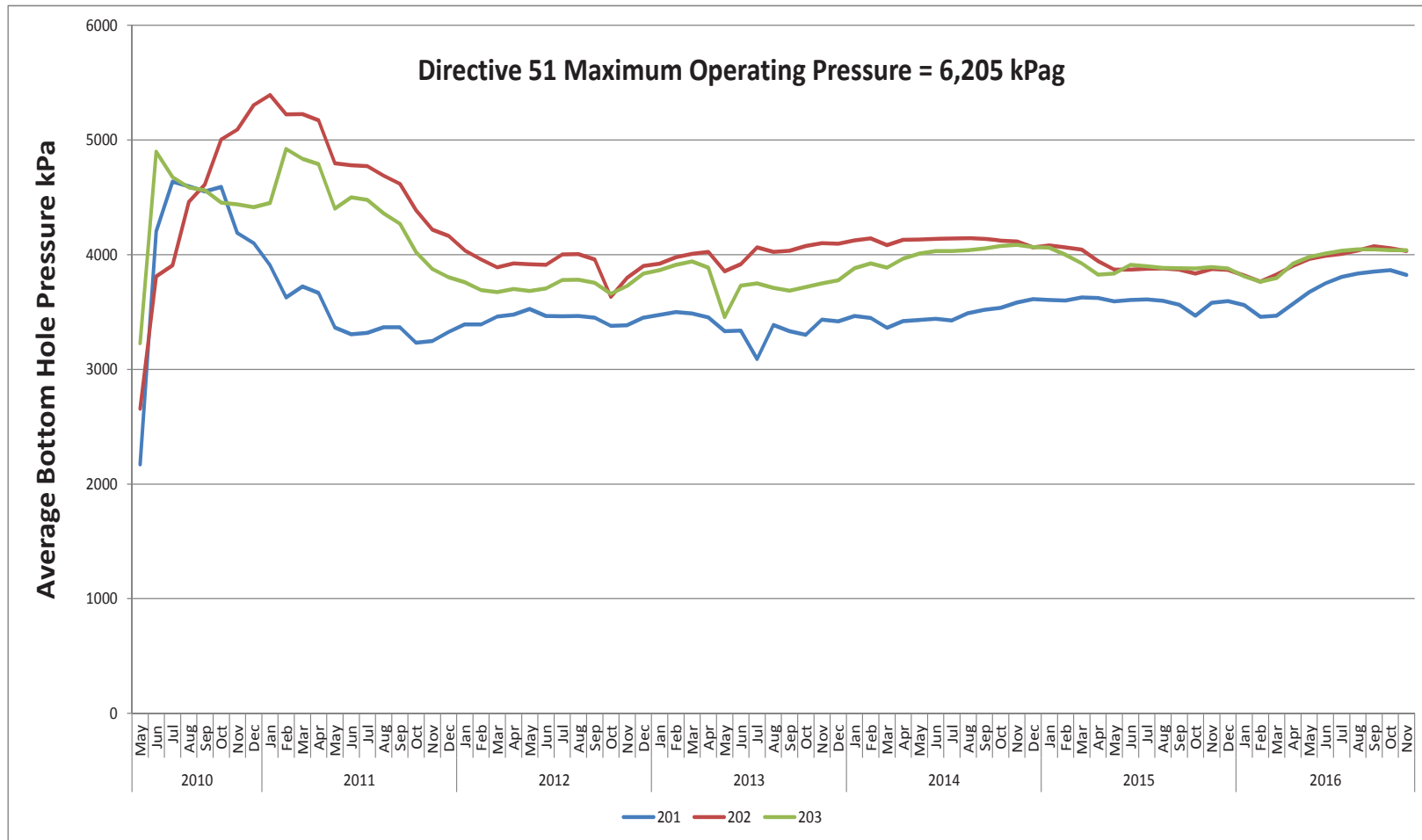


Cap Rock Integrity - Pod One Monthly Average BH Injection Pressure



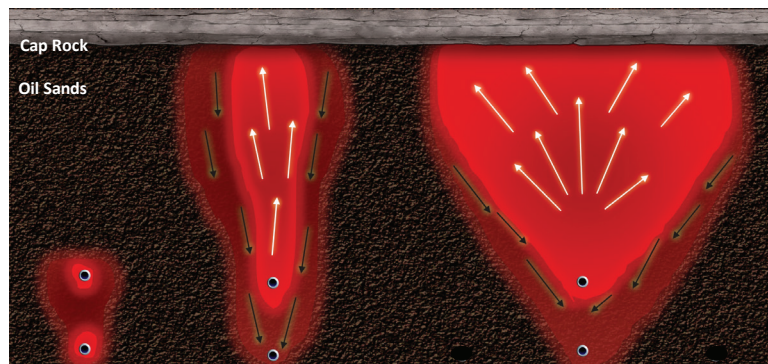
Cap Rock Integrity - Algar Monthly Average BH Injection Pressure

Directive 51 Maximum Operating Pressure = 6,205 kPag



Subsurface - Recovery Process

Basic Process



Circulation
High Pressure
~90 days
Steam Lift

Peak SAGD Production
High Pressure
~12 to 18 months
Gas Lift

Low Pressure SAGD Production
Low Pressure
~4 to 6 years
Pumps

Additional Process

Pod One

- Pressure Balancing under a gas cap and lean zone
- Infill Wells
- Gas Cap Repressurization
- Natural Gas Co-injection (intermittent pressure maintenance)

Algar

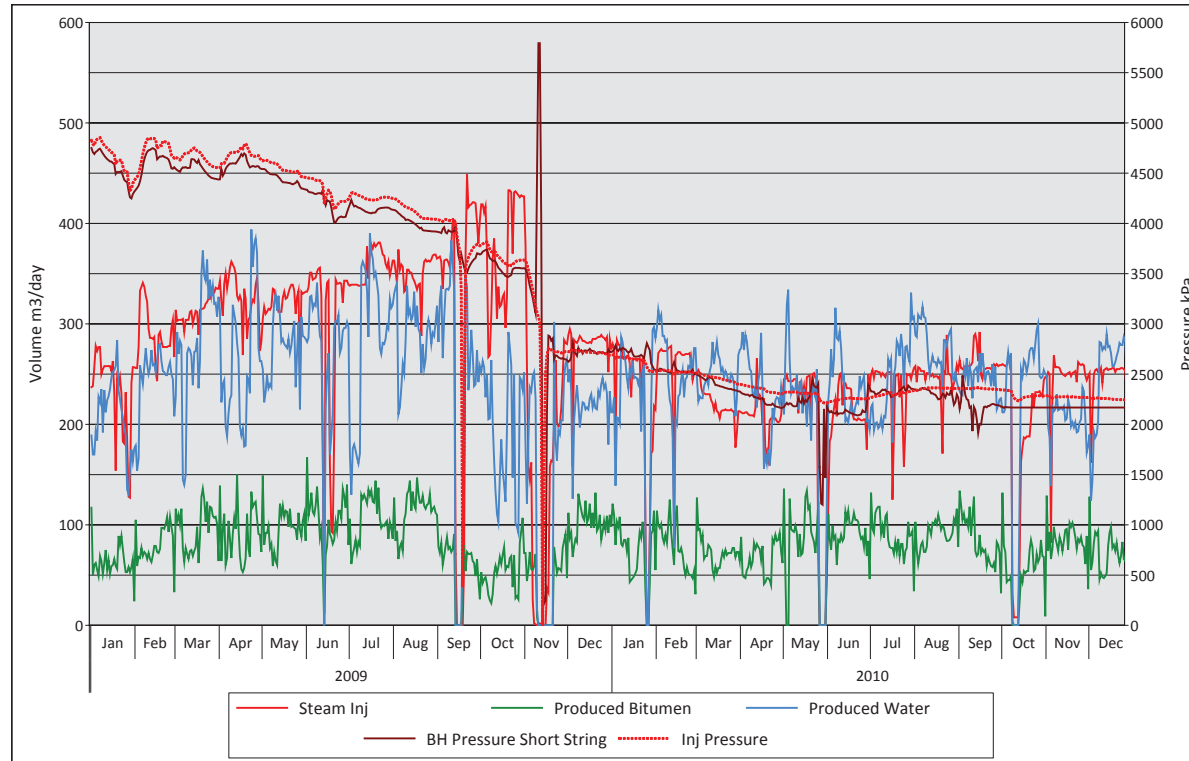
- Pressure Balancing over a water zone
- Infill Wells
- SAGD+® Commercial Project
- Natural Gas Co-injection (intermittent pressure maintenance)

Technologies Developed/Developing

Description	Stage	Reason	Approvals
Pressure Balancing Under a Top Gas & Lean Zone & Bottom Water	Developed	<ul style="list-style-type: none"> Eliminate steam losses into a gas and lean zone, lower SORs and improve productivity. Required the parallel development of reliability on high temperature downhole pumps. 	Operating within existing approvals
Gas Co-injection	Implemented	<ul style="list-style-type: none"> Natural gas can replace steam to maintain pressure 	Approved for full field at Pod One Approved for full field at Algar
Gas Cap Repressurization	Implemented	<ul style="list-style-type: none"> Reduces steam losses into gas cap and lean zone 	Approved
SAGD+ [®] Process Trial / Commercial	<ul style="list-style-type: none"> Trial Finished in 2 wells 	<ul style="list-style-type: none"> Reduces bitumen viscosity lower than steam alone to improve production rates, SOR, and recovery. 	Commercial SAGD+ [®] Commercial Project approved at Algar
Infill Wells	2 Infills on production at Pod One October 1, 2016	<ul style="list-style-type: none"> Additional production and reserves at low capital and SORs 	Approved for 5 Infill Wells at Algar Pad 203

Pressure Balancing (Top Gas & Lean Zone)

Well Pair 101S-09



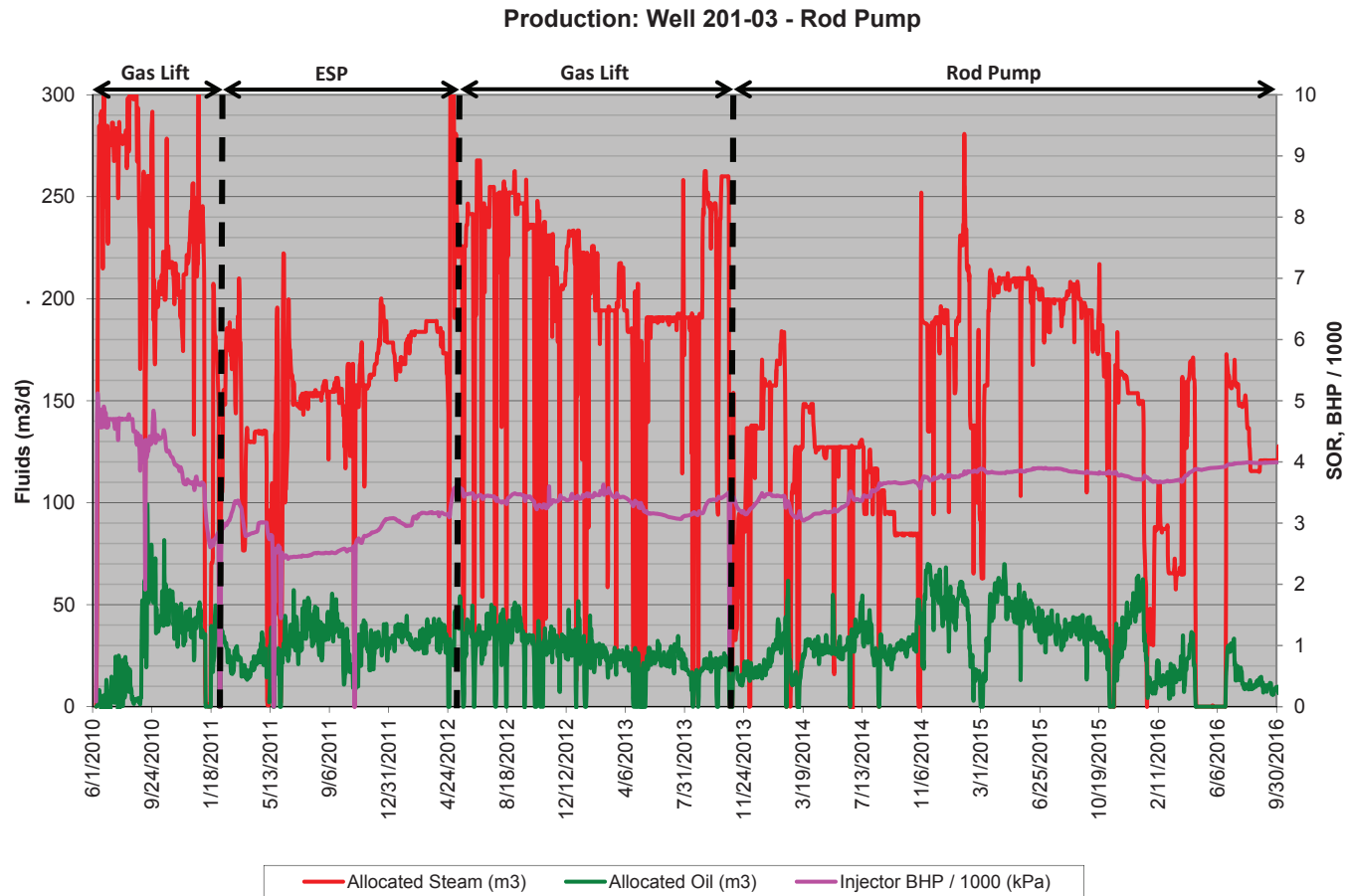
- Temporary production impact during pressure balance
- Improved SOR with low pressure operation
- *Pad 104 is being operated in a similar manner except that the re-pressurization is expected to reduce the quantity of steam losses when the steam reaches the lean zone and pumps are being installed earlier*

Note: Detailed description of the process provided in the attached technical paper presented by Connacher at the 2011 WHOC.

Pressure Balancing (Bottom Water)

Installed ESP to balance Inj Pressure with BW Pressure

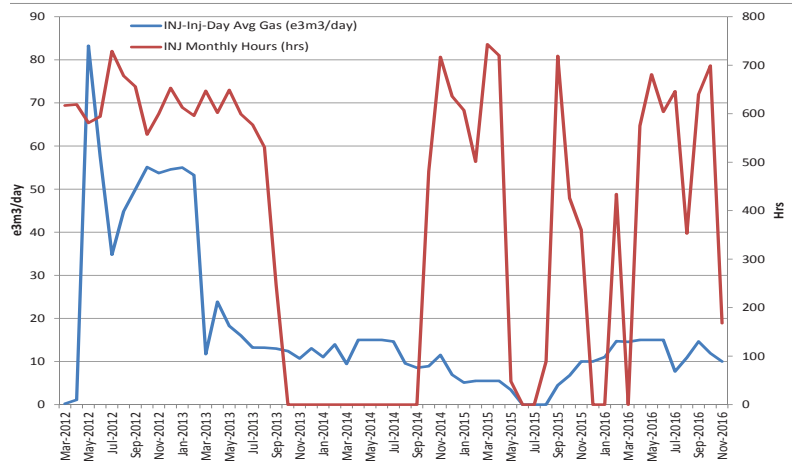
Installed Steam Diverter



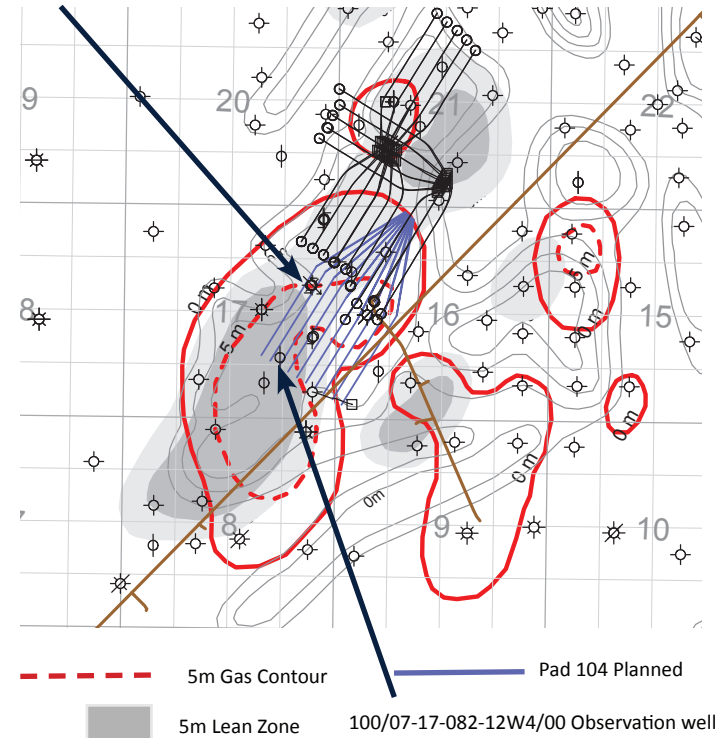
Re-Pressure Pod One Gas Cap

The purpose of gas cap re-pressuring is to increase the pressure in the gas cap and lean zone immediately above Pad 104 and institute a more effective pressure balancing process. Simulations had shown long term benefits to production and SOR by re-pressuring to just below the SAGD operating pressures (~2300 kPa in pump mode). Details of this are discussed in detail in the **Pressure Balancing** paper at Pod One which is attached to this presentation.

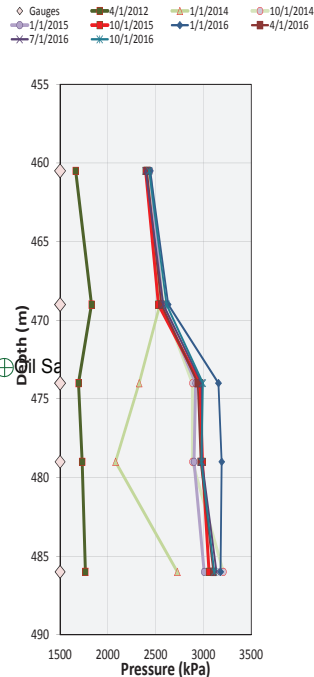
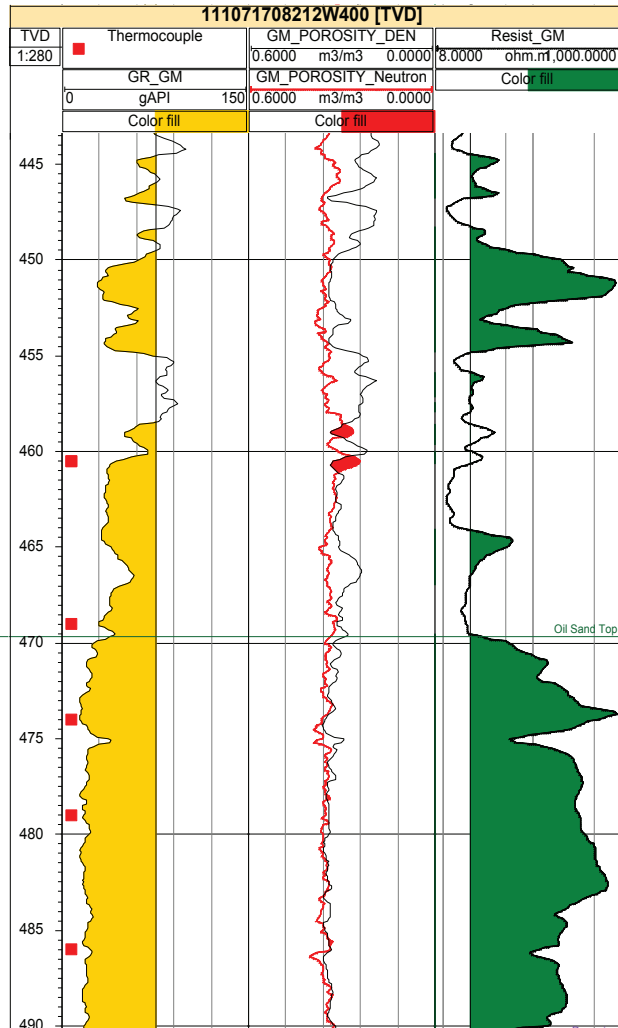
- The re-pressuring process was underway prior to the start up of Pad 104 in 2013. Methane was injected into the 9-17 well at the injection rates shown in the graph below.
- The gas cap pressure at the 7-17 observation well was approximately 1600 kPa prior to gas injection, and the average pressure for September 2016 was 2424 kPa in the gas cap and 2608 kPa in the lean zone.
- Currently the well is injecting just enough gas to maintain the pressure.
- The response to gas injection at the 7-17 observation well is shown in the following slide.



100/09-17-082-12W4/00 Injection well



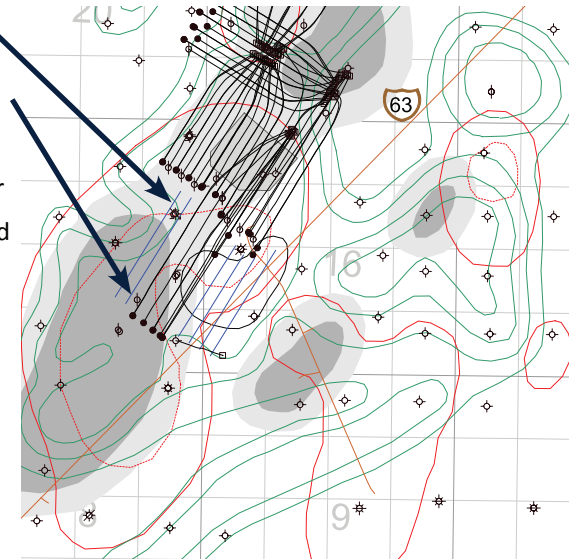
Re-Pressure Pod One Gas Cap



09-17 Injection well

07-17 Observation well

- 5m Gas Contour
- Pad 104 Planned
- 5m Lean Zone

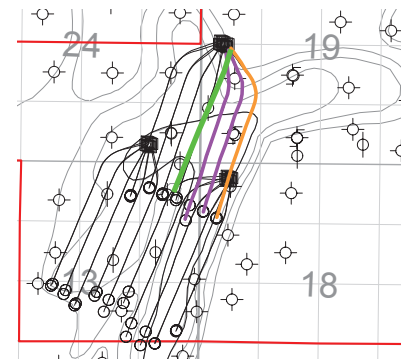


The chart shows the response at various pressure transducers in observation well 7-17 (approximately 600m south of the gas injection at 9-17). The transducers are set at the KB elevations shown on the adjacent log. Connacher is able to pressure the lean zone and gas cap to the target pressure of 2,400 kPa from the 9-17 gas injector.

SAGD+® Commercial Project

Phase 1

- In January 2011, ERCB granted approval for a trial of light hydrocarbon - steam co-injection in the seven well pairs of Pad 203.
- Connacher selected two well pairs 203-2 and 203-3 for an initial test (Phase 1) of the process.
- In Phase 1, a commercially available solvent was co-injected with the steam starting in July 2011 at initial rates of approximately 10% by volume and increased to 15% by volume in October 2011. Compared to an April 2011 baseline, daily average per well bitumen production volumes during the months of August 2011 through October 2011 increased approximately 28% percent with a SOR decrease of 16%. The SOR decrease was limited by the necessity to increase steam injection rates to maintain normal operating pressure.
- Phase 1 injection ended November 2011. Solvent was recovered from the Phase 1 wells until April 2012 just prior to the start of Phase 1.5, 89% of the solvent had been recovered to surface.

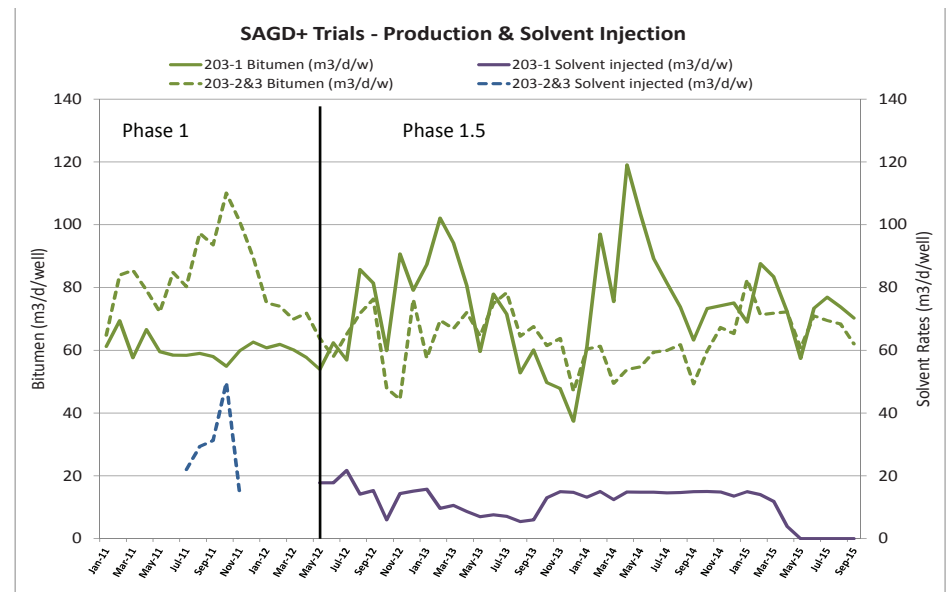


Wells 203-02 & 03 Phase 1

Well 203-01 and 203-04 Phase 1.5

Phase 1.5

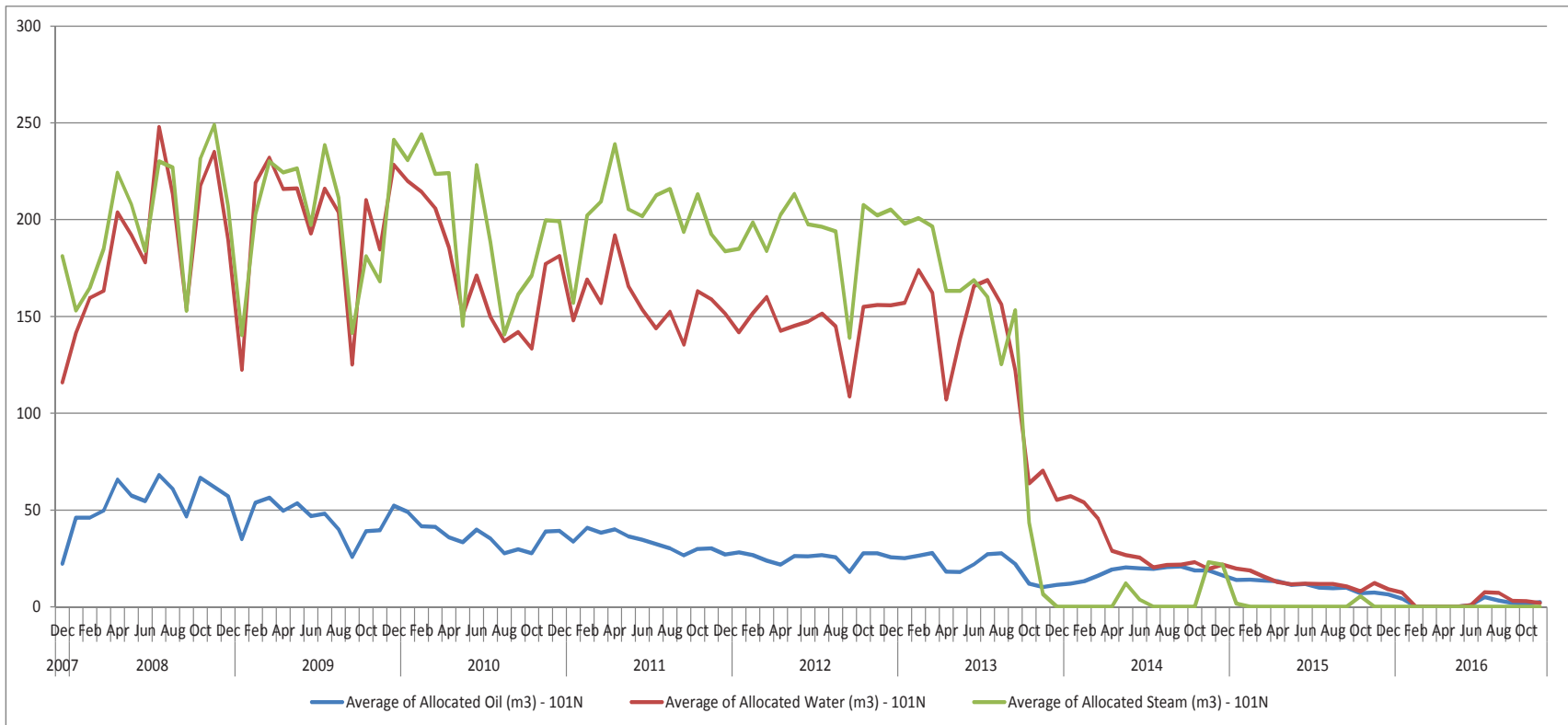
- Phase 1.5 commenced in May 2012 with solvent injection of approximately 10% until August when injection rates were reduced to approximately 6%, and further reduced in March 2013 to approximately 4%. In 2014 solvent injection rates averaged 5.9%.
- In the 12 months May 2012 through April 2013 *bitumen rates increased by approximately 30%* compared to the four months prior to the test. The *SOR decreased 32%* over the same period.
- In July 2013 an ESP was installed in 203-01. Following operational issues the pump was removed in December 2013. The bank of solvent built up during the ESP issues resulted in improved results following the return to gas-lift.
- The SOR for Well 203-01 during the life of the test is 3.0 significantly lower than other wells in the project.
- Solvent injection was stopped in Well 203-1 on April 21, 2015.



Note: details of the measurement of solvent injection and recovery are discussed in the attached [Steam Solvent SAGD Paper](#) and the Algar MARP

Pad 101N

- Current strategy for Pad 101N is to continue to produce 101-04 and 101-05 using rod pumps. Currently only 101-04 and 101-05 are running. A small amount of water disposal is anticipated with the Pod One production ramp up in 2017.
- Pad 101N was approved for produced water disposal on February 8th, 2016. Approval No.10587S

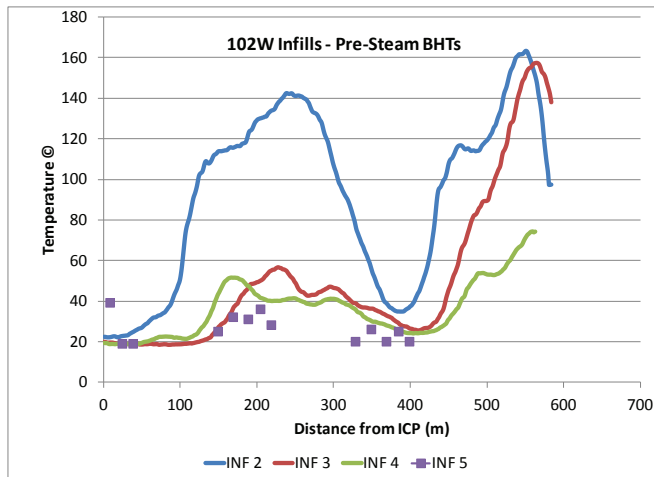
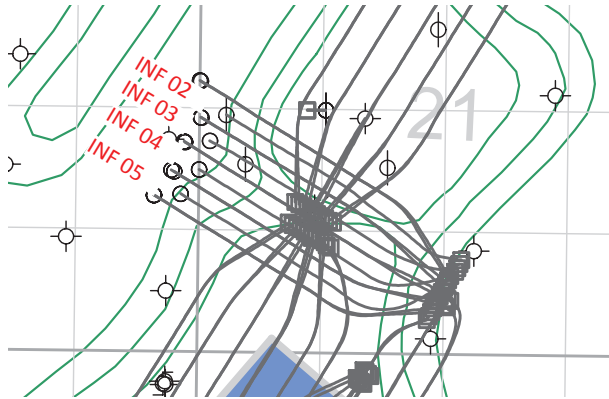


NCG Co-injection intended for pressure maintenance and ability to replace steam with NCG during times of steam shortage.

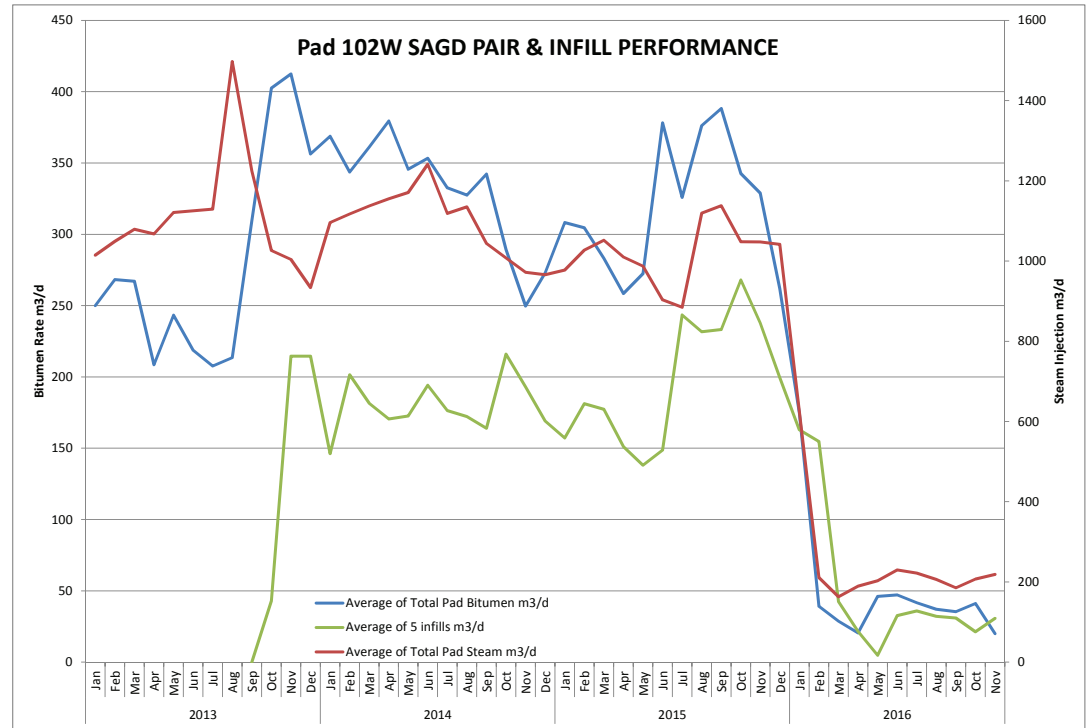
Commercial Scheme Approval issued for Full Field NCG Co-injection at all wells at Pod One and Algar:

- maximum of 10 e³ m³ per day
- limited to a maximum of 4 mole per cent with steam (monthly basis)
- limited to a maximum 20 per cent NCG replacement with steam (6 month average basis)

Infill Wells at Pod One - Pad 102W



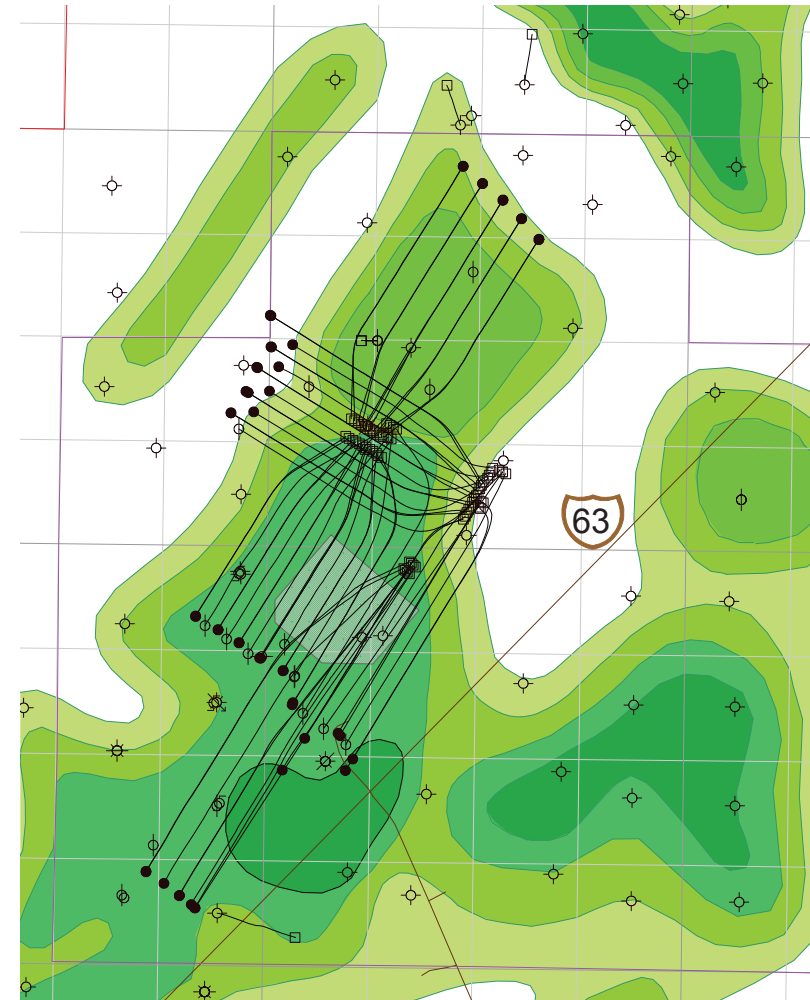
Bottom Hole temperature surveys were carried out prior to steaming the infill wells.



- Infills were drilled shorter than the adjacent well pairs to avoid penetrating the thin channel edge
- Temperature logs prior to the steam injection indicated wide variations in temperatures along horizontal sections of the infill wells
- In order to increase temperature in the wells steam cycles were initiated as shown in the graph to the right
- Infill well 02 received the smallest volume of steam and responded the fastest and also had the highest temperature measured in the pre-steam survey.

New Infill Wells at Pod One - Pad 101/102

Pad	Infill Well	UWI	Production Start Date	Cum Oil Sept.30 2016(m3)
101S	101-INF07	109/16-17-082-12W4/0	Sept 18, 2015	4,131.1
101S	101-INF08	108/16-17-082-12 W4/0	Sept 13, 2014	36,590.6
101S	101-INF09	105/09-17-082-12 W4/0	July 17, 2014	38,256.3
101S	101-INF10	112/12-16-082-12 W4/0	July 24, 2014	31,771.2
101S	101-INF11	114/12-16-082-12 W4/0	Aug 18, 2014	34,664.0
101S	101-INF12	113/12-16-082-12 W4/0	Oct 4, 2014	44,506.9
102W	102-INF06	112/08-20-082-12W4/00	May 3, 2015	24,401.0
102W	102-INF13	115/12-16-082-12W4/00	Oct 19, 2015	4,129.4
102W	102-INF14	116/12-16-082-12W4/00	N/A	



Subsurface - Completions

Injector well BHP measurement:

- Blanket gas on annular side of the wellhead which is isolated from steam injection points for short and long strings

Producer well BHP measurement:

- Algar (gas lift), read by the short string lift gas pressure at surface. This is landed at the heel of the well. The annulus of the well, function as a bubble tube.
- Pod One, read by instrumentation coils which function as a bubble tube. This is landed at the toe of the well. The coil has a check valve at the end to prevent fluid from backing up inside.

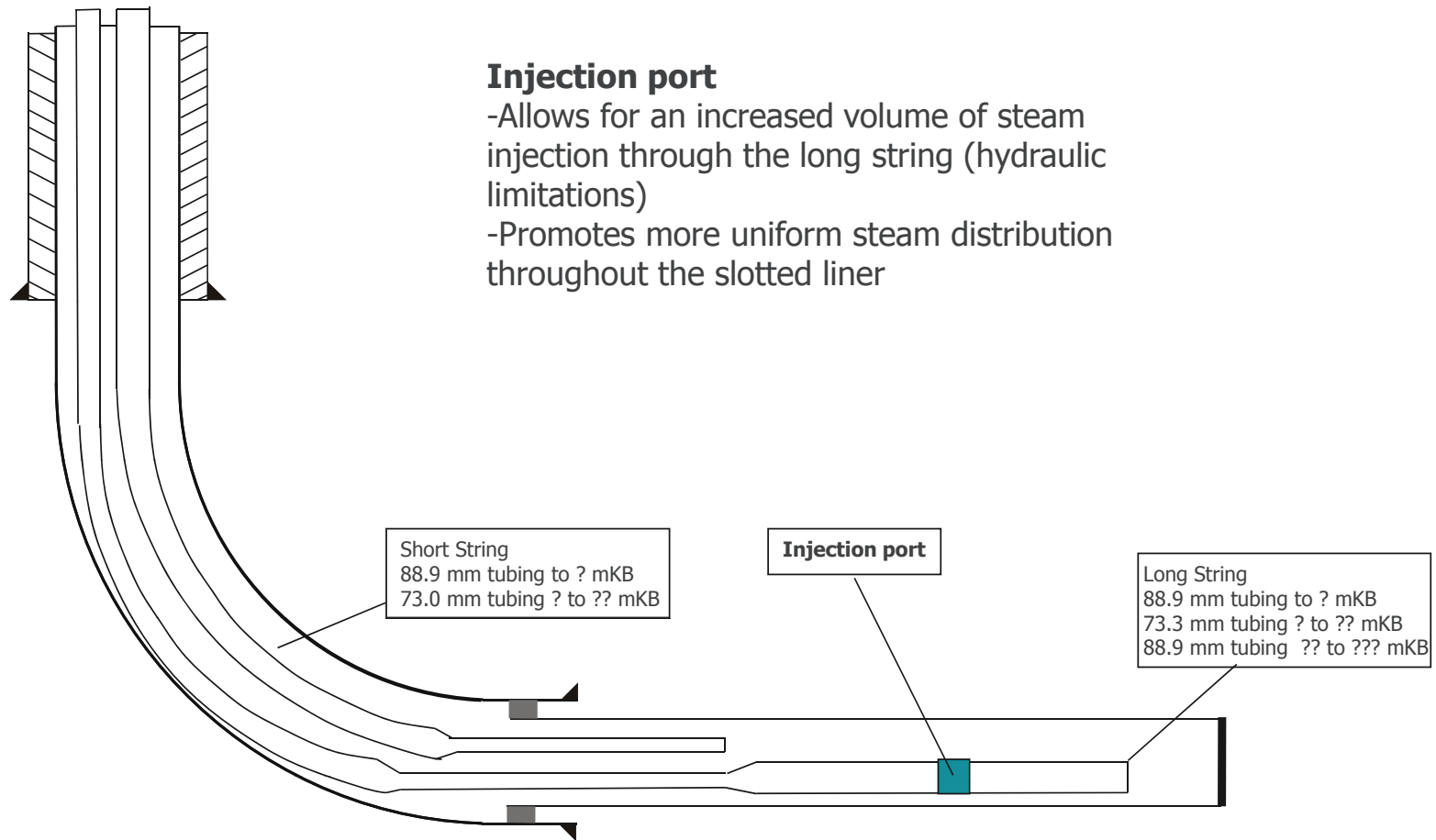
Injector well BHT measurement

- Connacher does not measure injector well BHT. This is interpreted from injector reservoir pressure using saturated steam temperature tables.

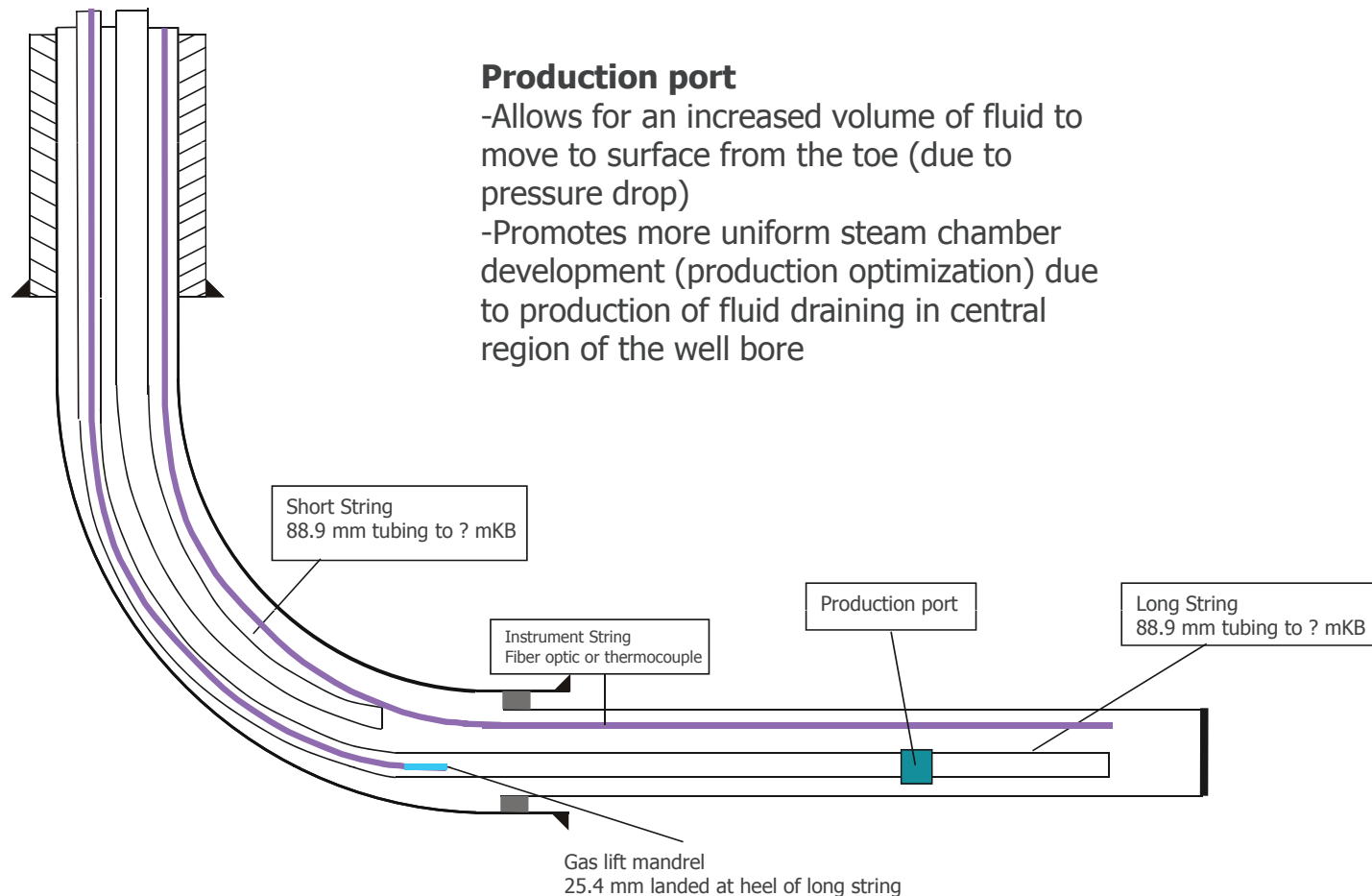
Producer well BHT Measurement

- Connacher uses instrumentation coil strings with fiber or thermocouples to measure producer well BHT at both Algar and Pod One.

Typical Injector Completion



Typical Producer Gas Lift Completion



Typical Producer Mechanical Lift

Electronic Submersible Pump

Metal on metal Progressive cavity pump
Tubing pump (hydraulic pump jack)

ESP development

-Connacher was the first company to run the high temperature limit ESP

-Previous temperature limit
218°C

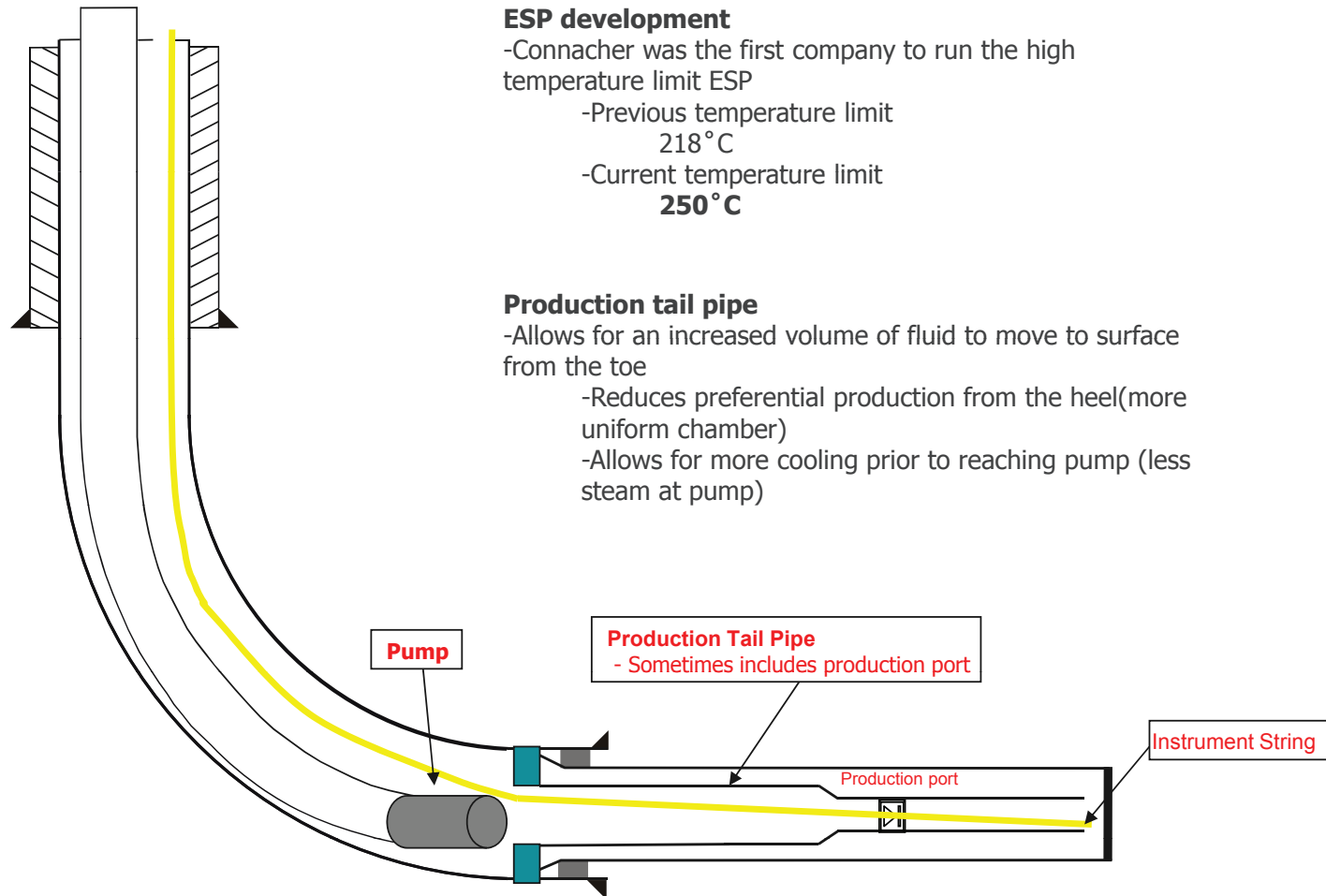
-Current temperature limit
250°C

Production tail pipe

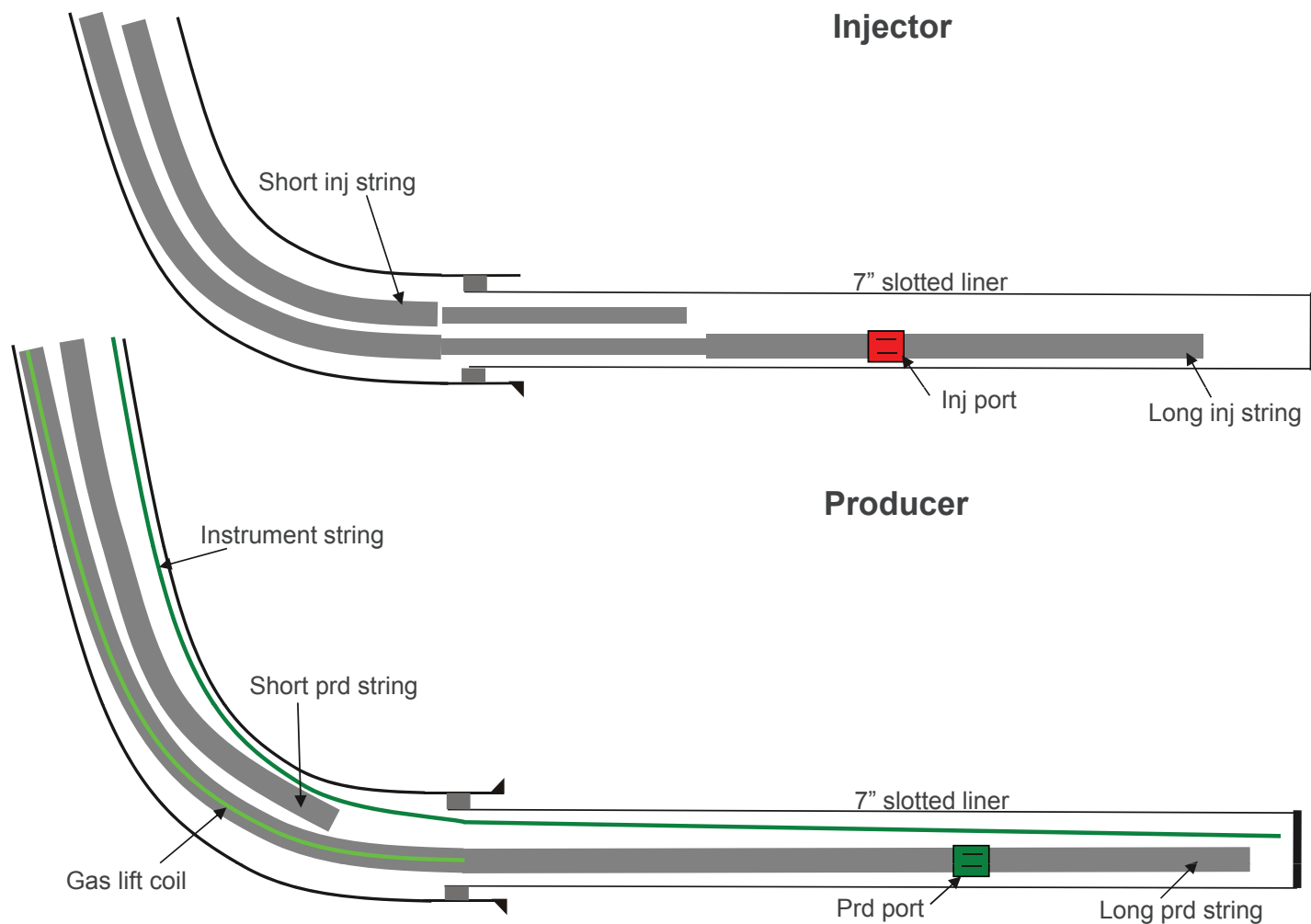
-Allows for an increased volume of fluid to move to surface from the toe

-Reduces preferential production from the heel (more uniform chamber)

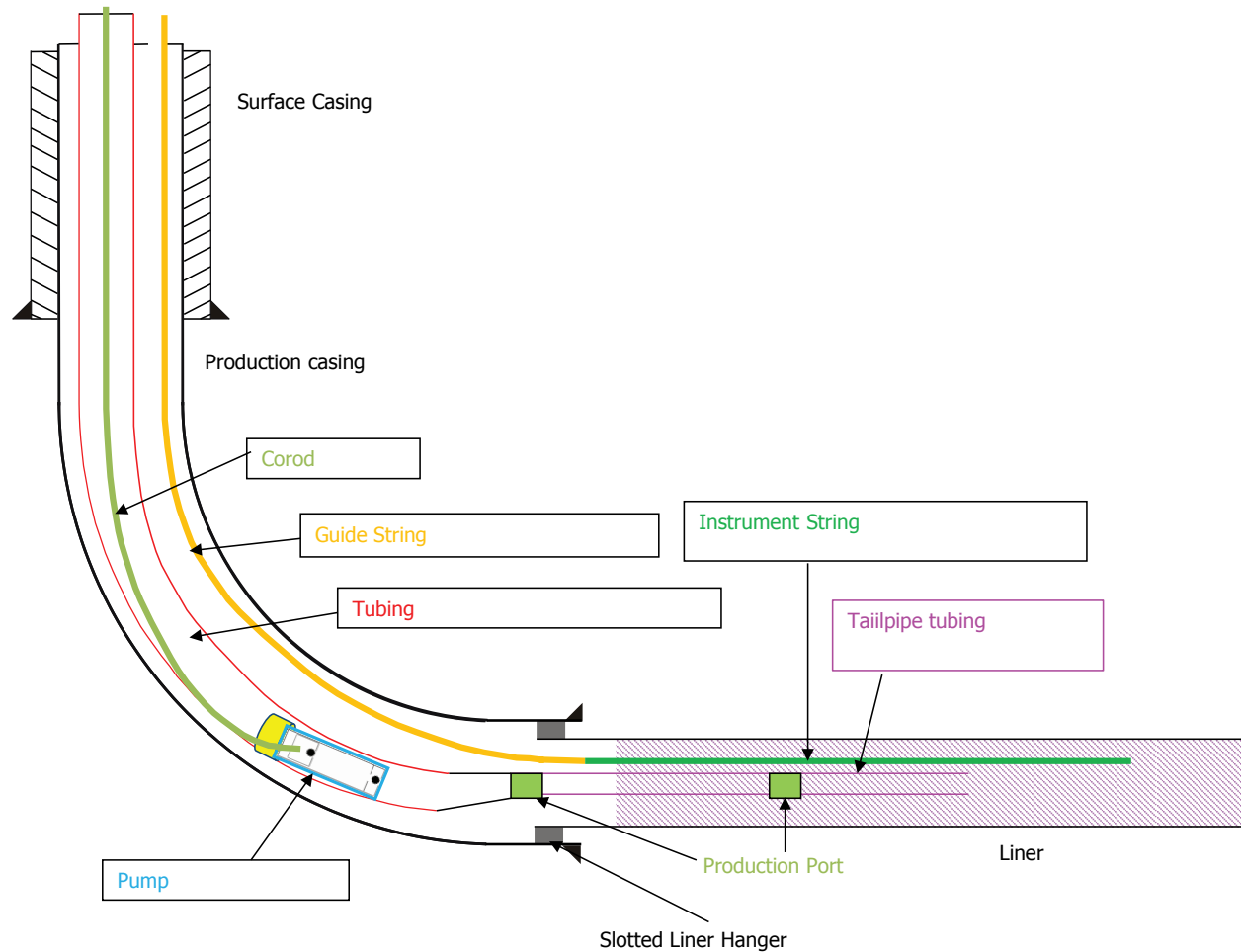
-Allows for more cooling prior to reaching pump (less steam at pump)



Improved Well Bore Design (Algar)



Typical Infill Well Completion



Subsurface - Artificial Lift

Artificial Lift Performance - Pod One

Pad	Well	Pump Type	Pump	Install date	Failure date	Run Time (days)	Current
101N	101-01	PCP	1	5/5/2010	12/25/2010	234	
101N	101-01	Rod Pump	2	4/24/2013	5/29/2013	35	
101N	101-01	Rod Pump	3	10/26/2013	1/22/2016	818	Shut in
101N	101-02	PCP	1	05/05/10	05/07/10	2	
101N	101-02	PCP	2	5/10/2010	11/5/2010	179	
101N	101-02	Rod Pump	3	4/14/2013	9/9/2013	148	
101N	101-02	Rod Pump	4	9/11/2013	2/12/2014	154	
101N	101-02	Rod Pump	5	2/17/2014	1/22/2016	704	Shut in
101N	101-03	PCP	1	08/19/10	09/13/10	25	
101N	101-03	PCP	2	9/18/2010	10/16/2010	28	
101N	101-03	Rod Pump	3	9/26/2011	6/2/2012	250	
101N	101-03	Rod Pump	4	6/7/2012	1/9/2013	216	
101N	101-03	Rod Pump	5	1/15/2013	7/19/2013	185	
101N	101-03	Rod Pump	6	7/25/2013	1/22/2016	911	Shut in
101N	101-04	PCP	1	08/11/2010	11/05/2010	86	
101N	101-04	Rod Pump	2	4/16/2013	5/31/2013	45	
101N	101-04	Rod Pump	3	10/27/2013	2/17/2014	113	
101N	101-04	Rod Pump	4	2/20/2014	TBD	995	Rod Pump
101N	101-05	PCP	1	08/06/10	09/08/12	764	
101N	101-05	PCP	2	9/16/2012	7/25/2014	677	
101N	101-05	PCP	3	7/27/2014	8/28/2014	32	
101N	101-05	PCP	4	9/9/2014	10/13/2016	352	Shut in

Pad	Well	Pump Type	Pump	Install date	Failure date	Run Time (days)	Current
104	104-04	ESP	1	5/11/2014	10/25/2016	898	ESP
104	104-06	ESP	1	4/8/2014	9/22/2014	167	
104	104-06	ESP	2	9/27/2014	11/11/2016	776	ESP
104	104-05	ESP	1	3/12/2015	11/11/2016	610	ESP
104	104-03	ESP	1	11/22/2014	11/11/2016	720	ESP

Pads 101S, 102W, 102S & 104

These Pads produce from good quality oil sands reservoir and are a good application of ESP's. The pump history is shown here as an example.

The higher rate wells can accommodate ESP's whereas lower rate wells and infills operate more efficiently with rod pumps.

Pads 101S, 102W and 102S are similar and a detailed history of all the pumps at Great Divide is provide in the additional files accompanying this presentation.

Artificial Lift Performance - Algar

Pad	Well	Pump Type	Pump	Install date	Failure date	Run Time (days)	Current
201	201-03	ESP	1	1/19/2011	5/19/2011	120	
201	201-03	ESP	2	5/23/2011	10/22/2011	152	
201	201-03	ESP	3	10/28/2011	4/26/2012	181	
201	201-03	Rod pump	4	11/3/2013	6/19/2014	228	
201	201-03	Rod pump	5	6/22/2014	8/14/2014	53	
201	201-03	Rod pump	6	8/17/2014	3/1/2015	196	
201	201-03	Pod pump	7	3/7/2015	11/8/2015	246	
201	201-03	Rod pump	8	11/12/2015	24/4/2016	164	
201	201-03	Rod pump	9	23/6/2016	11/11/2016	141	Rod Pump
201	201-04	ESP	1	2/14/2011	6/14/2012	486	
201	201-04	ESP	2	6/21/2012	9/25/2013	461	
201	201-04	Rod pump	3	10/8/2013	10/22/2014	378	
201	201-04	Rod pump	4	10/24/2014	5/15/2015	203	
201	201-04	Rod pump	5	5/16/2015	15/10/2016	152	
201	201-04	Rod pump	6	22/10/2015	11/11/2016	386	Rod Pump
201	201-05	ESP	1	1/27/2011	5/8/2011	101	
201	201-05	ESP	2	5/18/2011	5/2/2012	350	
201	201-05	ESP	3	5/5/2012	6/29/2013	420	
201	201-05	Rod pump	4	7/30/2013	5/19/2014	293	
201	201-05	Rod pump	5	5/22/2014	9/27/2014	128	
201	201-05	Rod pump	6	9/30/2014	2/2/2015	125	
201	201-05	Rod pump	7	2/5/2015	TBD	645	Rod pump
203	203-01	ESP	1	5/3/2013	12/24/2013	235	Gas lift
203	203-02	ESP	1	5/8/2013	9/5/2014	485	Gas lift
203	203-04	ESP	1	5/14/2013	9/28/2013	137	Gas lift
203	203-01	ESP	1	5/3/2013	12/24/2013	235	Gas lift
203	203-02	ESP	1	5/8/2013	9/5/2014	485	Gas lift

Algar

Artificial lift at Algar was based on gas lift for the early stages of production with a later move to lower pressure operation with pumps being considered.

The selection of pumps is based on well productivity and Connacher's experience.

ESPs have been used in three wells in Pad 201. These three wells are in, or close to, a limited bottom water zone and the pumps are required to balance pressure and avoid high steam losses.

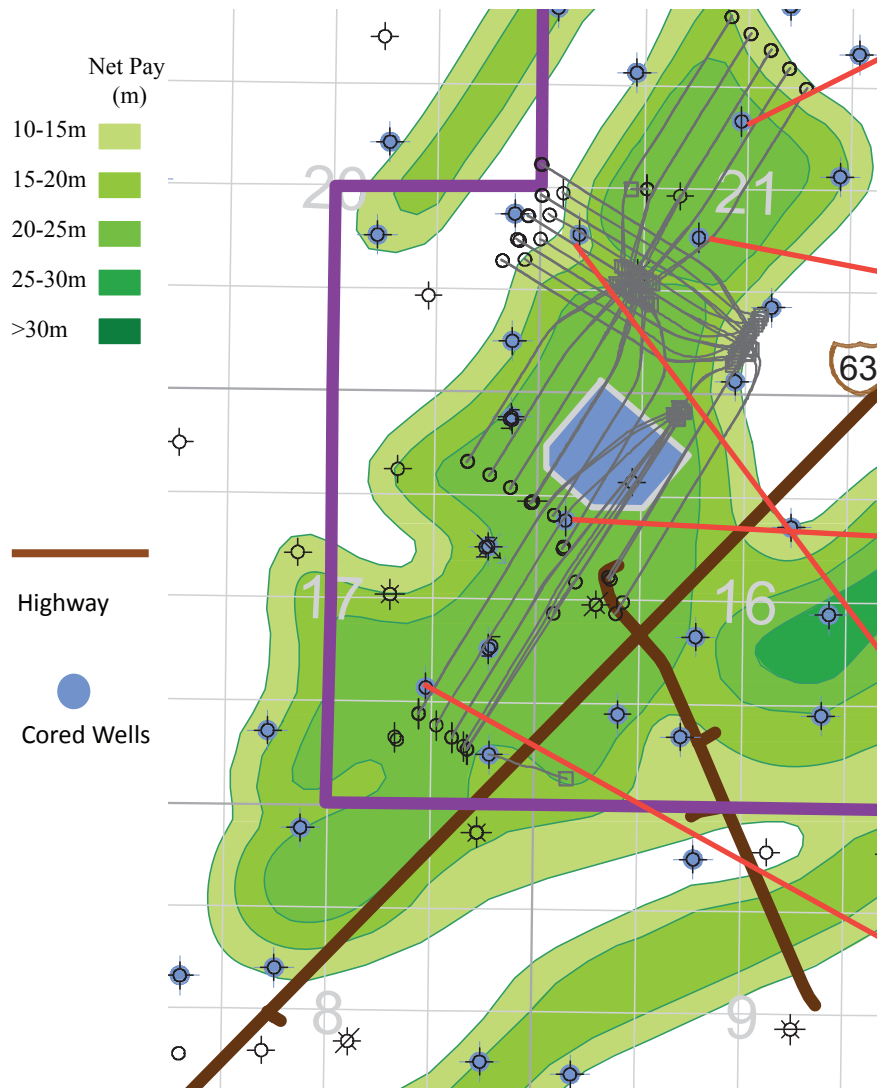
Recently, and as part of the SAGD+[®] test, ESPs were installed in three wells in Pad 203. Results show that SOR was reduced by using ESPs for artificial lift. But, due to reservoir characteristics and economics, these wells were converted back to gas lift.

Gas Migration & Surface Casing Vent Flows

- SCVF tests were conducted on all injectors and producers at Pod One and Algar in September, 2016. Results will be reported to the AER through DDS.
- A summary table of all historical SCVF results is provided as an additional file to this report.
- Connacher is currently compliant with all SCVF requirements at the Great Divide Project.

Subsurface - Monitoring

Pod One Observation Wells



100/11-21-82-12W4, Operational April 2011

- Monitor North Pad Performance (47m from Well Pair 101-04)
- Five temperature and five pressure measurements all operational
- Temperature readings suspect - all at original reservoir temperature ~14 °C
- Pressure gauges operational
- Continue collecting data

100/06-21-082-12W4, Operational Dec 2007

- Purpose was to measure rise of steam and to determine if steam moved into any overlying gas caps (39 m from Well Pair 101-05)
- Operational but readings suspect
- Maximum temperature 20 °C.
- Pressure gauges not operational
- Continue collecting data

111/12-16-82-12W4, Operational Mar 2010

- Provided observations on effects of low pressure operations (40 m from Well Pair 101S-P10)
- Five temperature measurements all operational. 2 of 5 Pressure gauges not operational
- Continue collecting data

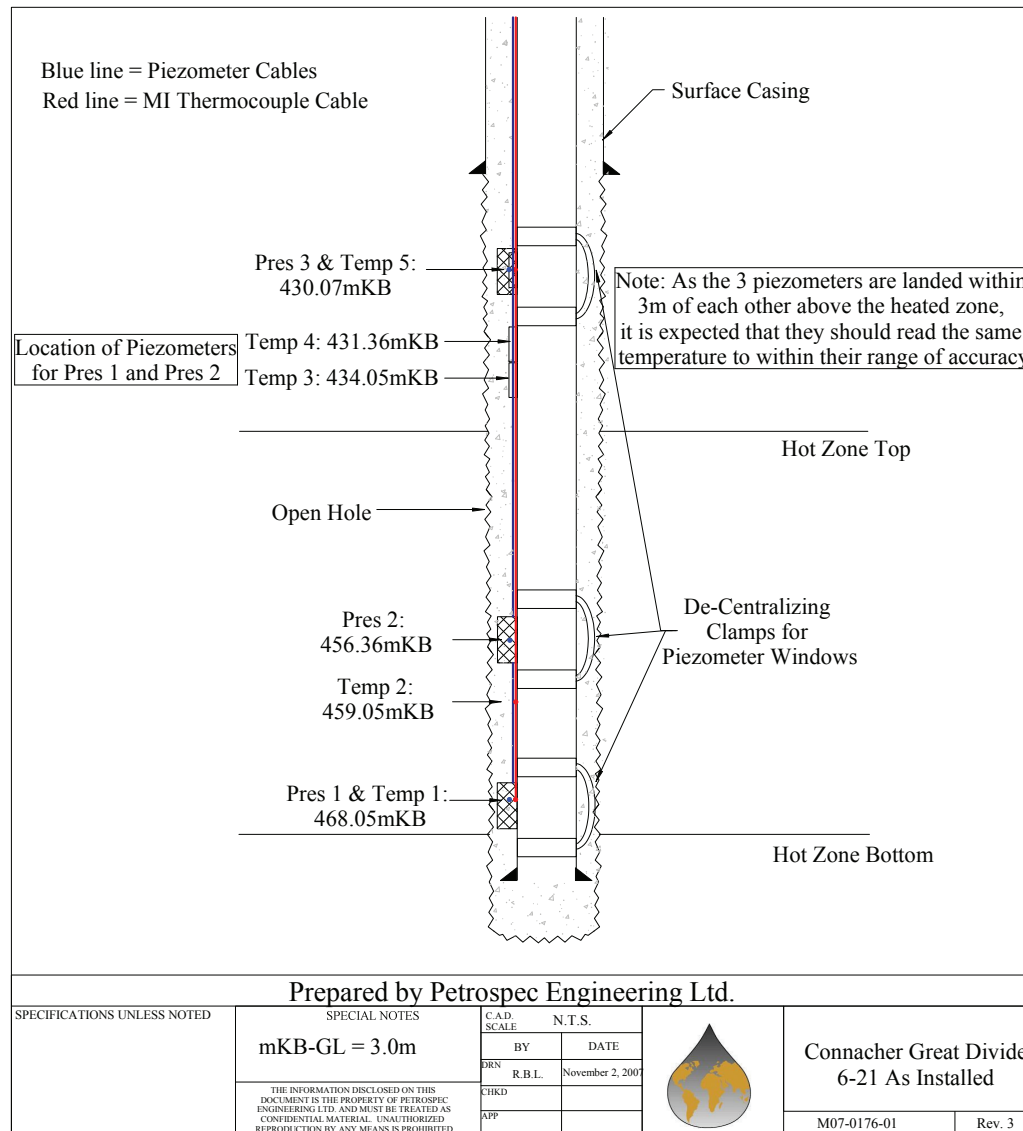
111/05-21-82-12W4, Operational Mar 2012

- Drilled to acquire information on temperature between well pairs for future infill wells (40m from Well Pair 102-03)
- Five temperature measurements operational. Lower pressure gauge not operational
- Continue collecting data

100/07-17-82-12W4, Operational Mar 2012

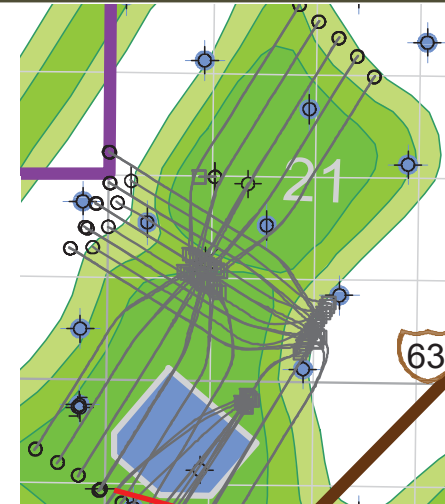
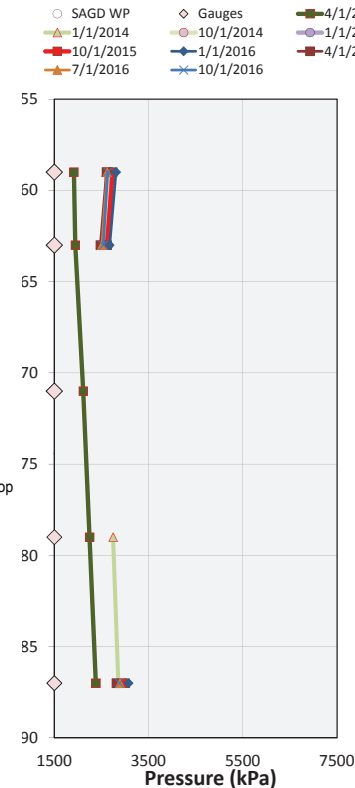
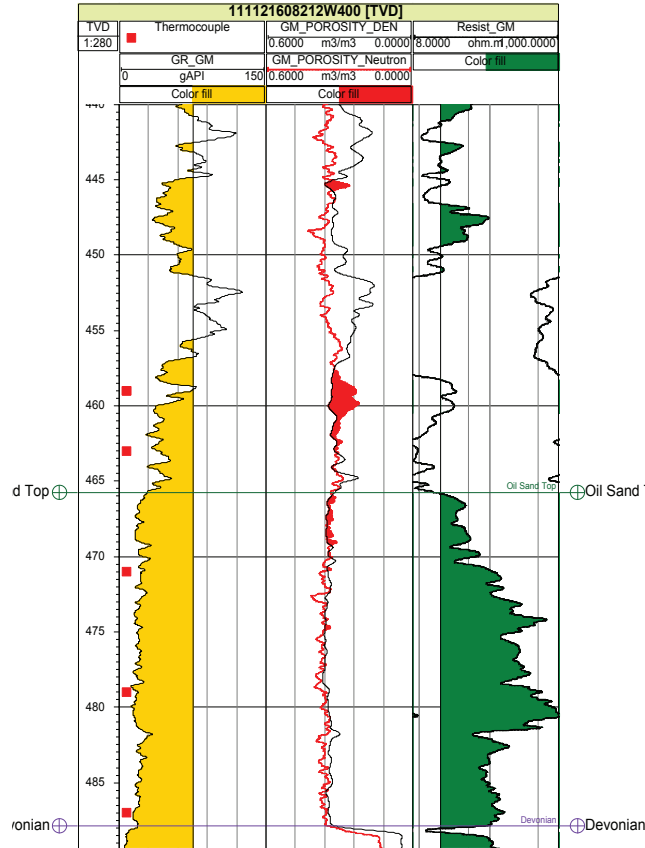
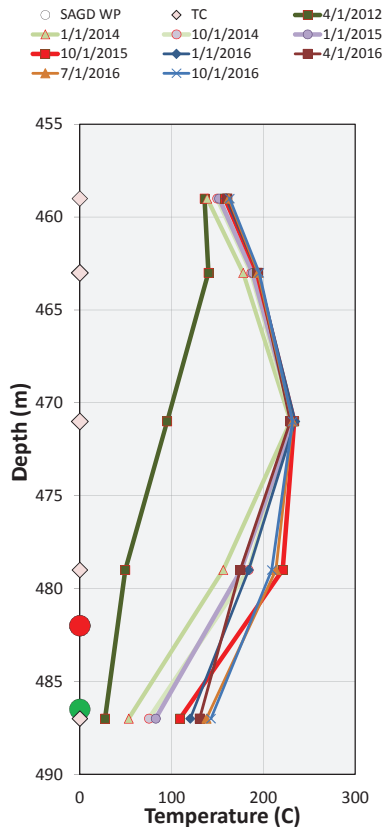
- Drilled to acquire information on gas cap repressurizing (33m from Well Pair 104-P03)
- Five temperature and five pressure measurements operational
- Continue collecting data

Pod One - Typical Observations Well



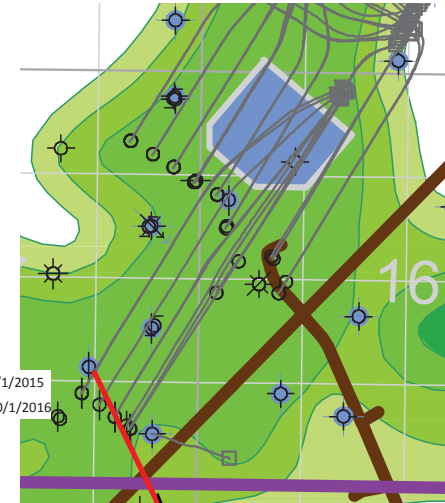
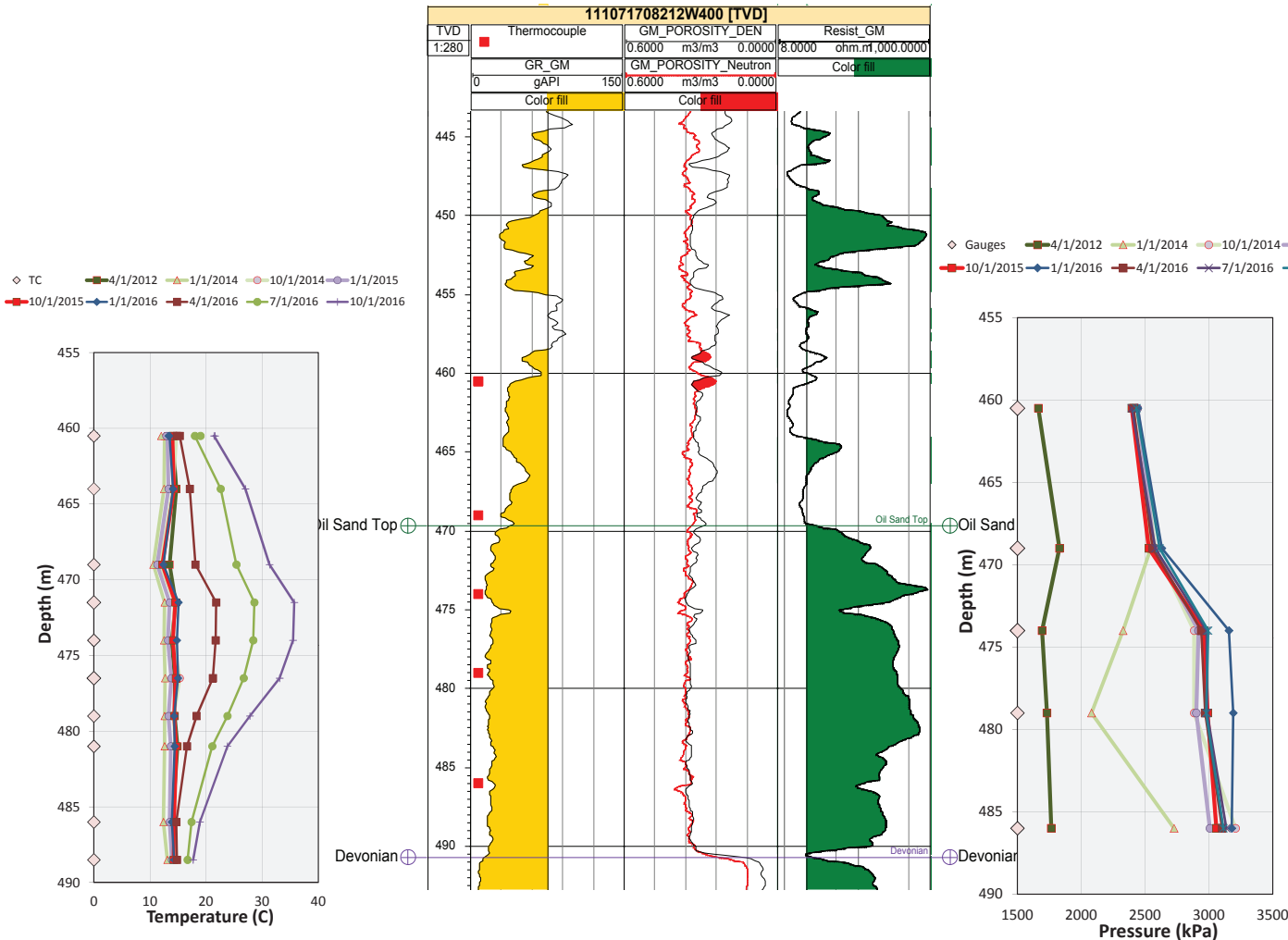
Pod One Obs Well - 111/12-16-82-12 W4

Chamber appears to be fully developed. Steam is suspected to be leaking to gas cap and lean zone. Temperature readings provide support for gas cap repressurization. No valid pressure readings for 2 of 5 gauges after January 1, 2013.



Pod One Obs Well - 111/07-17-82-12 W4

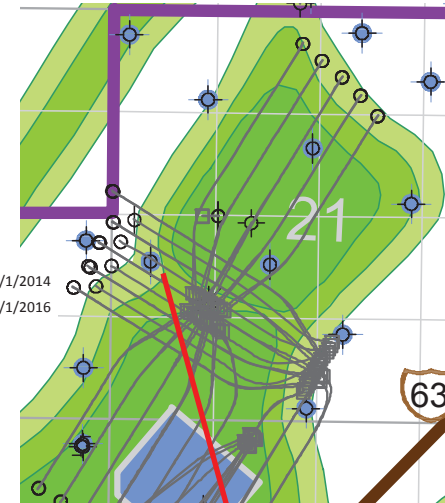
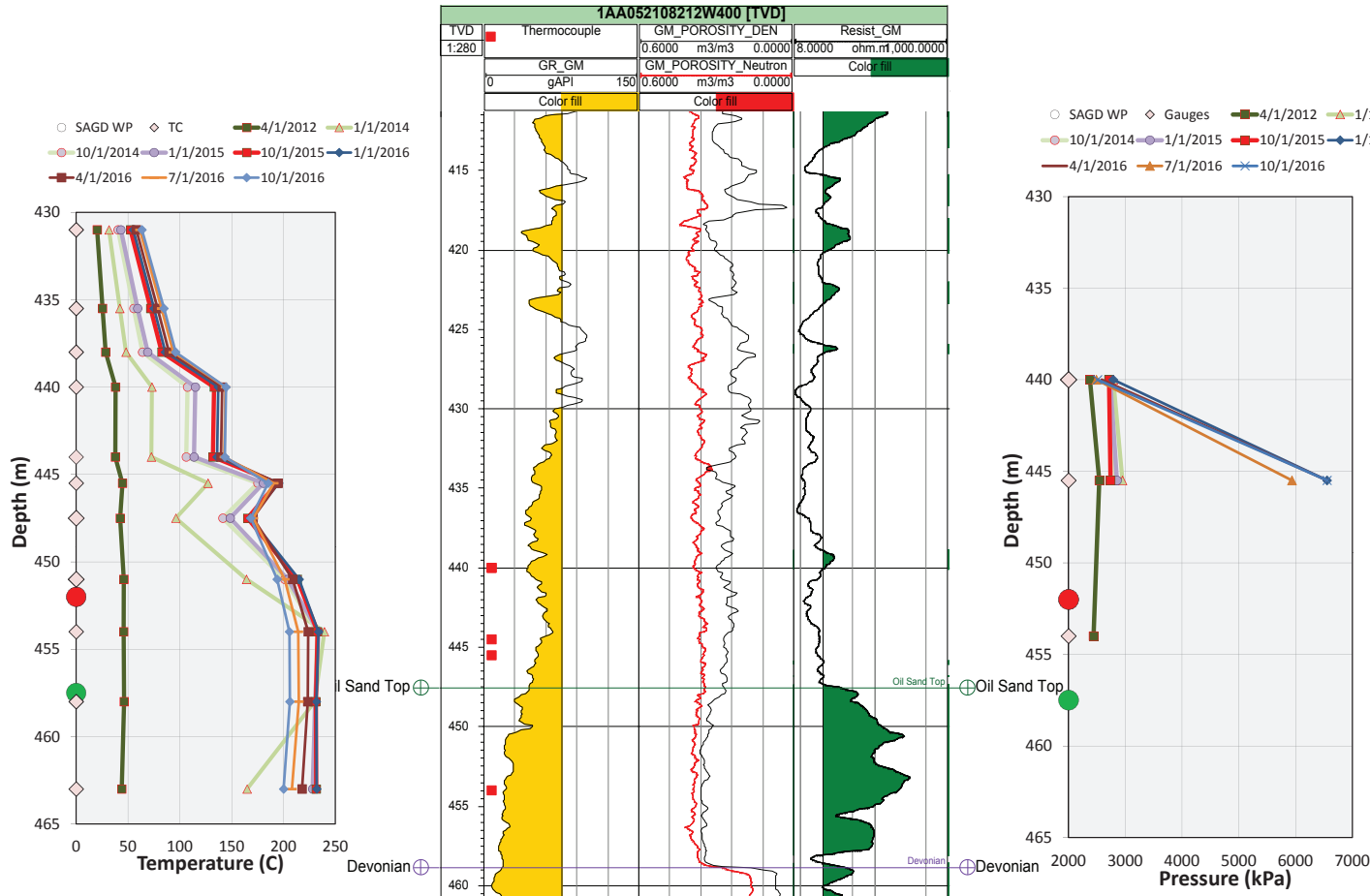
Temperature response observed by April 2016. Pressure response to steam injection observed. Note that steam injection to Pad 104 commenced in September 1, 2013.



33 meters from
104-P03

Pod One Obs Well - 111/05-21-82-12 W4

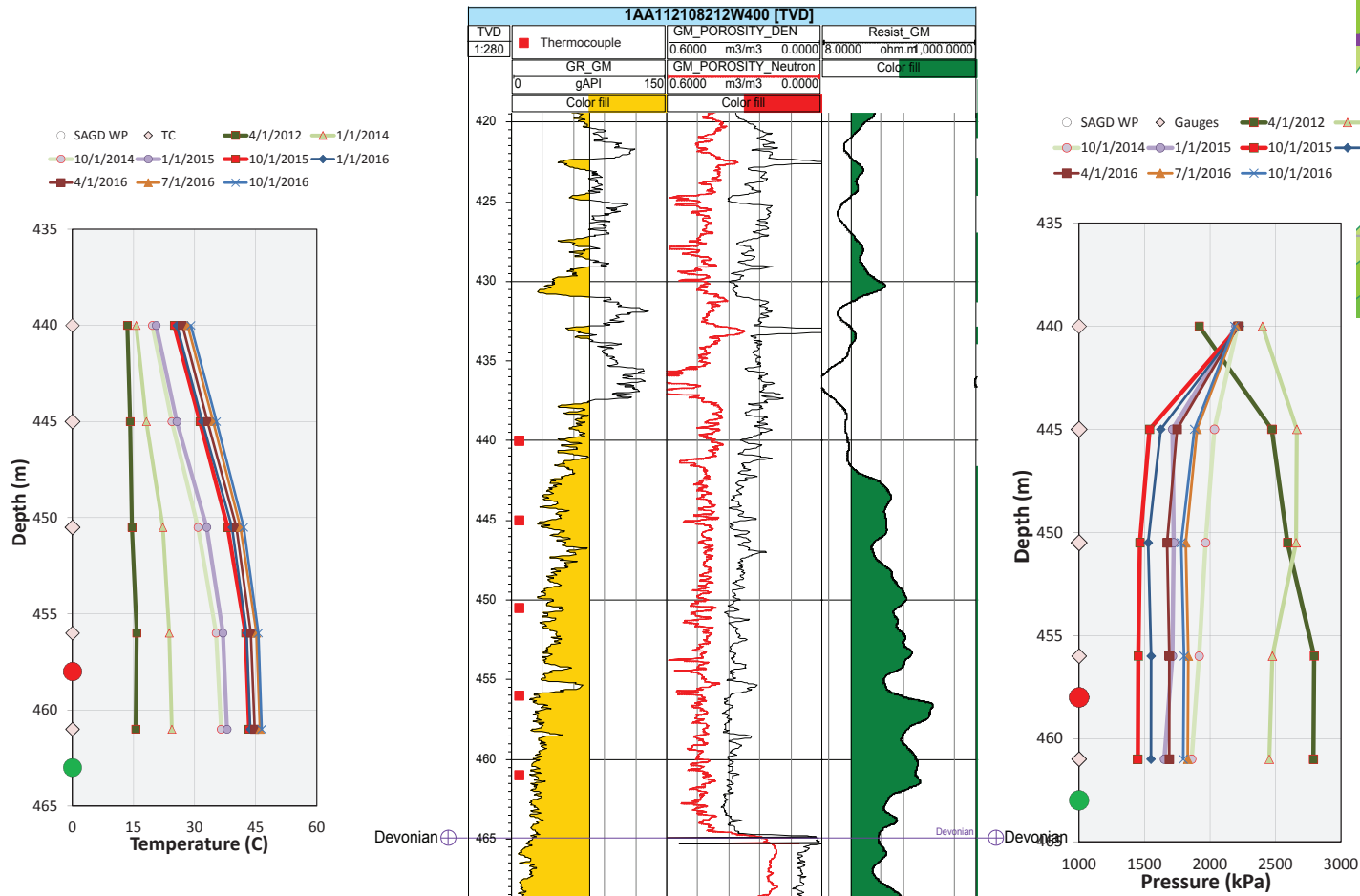
No valid pressure readings at the lowest gauge after January 1, 2013. The piezometer at 445.5 m has failed and is no longer reporting accurate reservoir pressure.



40 m from 102-03

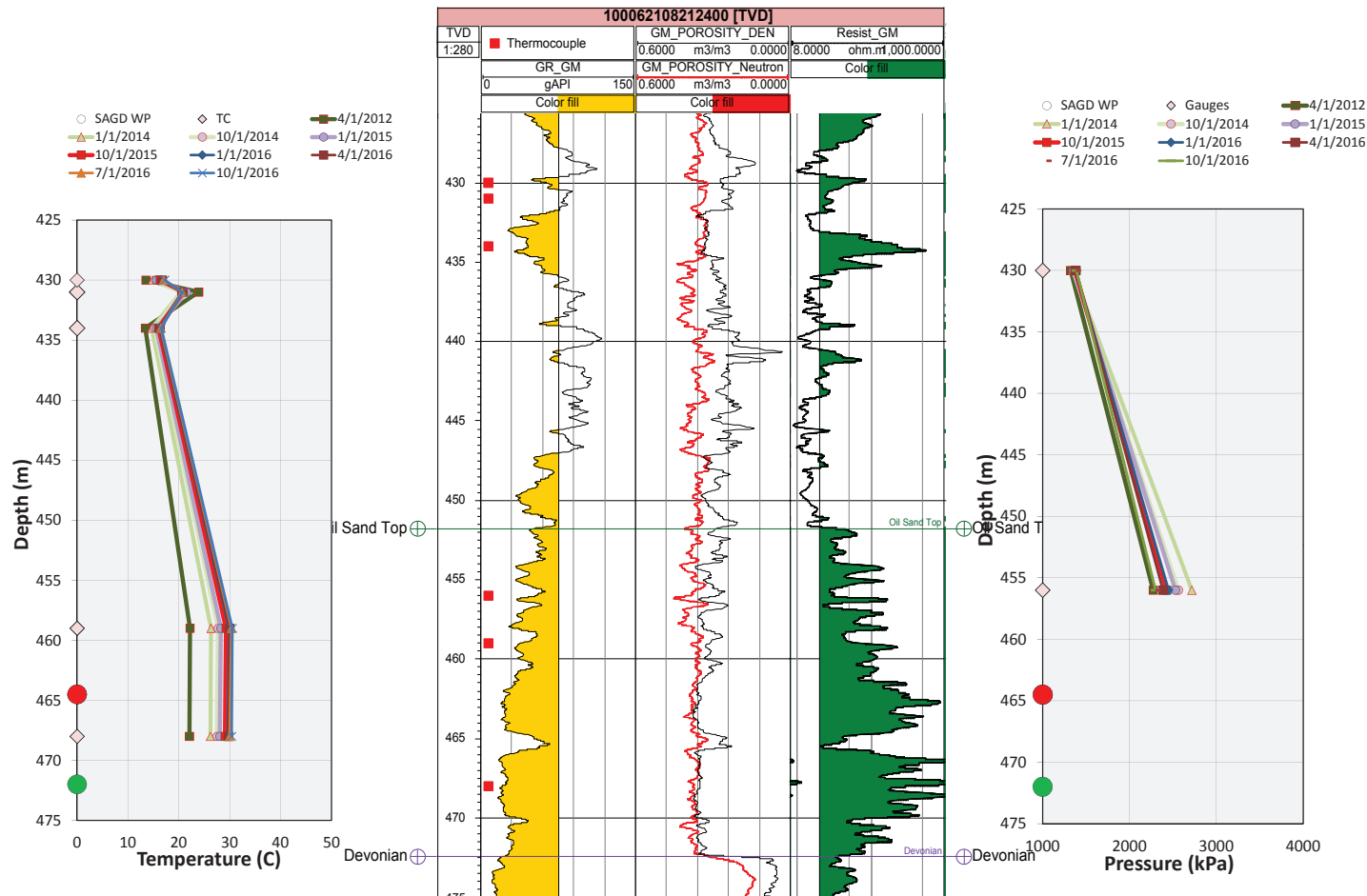
Pod One Obs Well - 100/11-21-82-12 W4

Temperature readings confirm that steam distribution in Pad 101N was a challenge. Note that Pad 101N is on blowdown. Temperature and pressure readings portray a relatively fast response to blowdown.

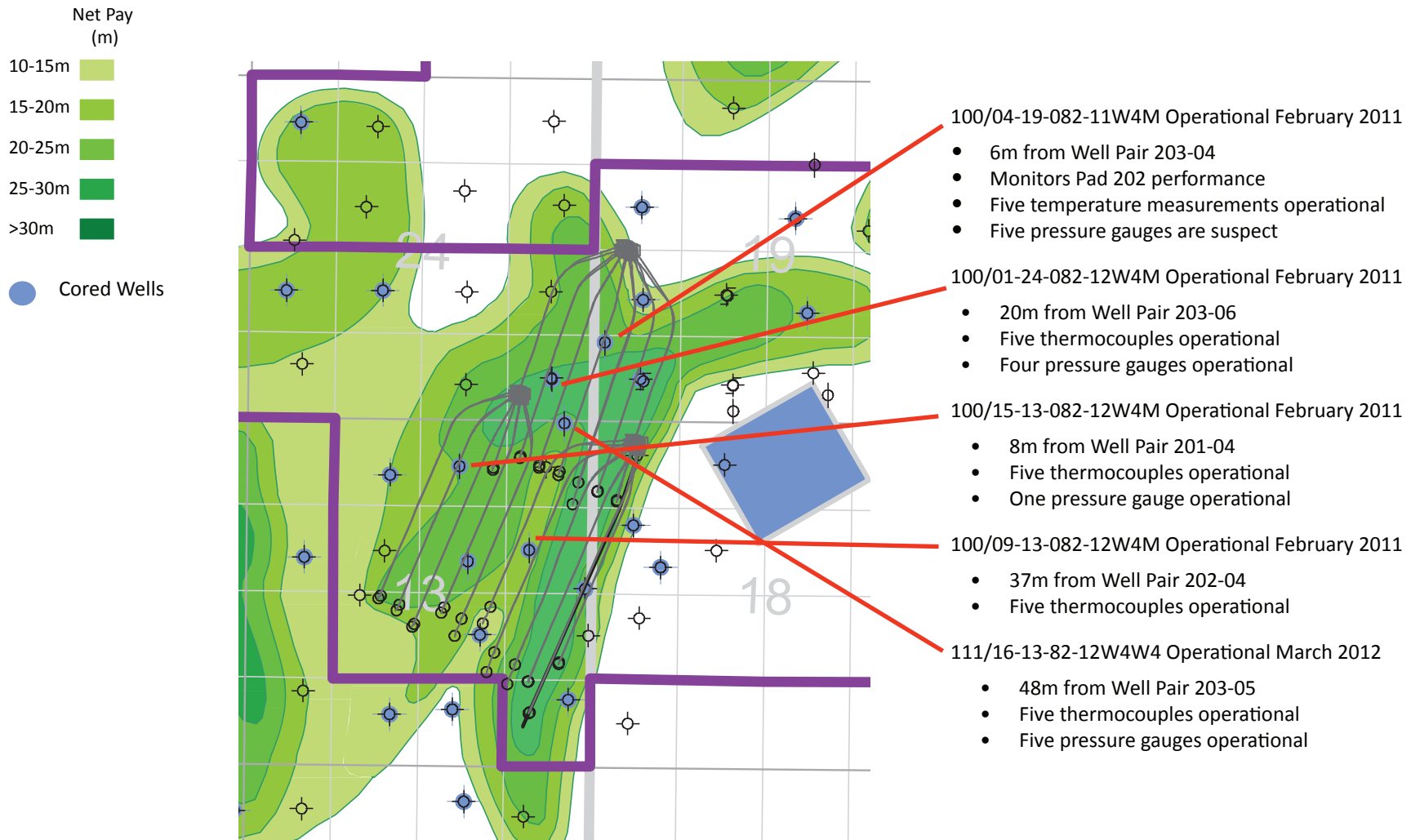


Pod One Obs Well - 100/06-21-82-12 W4

Pressure and Temperature readings are suspect.

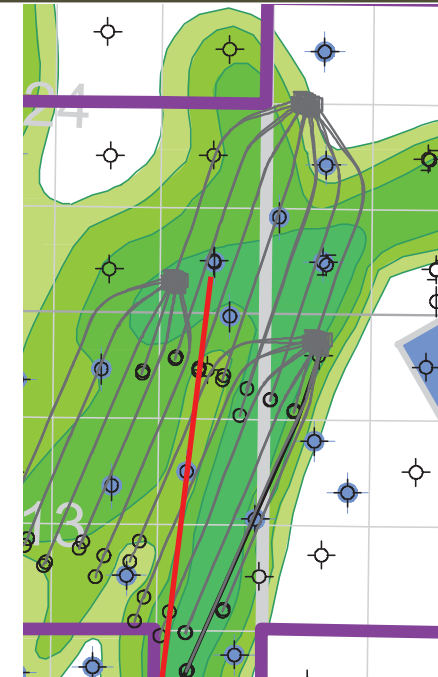
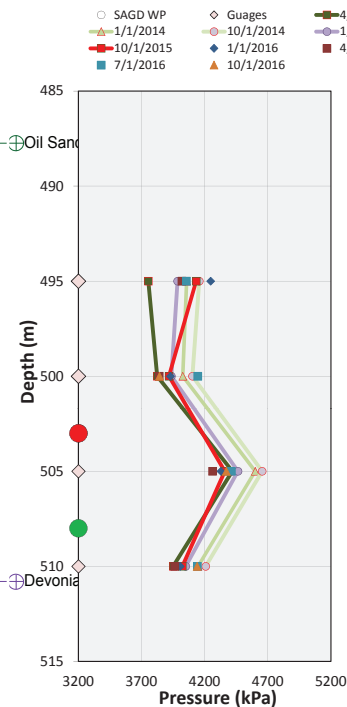
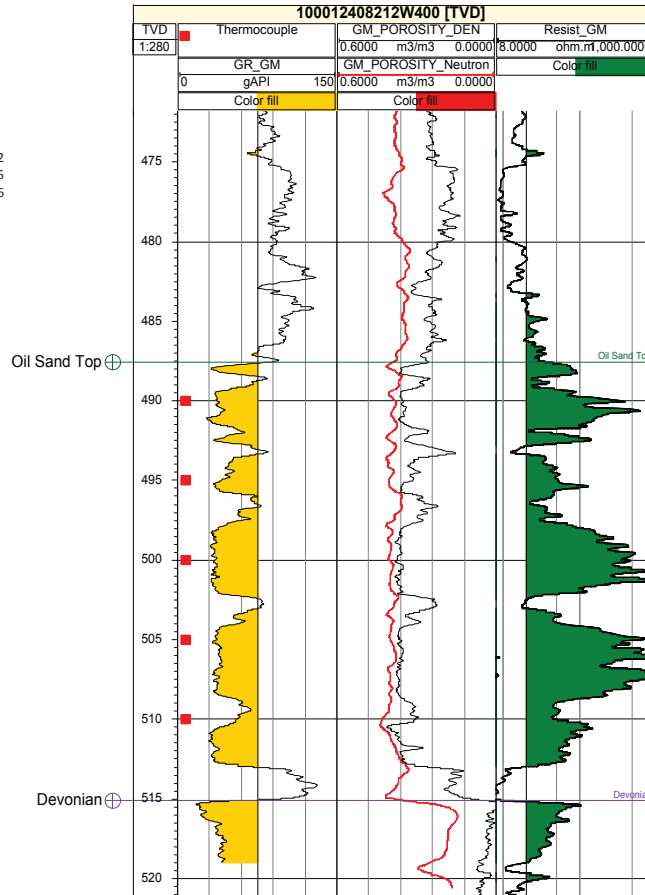
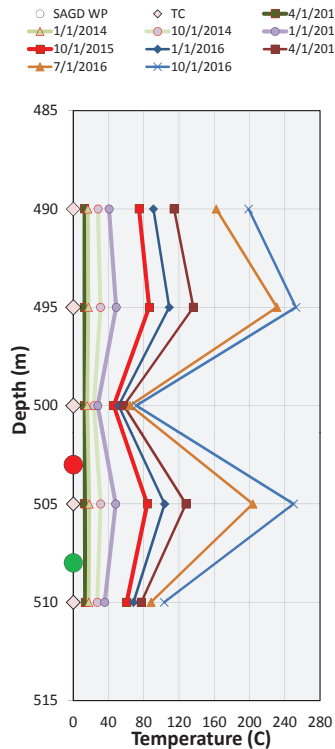


Algar Observations Wells



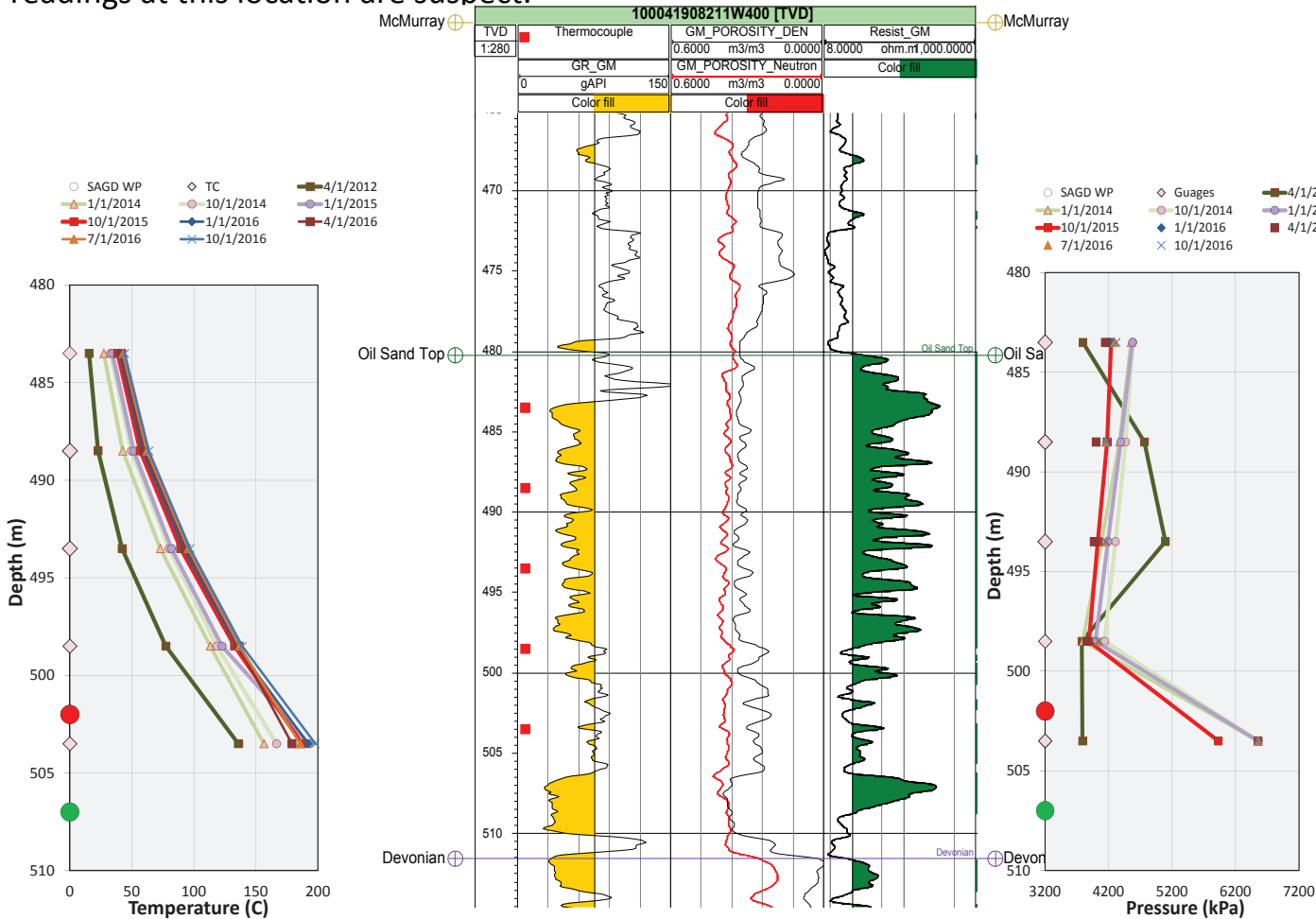
Algar Obs Well - 100/01-24-82-12 W4

Temperature readings at 490 m depth suggest that steam is moving to higher IHS zones. This suggests that the IHS zone are discontinuous at this location.



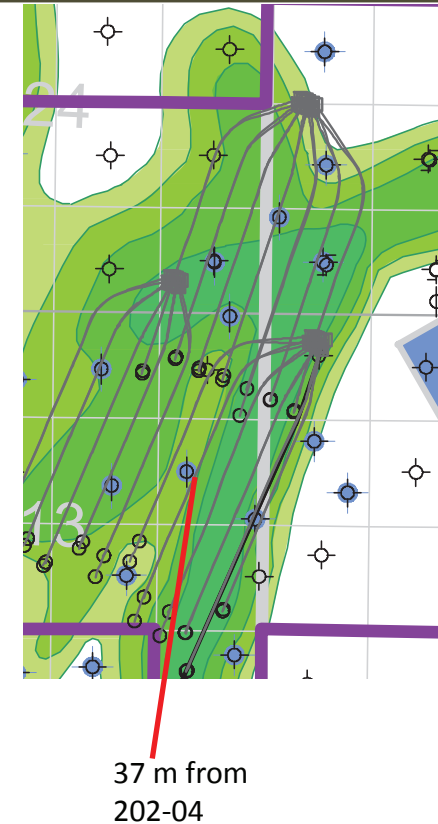
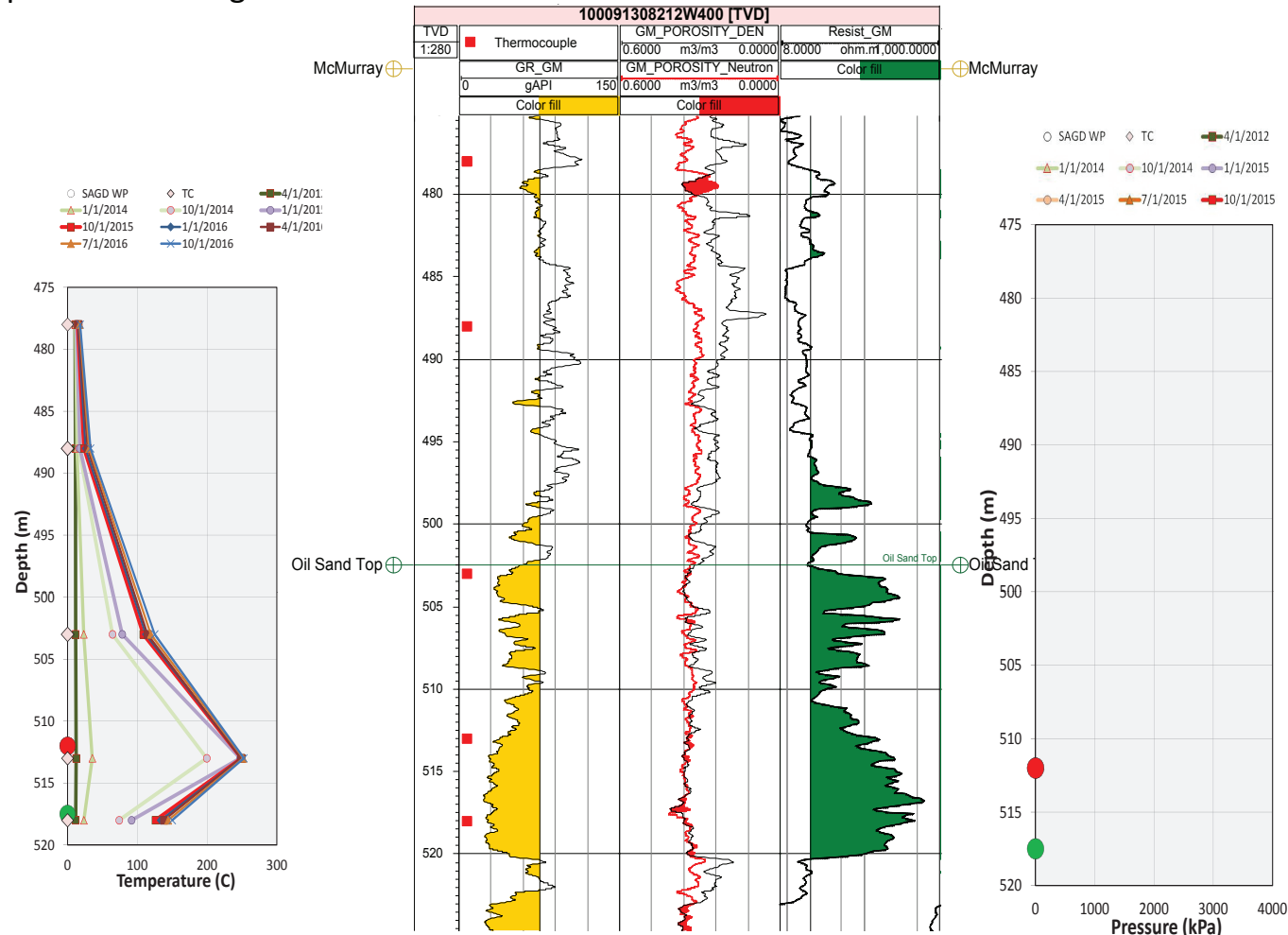
Algar Obs Well - 100/04-19-82-11 W4

Temperature readings show temperature development in intense IHS zones. Pressure readings at this location are suspect.



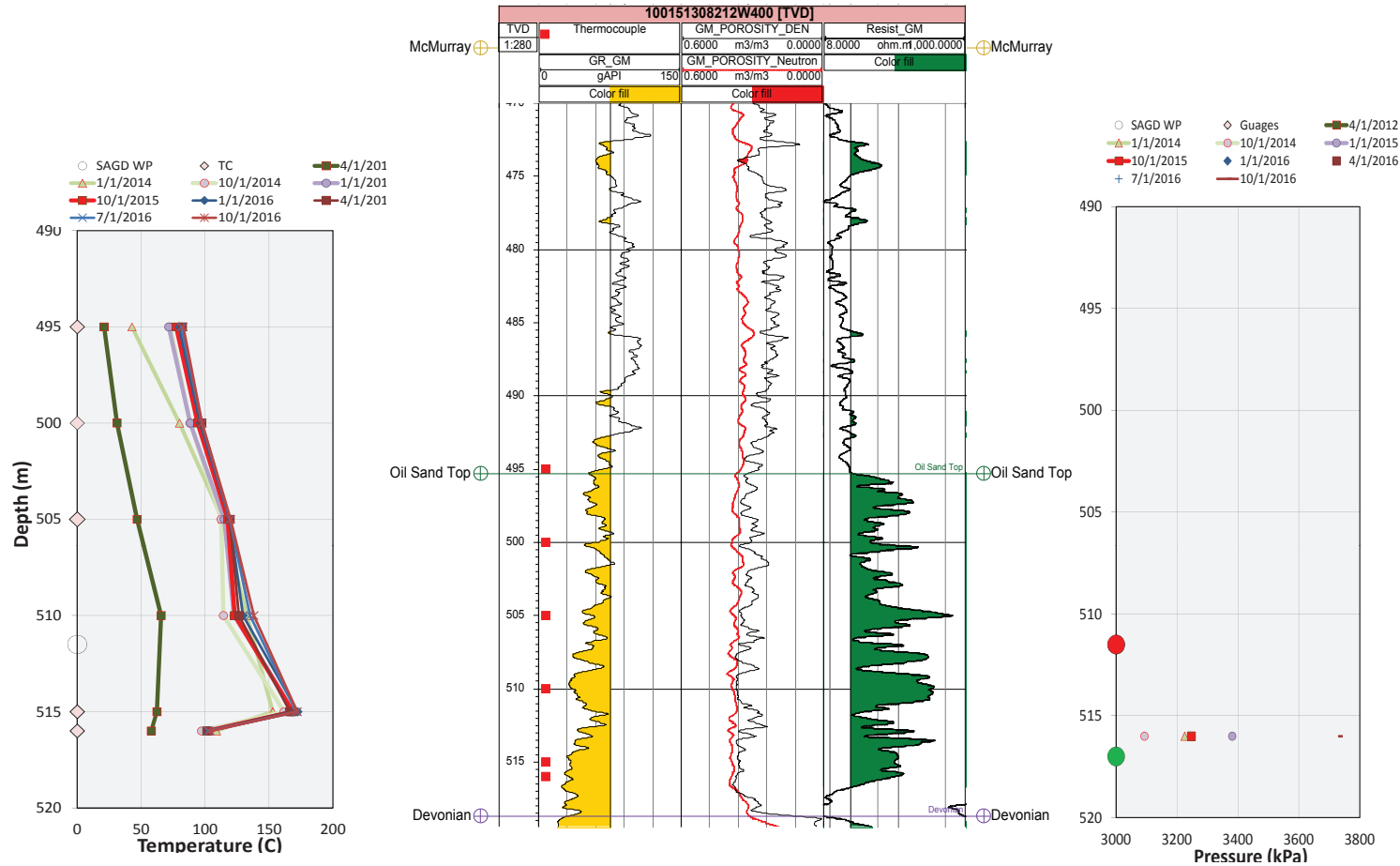
Algar Obs Well - 100/09-13-82-12 W4

Temperature readings supports the development of infill wells at this location. No pressure readings available.



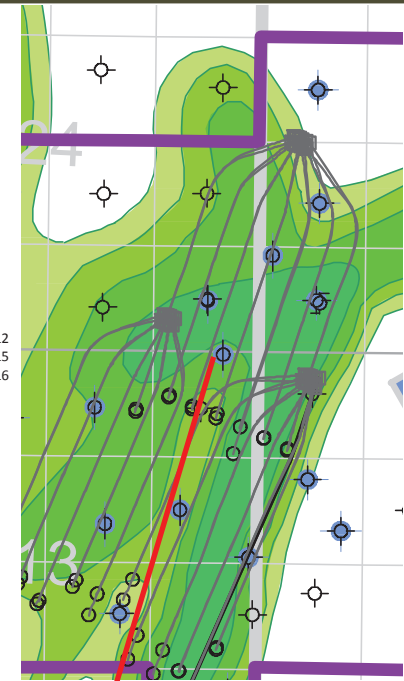
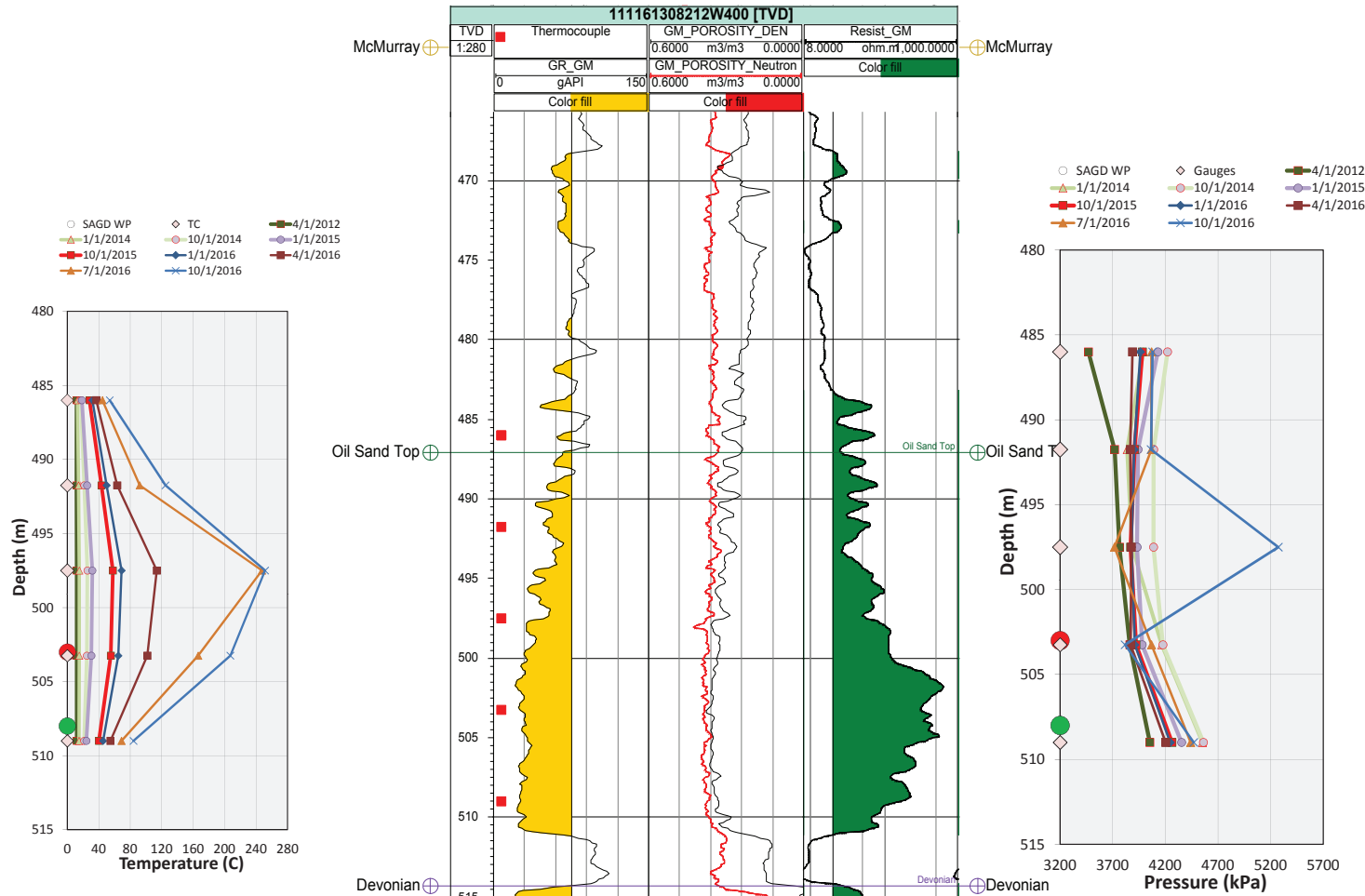
Algar Obs Well - 100/15-13-82-12 W4

Temperature readings show temperature response in IHS zone.



Algar Obs Well - 111/16-13-82-12 W4

Temperature readings shows temperature development in the IHS zone. It is expected that there will be more temperature response at lower depths in the future. Pressure response is observed in the entire column.



Pod One

12-16-082-12W4 - Thermocouples at all measurement depths are operating properly. Piezometers at depths of 471 m and 478 m are not operating due to gauge failure. There are no plans to replace the equipment.

5-21-082-12W4 - Thermocouples at all depths are operating properly. Piezometer located at 445.5 m and 454 m are not operating due to gauge failure. There are no plans to replace the equipment.

6-21-082-12W4 - Thermocouples at all depths are operating properly. All piezometers in this well are not operational. There are no plans to replace the equipment.

Algar

9-13-082-12W4 - Thermocouples at all depths are operating properly. All piezometers in this well are not operational. There are no plans to replace the equipment.

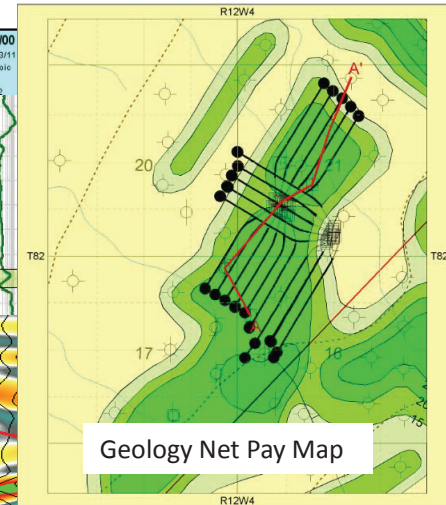
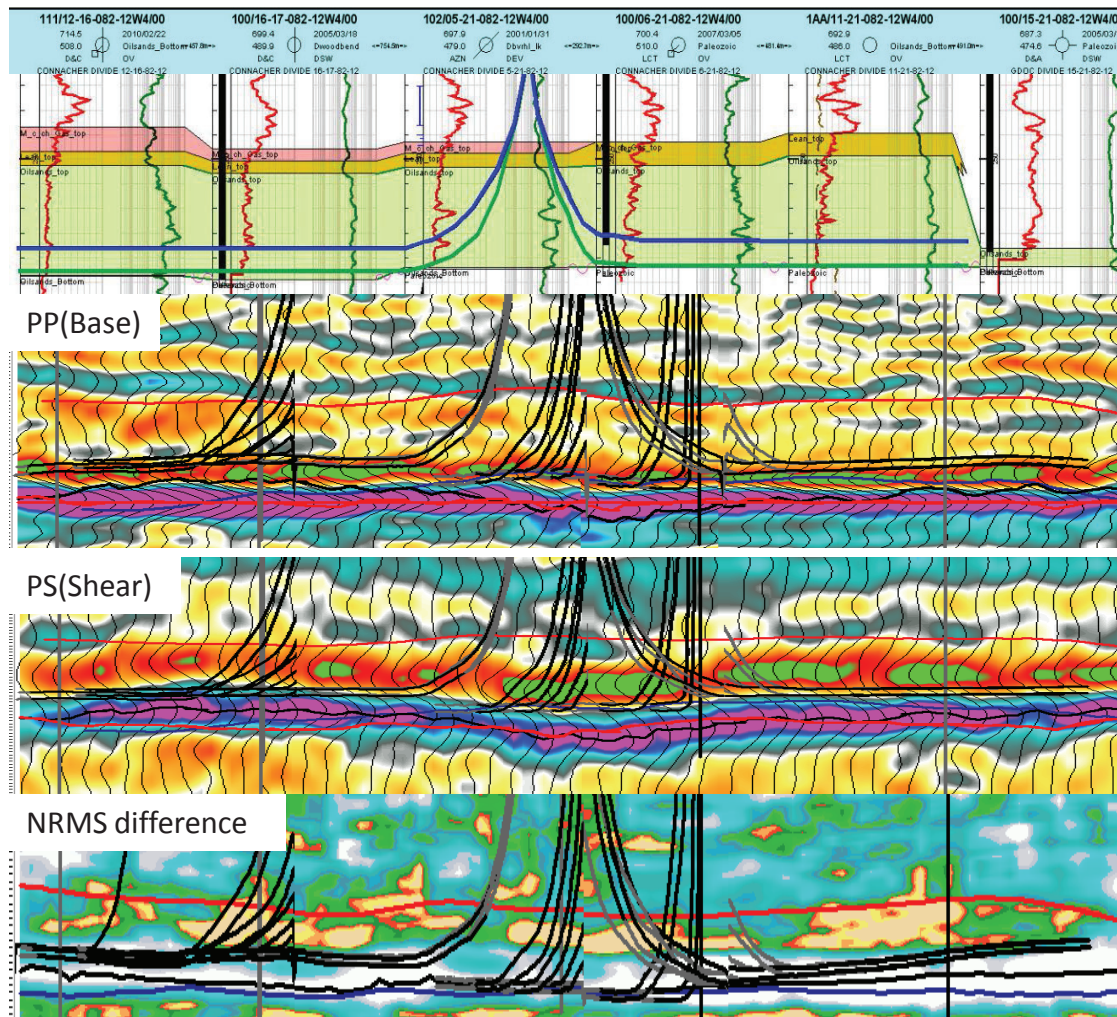
15-13-082-12W4 - Thermocouples at all depths are operating properly. Piezometer at 516 m is the only pressure gauge operating properly. There are no plans to replace the equipment.

Pod One & Algar Ground Movement



In 2016, 13.3 km of 'old' Highway 63 (now S/B lanes) was resurveyed. This data could not be compared to 2015 data due to resurface work done in 2016. A survey was conducted on the 'new' N/B lanes of Highway 63, -12 cm compared to 2015 due to normal post construction settlement. Within Pod One and Algar 38 monitoring points (5 control points, 16 Algar and 17 Pod One) were resurveyed in 2016. The maximum vertical deformation was 6.6cm (at WSW 03-17), average movement of all points was 0.3cm. All lanes of Highway 63, 38 monitoring points, and 5 control points will be resurveyed in 2017.

Pod One 4D Seismic



Geological cross section across seismic data

PP(Primary) conventional seismic is the difference btw the 2005 and 2010 seismic volumes

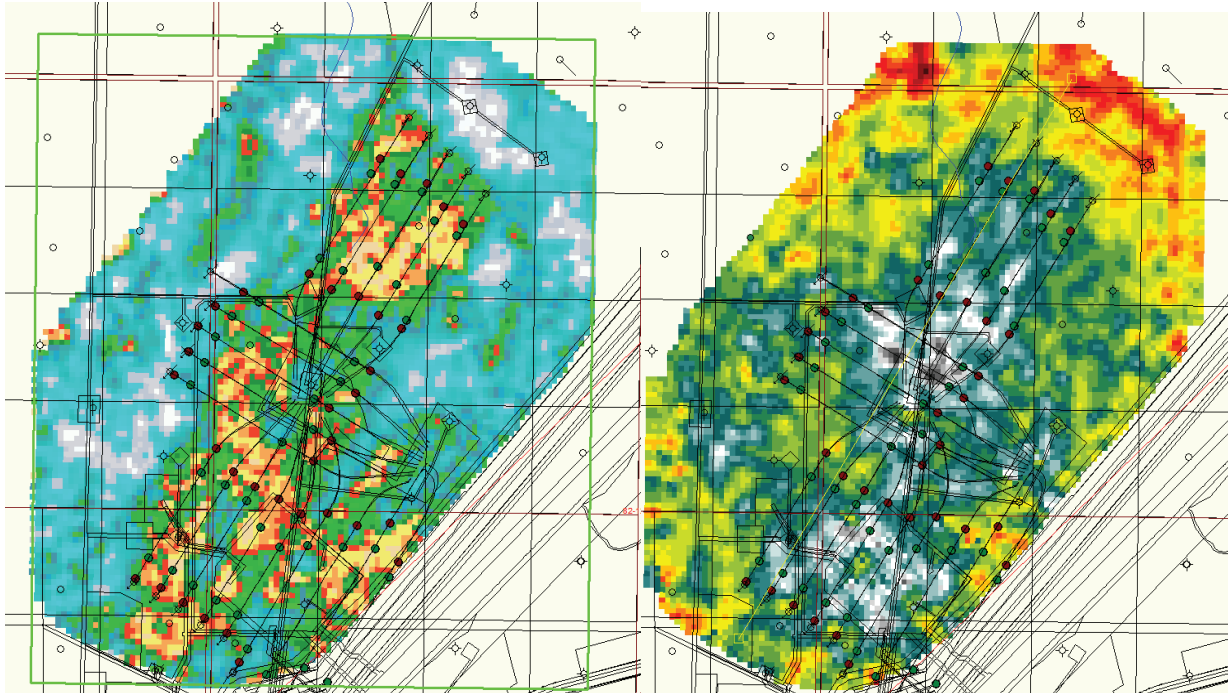
PS data shows changes in the shear component -
Which is an indicator of steam in the rock since 2010

NRMS(Normalized Root Mean Square of the differences btw the 2005 and 2010 surveys) which highlights and confirms change in the reservoir since 2005

Pod One 4D Seismic (2)

NRMS - normalized root mean square
represents the % change in the seismic signal
since steaming operations began

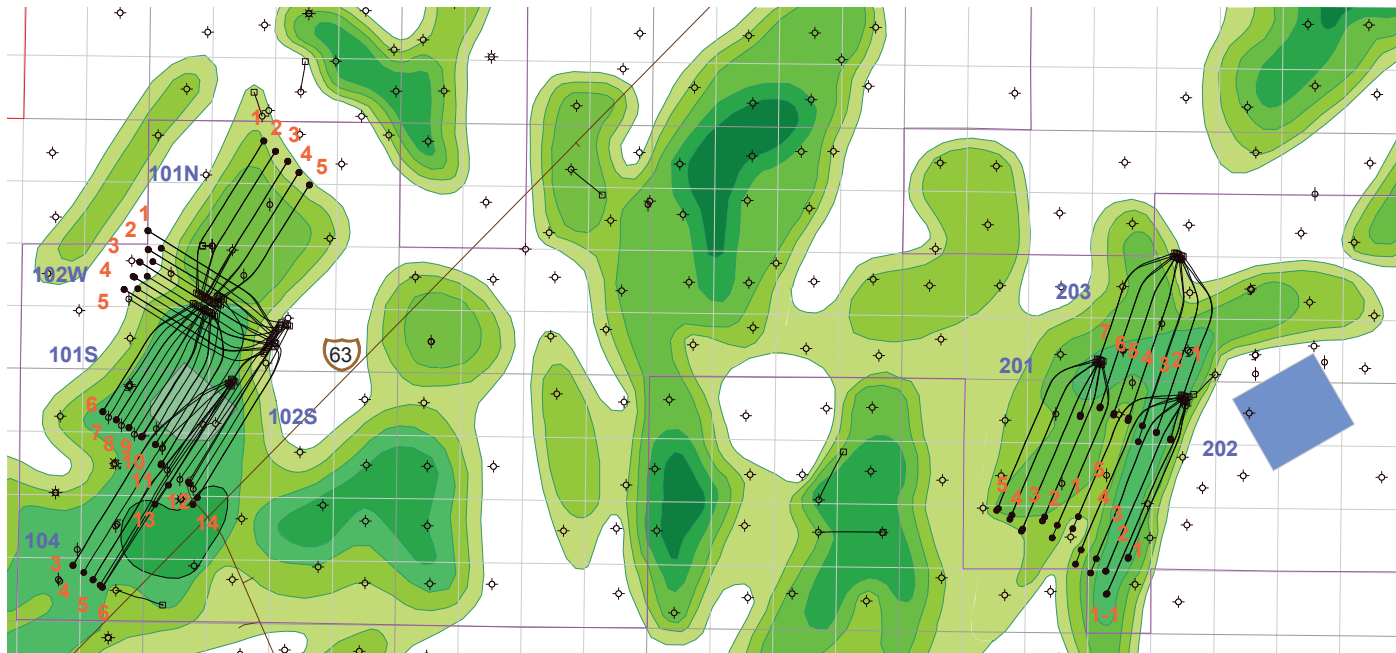
Shear Data - should represent the
extent of the steam chamber



The NRMS represents the percent change in the reservoir since steaming operations commenced in 2007. This roughly corresponds to produced bitumen and should represent the various steam chambers. The shear data is not affected by steam, gas or bitumen heated above 80 C, as this acts like a liquid. The resulting map should show the current extend of the steam chambers. The two maps should be similar and are not, therefore the results of the 4D seismic are inconclusive. Possible reasons for this include plant and highway noise, and errors resulting from using different geophones at different locations in the two surveys.

Subsurface - Scheme Performance

Great Divide Well Layout



Pod One

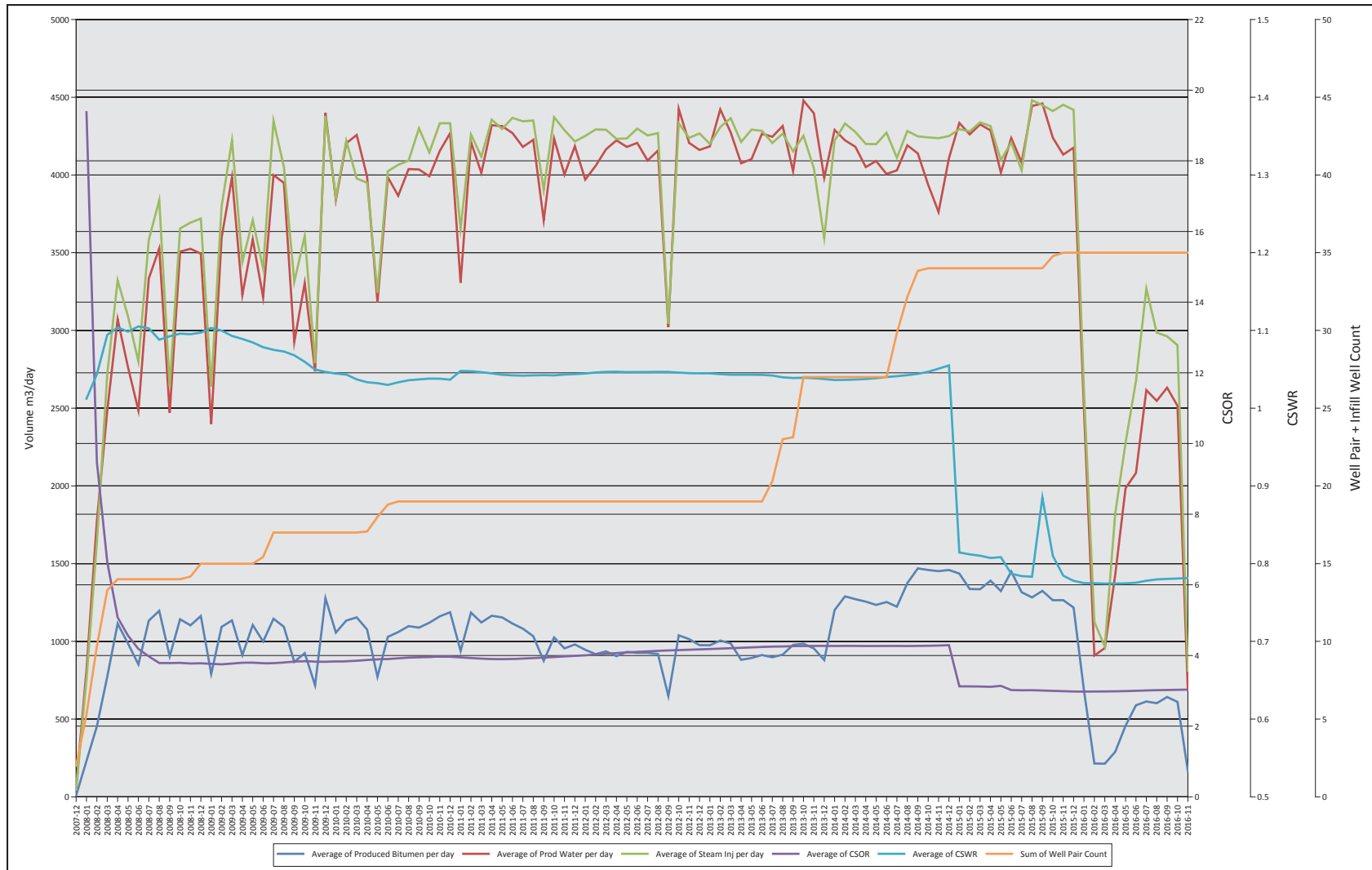
- 23 Well Pairs (101N, 101S, 102S, 102W and 104)
- 13 Infills
- SAGD well pairs in 101N, 101S, 102S and 102W were drilled at 100m spacing
- SAGD well pairs in 104 were drilled at 80m spacing
- All infills (except 102INF06 @35m) were drilled at 50m spacing between the SAGD producers

Algar

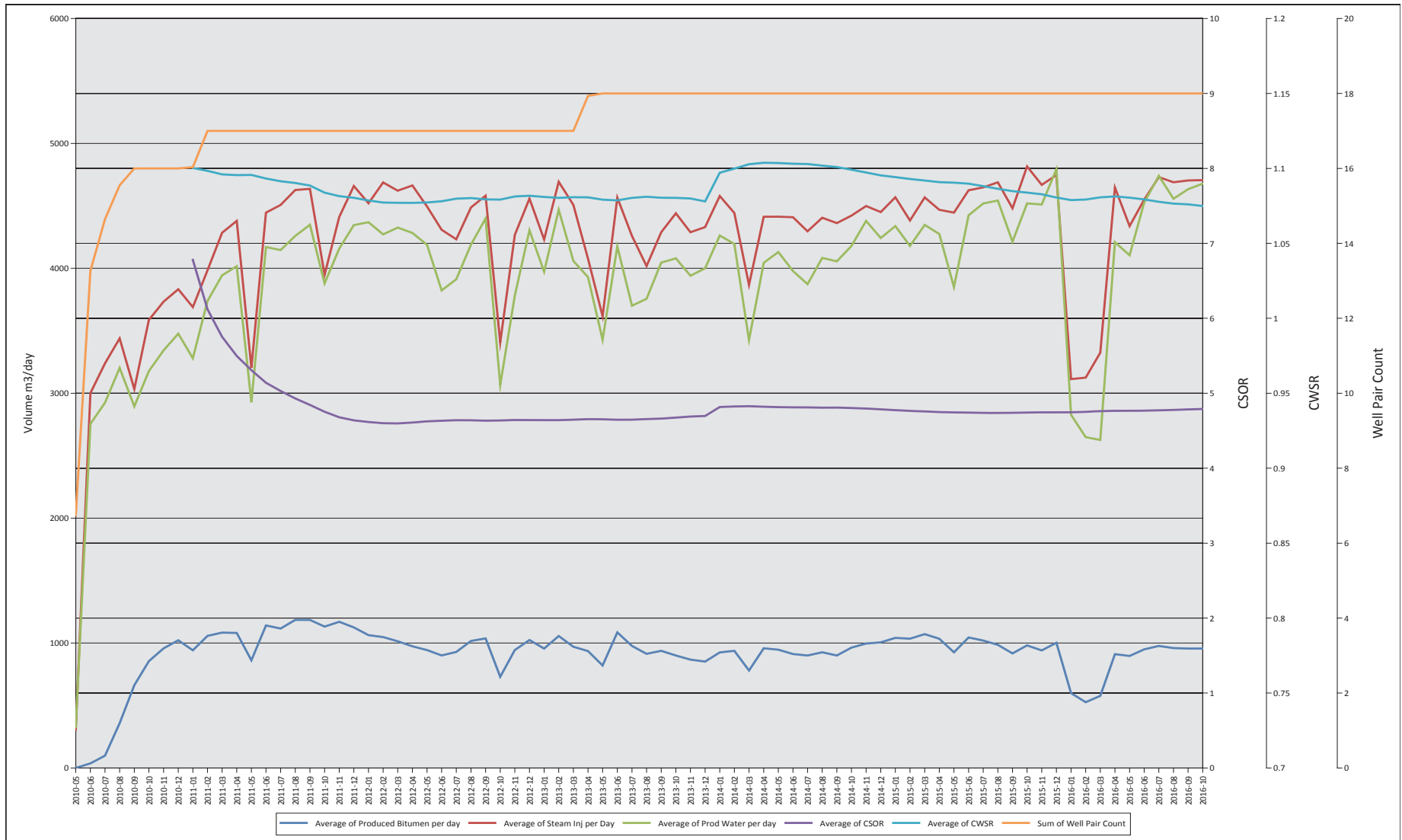
- 18 Well Pairs (201, 202 and 203)
- All SAGD well pairs except 202-01R were drilled at 100m spacing
- 202-01R was drilled 35m from 201-01 and 65m from 202-02 well pair

Note: In order to accommodate similar production and injection start times well pair 11S (shown) was included with Pad 102S for performance plots and resource calculations.

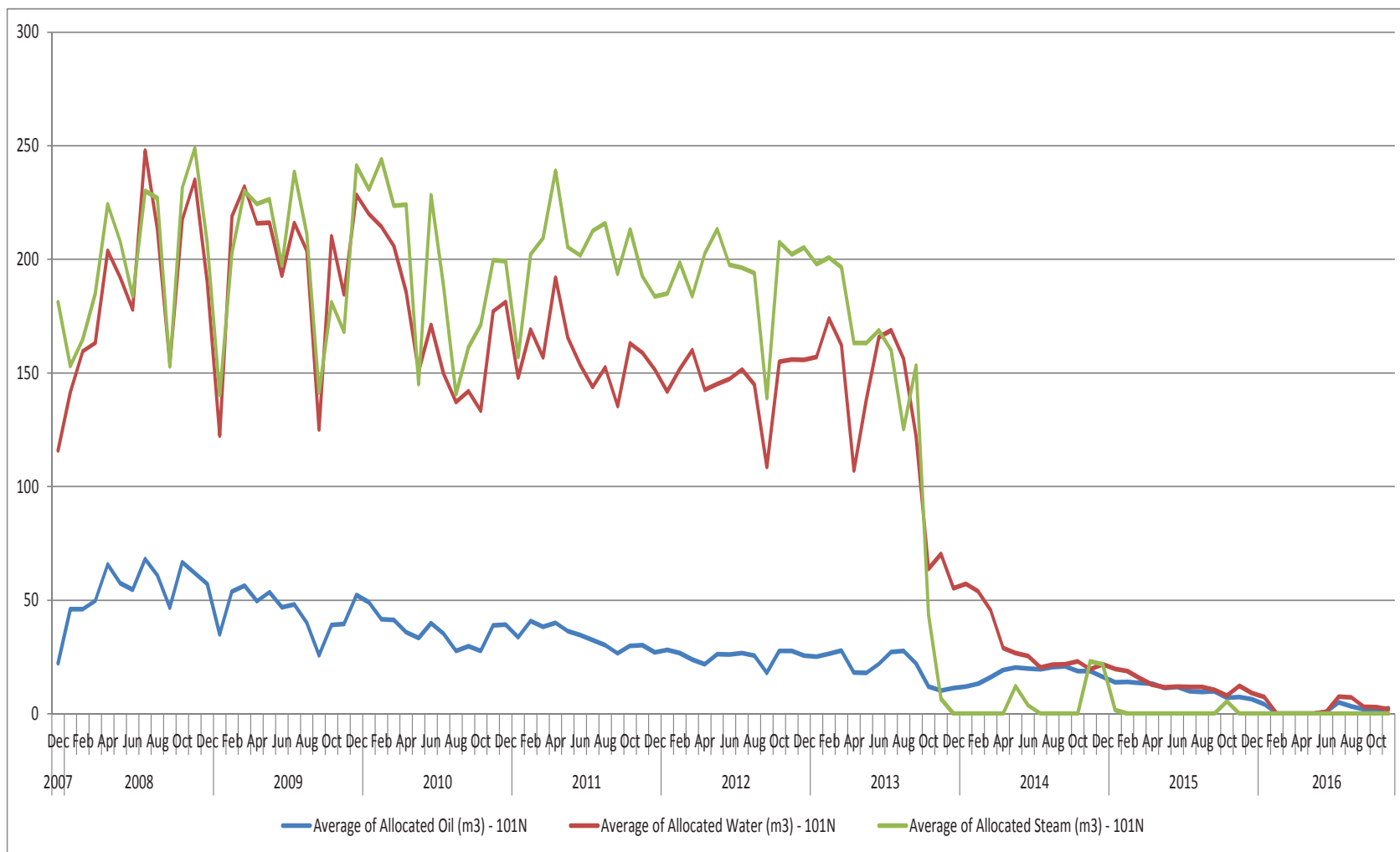
Pod One Performance



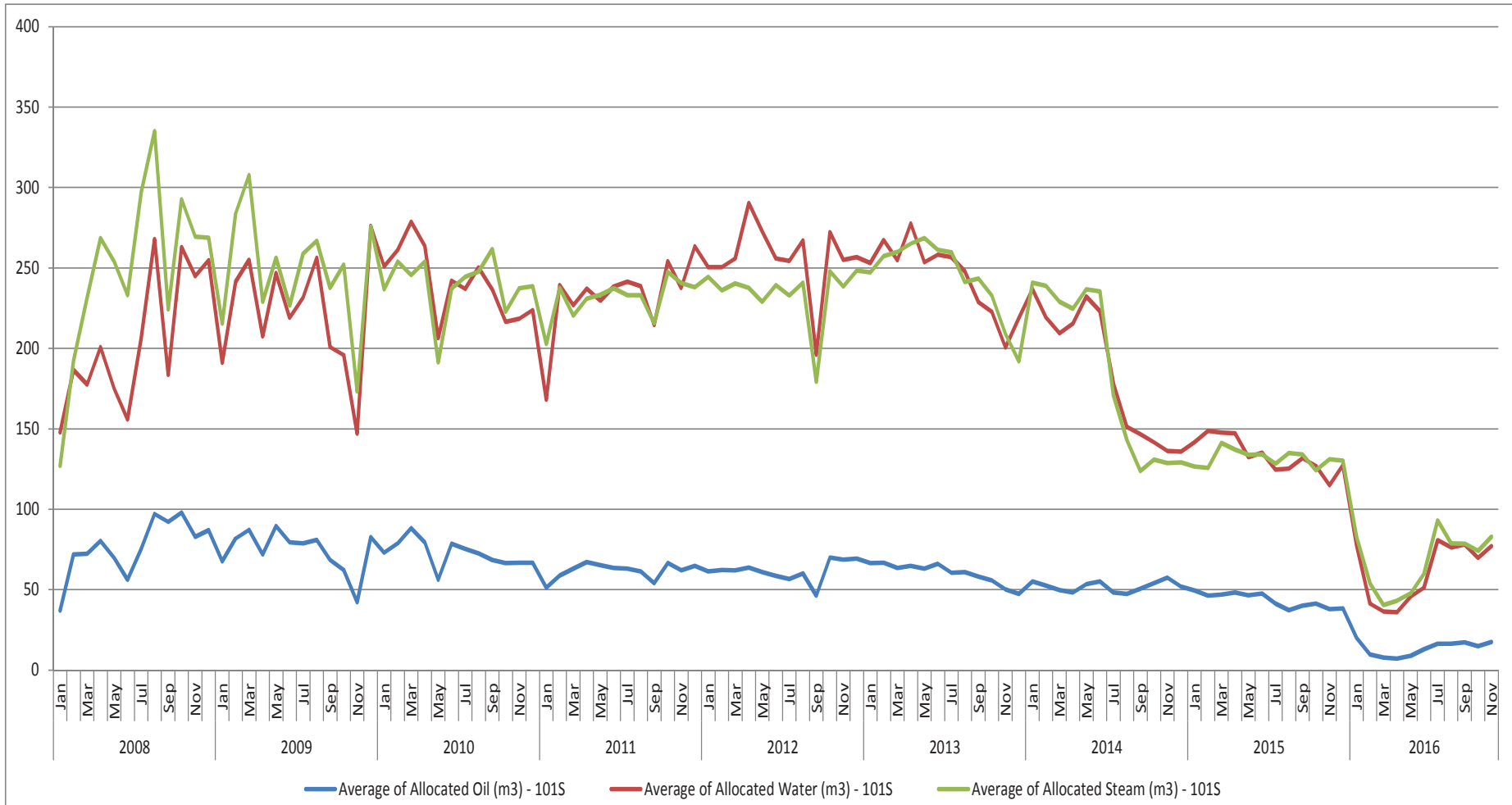
Algar Performance



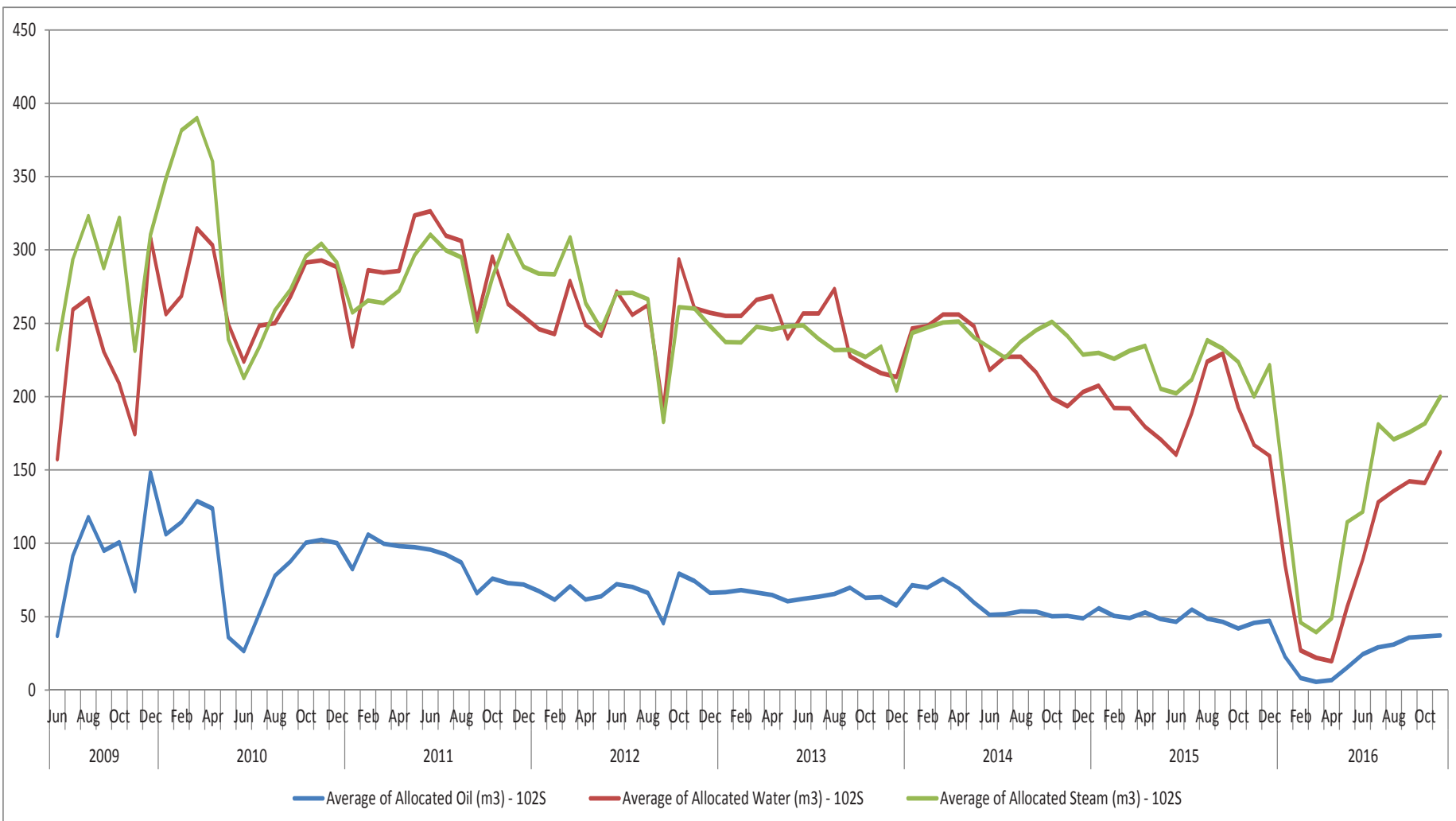
Pod One - Pad 101N Production



Pod One Pad 101S Production



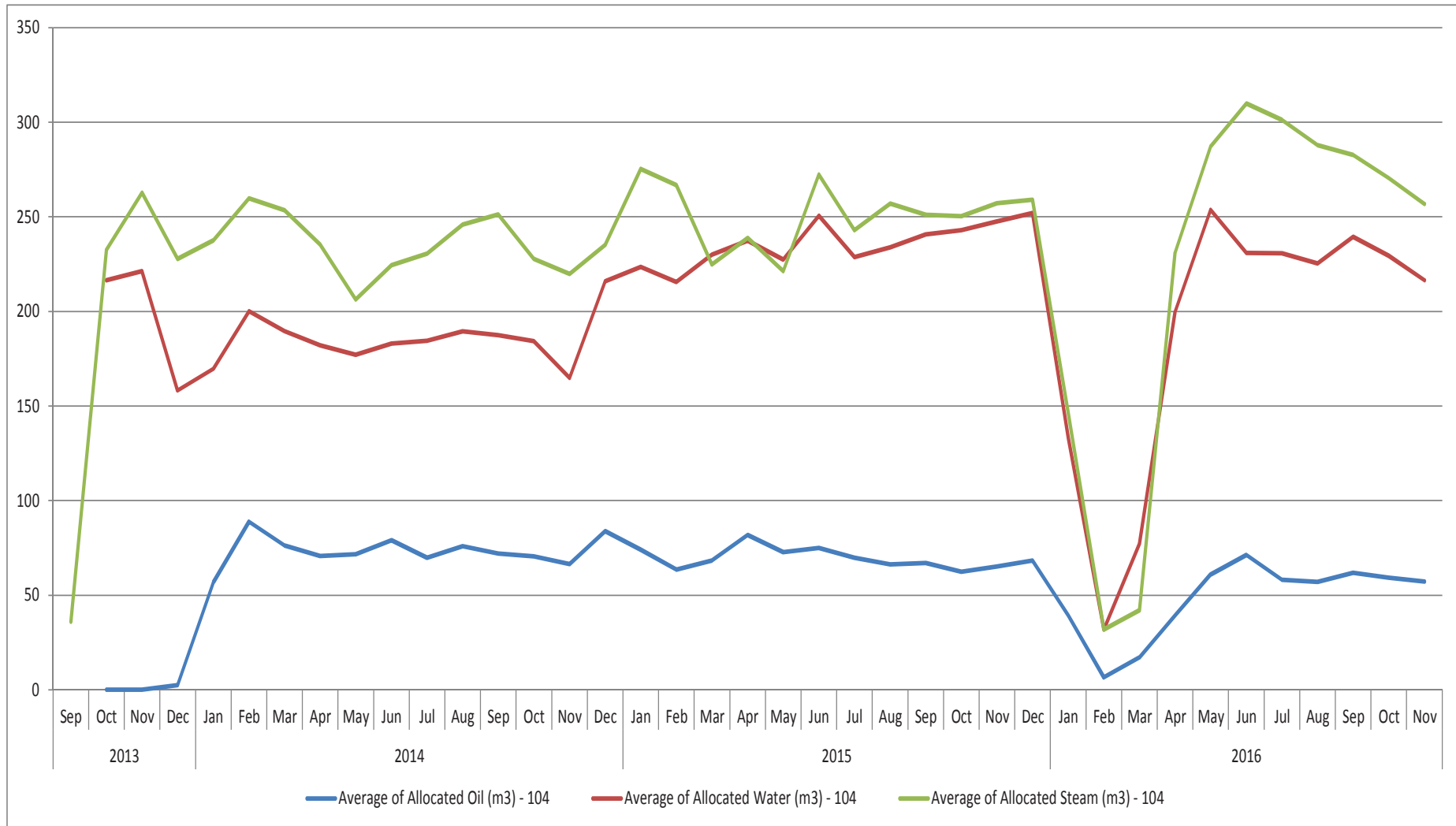
Pod One Pad 102S Production



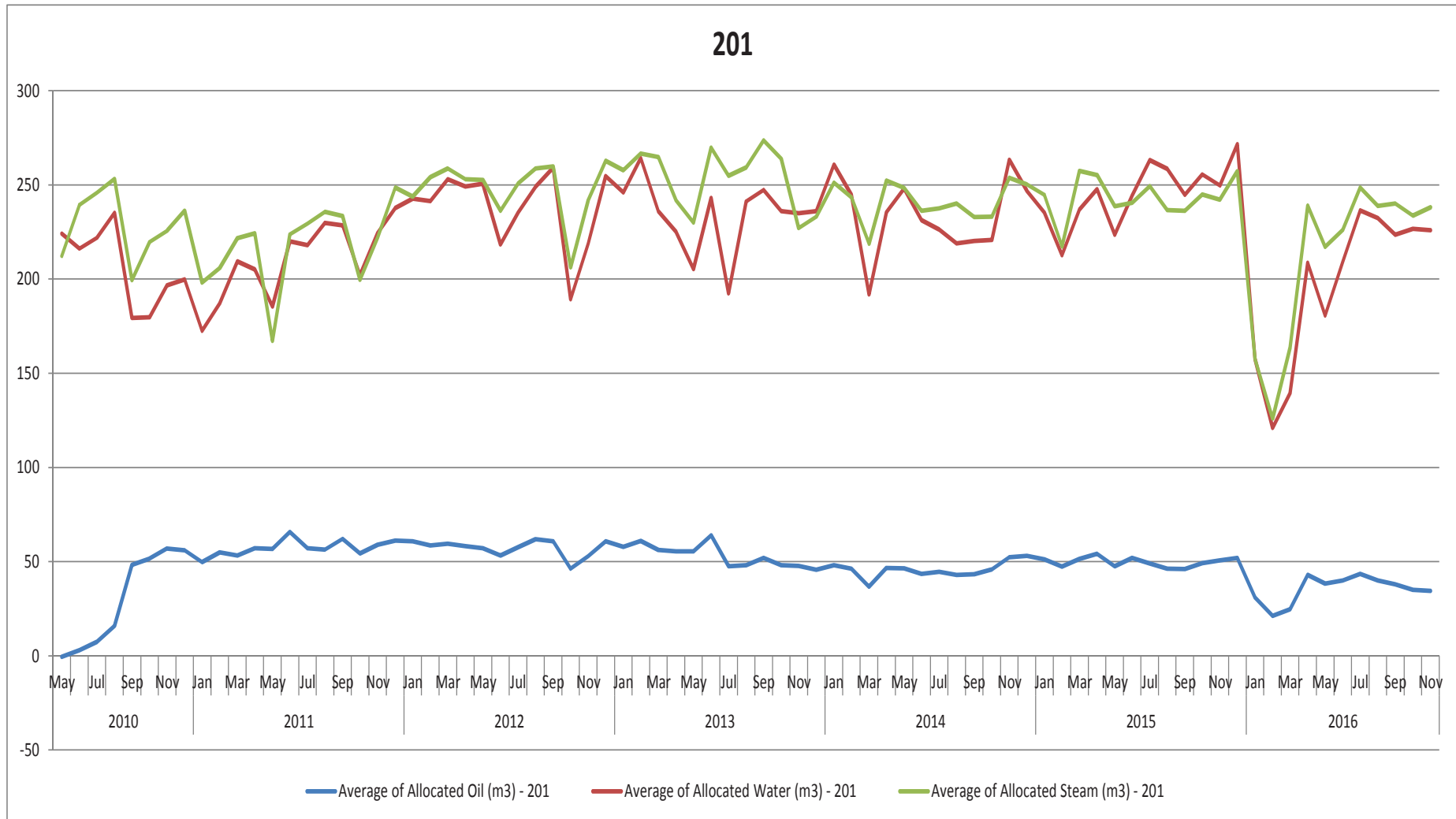
Pod One Pad 102W Production



Pod One Pad 104 Production

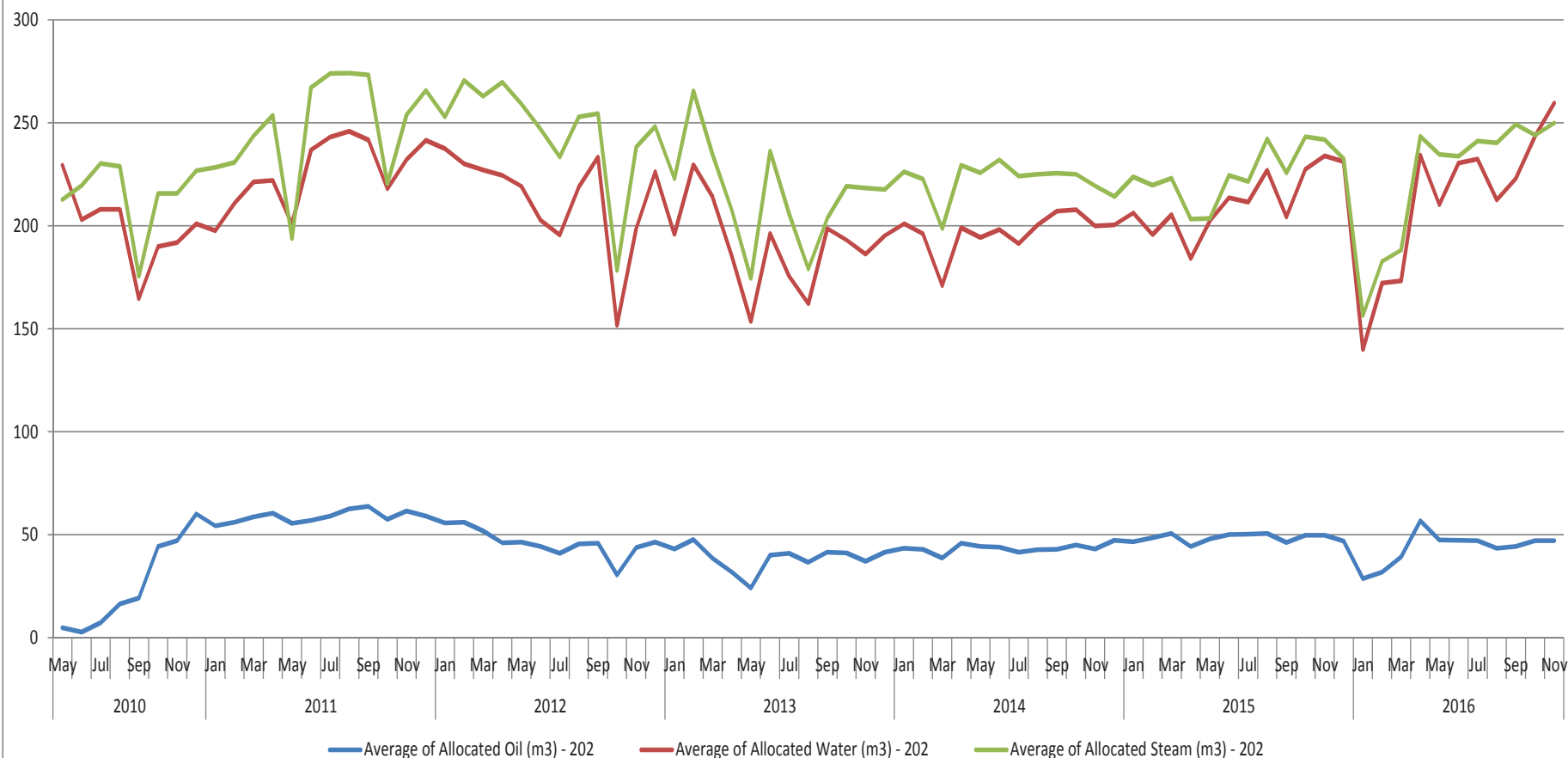


Algar - Pad 201 Production

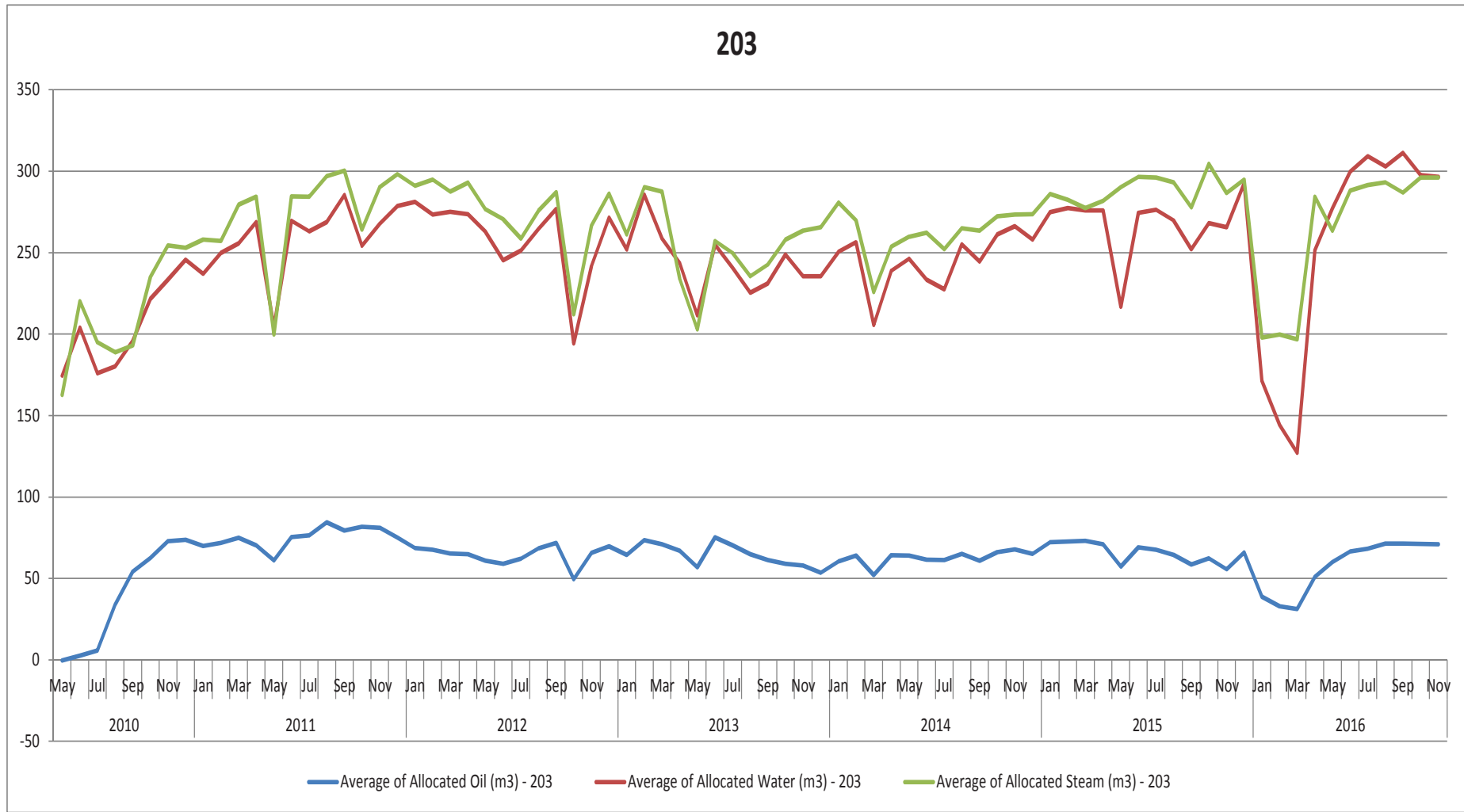


Algar Pad 202 Production

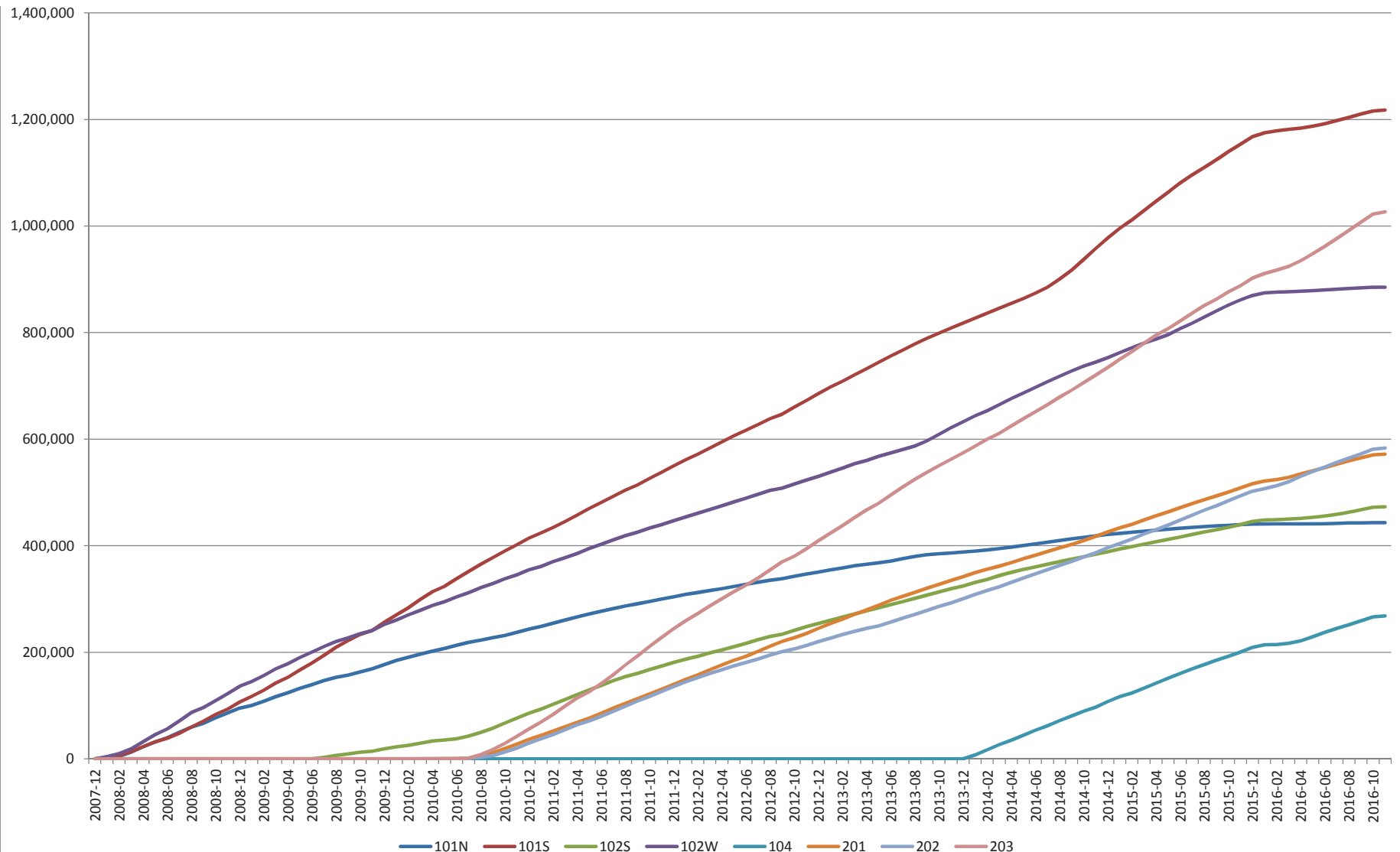
202



Algar Pad 203 Production



Great Divide Performance - Cumulative Production by Pad

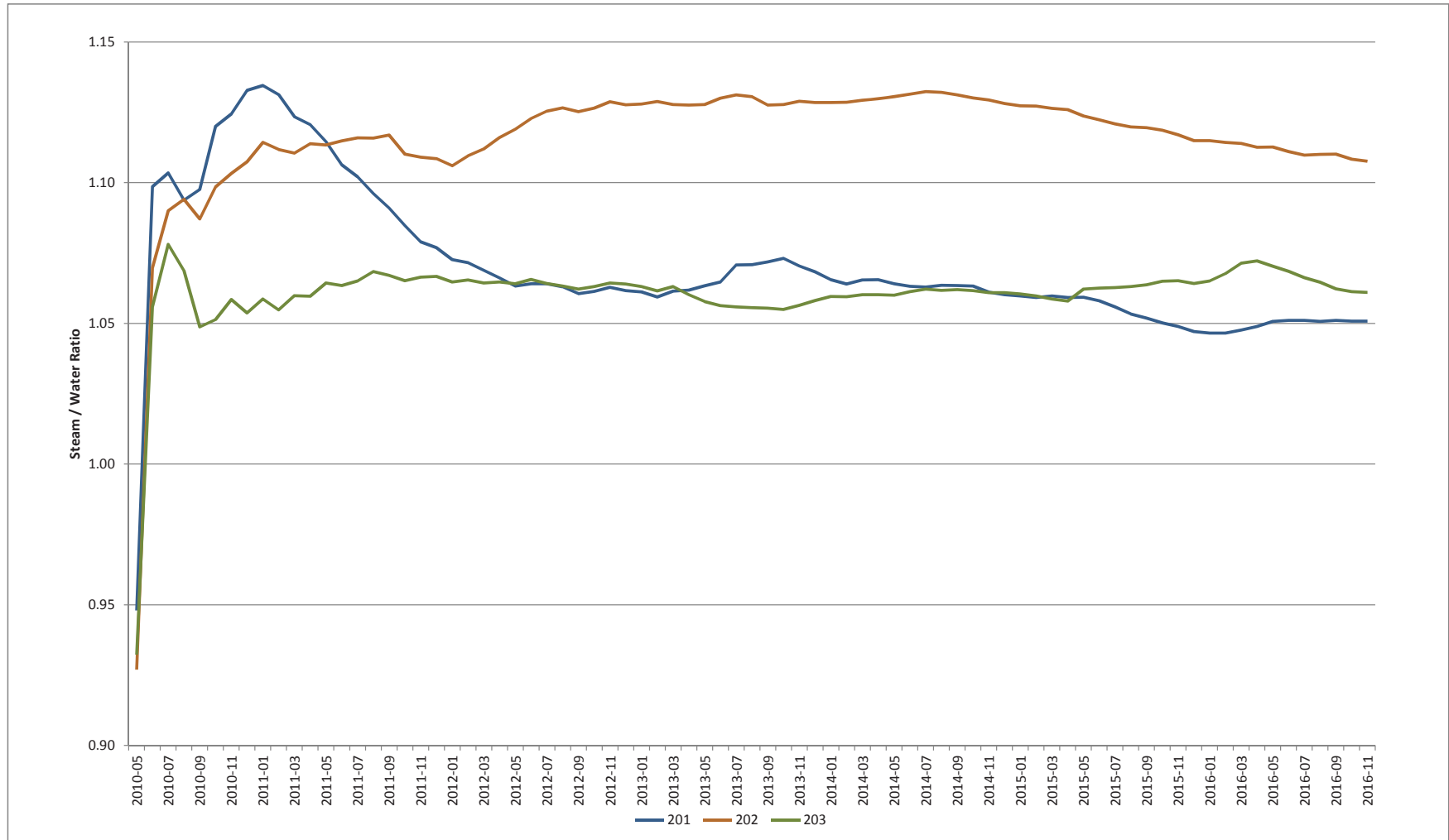




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Algar Performance - Steam/Water Ratio by Pad



Pod One Performance - Well Summary

Well Pad	Well Pair	Date	Months On	Cum Oil m3	Cum Steam m3	Oil Rate (m3/day)	CSOR	Lift	Comments
101N	101-01	Sep-2016	109	90,674	436,980	0		Rod Pump	North Pad, Channel Edge, Blowdown
101N	101-02	Sep-2016	109	78,888	429,657	0		Rod Pump	North Pad, Channel Edge, Blowdown
101N	101-03	Sep-2016	109	65,631	330,689	0		Rod Pump	North Pad, Channel Edge, Blowdown
101N	101-04	Sep-2016	109	108,631	465,669	17.28		Rod Pump	North Pad, Channel Edge, Blowdown
101N	101-05	Sep-2016	109	104,133	416,764	4.80		Metal PCP	North Pad, Channel Edge, Blowdown
101S	101-06	Sep-2016	109	122,680	551,806	3.16		Rod Pump	Average Well, Channel Edge
101S	101-07	Sep-2016	109	114,183	582,124	2.21		Rod Pump	Average Well, Channel Edge
101S	101-08	Sep-2016	109	238,724	844,262	0		ESP	Good Well in Good Pay
101S	101-09	Sep-2016	109	157,638	690,610	0		ESP	Good Well in Good Pay
101S	101-10	Sep-2016	109	189,091	748,670	3.35		ESP	Good Well in Good Pay
101S	101-11	Sep-2016	90	201,267	837,589	6.50		ESP	Good Well in Good Pay
101S	101-INF7	Sep-2016	13	4,135	3,815	0		Rod Pump	Too early
101S	101-INF8	Sep-2016	25	36,591	0	0		Rod Pump	Good well in Good Pay
101S	101-INF9	Sep-2016	27	38,256	980	0		Rod Pump	Good Well in Good Pay
101S	101-INF10	Sep-2016	27	31,771	2,557	0		Rod Pump	Good Well in Good Pay
101S	101-INF11	Sep-2016	26	34,664	457	0		Rod Pump	Good Well in Good Pay
101S	101-INF12	Sep-2016	26	44,507	1,184	10.99		Rod Pump	Good Well in Good Pay

Pod One Performance Well Summary (2)

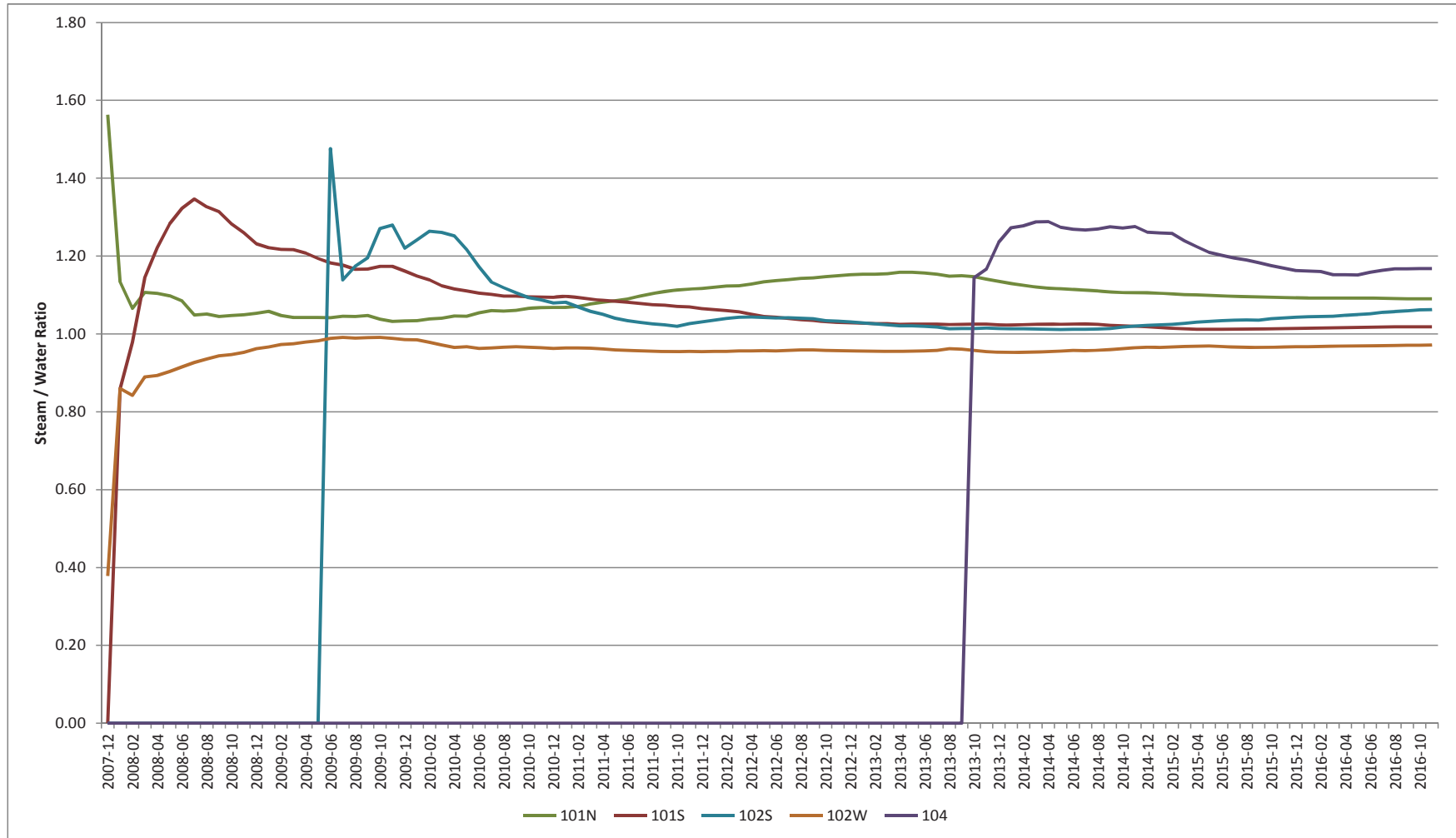
Well Pad	Well Pair	Date	Months On	Cum Oil m3	Cum Steam m3	Oil Rate (m3/day)	CSOR	Lift	Comments
102W	102-01	Sep-2016	109	147,095	603,907	0	4.11	Rod Pump	Average Well, Crosses Channel
102W	102-02	Sep-2016	109	130,554	585,835	0	4.49	Rod Pump	Average Well, Crosses Channel
102W	102-03	Sep-2016	109	131,030	602,690	0	4.60	Rod Pump	Average Well, Crosses Channel
102W	102-04	Sep-2016	109	151,121	628,561	0	4.16	ESP	Average Well, Crosses Channel
102W	102-05	Sep-2016	109	156,168	702,686	3.86	4.50	ESP	Average Well, Crosses Channel
102S	102-12	Sep-2016	90	240,653	834,279	5.81	3.47	ESP	Good Well in Good Pay
102S	102-13	Sep-2016	78	100,344	410,623	0	4.09	ESP	Average Well, Channel Edge
102S	102-14	Sep-2016	77	121,497	495,515	6.22	4.08	ESP	Average Well, Channel Edge
102W	102-INF02	Sep-2016	38	25,903	3,185	0	0.12	Rod Pump	Average Well, Crosses Channel
102W	102-INF03	Sep-2016	39	42,228	5,403	0	0.13	Rod Pump	Average Well, Crosses Channel
102W	102-INF04	Sep-2016	39	40,796	7,287	0	0.18	Rod Pump	Average Well, Crosses Channel
102W	102-INF05	Sep-2016	39	35,384	5,534	0	0.16	Rod Pump	Average Well, Crosses Channel
102W	102-INF06	Sep-2016	17	24,401	1,266	6.71	0.05		Good Well in Good Pay
102W	102-INF13	Sep-2016	12	4,129	1,601	0	0.39		
104S	104-03	Sep-2016	37	86,550	280,622	5.35	3.24	Gas Lift	Good Well, thief zone impacts
104S	104-04	Sep-2016	37	63,453	226,445	7.04	3.57	ESP	Good Well, thief zone impacts
104S	104-05	Sep-2016	37	65,328	252,406	5.5	3.86	Gas Lift	Good Well, thief zone impacts
104S	104-06	Sep-2016	37	39,530	163,170	8.28	4.13	ESP	Average Well, thief zone impacts

Algar Performance - Well Summary

Well Pad	Well Pair	Date	Months On	Cum Oil m3	Cum Steam m3	Oil Rate (m3/day)	CSOR	Lift	Comments
201	201-01	Sep-2016	77	179,743	798,743	80.33	4.44	Gas Lift	Good Well, Good Pay, BW
201	201-02	Sep-2016	77	171,255	722,774	72.81	4.22	Gas Lift	Good Well, Good Pay, BW
201	201-03	Sep-2016	77	62,671	366,198	9.13	5.84	Rod Pump	Intermittent, Sand Issues, BW
201	201-04	Sep-2016	77	72,370	387,820	14.75	5.36	Rod Pump	BW / Evaluating Pump Strategy
201	201-05	Sep-2016	77	67,202	398,956	17.21	5.94	Rod Pump	BW / Evaluating Pump Strategy
202	202-01	Sep-2016	77	60,183	207,673	38.66	3.45	Gas Lift	Edge Well
202	202-01-1	Sep-2016	42	69,907	392,079	54.09	5.61	Gas Lift	Good Well in Good Pay
202	202-02	Sep-2016	77	139,345	619,995	57.91	4.45	Gas Lift	Good Well in Good Pay
202	202-03	Sep-2016	77	87,220	479,426	38.30	5.50	Gas Lift	Average Well, BW
202	202-04	Sep-2016	77	84,624	485,032	45.09	5.73	Gas Lift	Average well, BW
202	202-05	Sep-2016	77	116,246	632,663	32.88	5.44	Gas Lift	Good Well in Good Pay
203	203-01	Sep-2016	77	148,726	548,342	66.00	3.69	Gas Lift	Average Well, Good Pay, Edge
203	203-02	Sep-2016	77	158,022	579,593	77.80	3.67	Gas Lift	Good Well in Good Pay
203	203-03	Sep-2016	77	139,804	608,025	75.70	4.35	Gas Lift	Good Well in Good Pay
203	203-04	Sep-2016	77	150,596	618,421	85.65	4.11	Gas Lift	Good Well in Good Pay
203	203-05	Sep-2016	77	180,020	721,678	88.27	4.01	Gas Lift	Good Well in Good Pay
203	203-06	Sep-2016	77	128,011	572,492	74.48	4.47	Gas Lift	Average Well, Near Edge
203	203-07	Sep-2016	77	80,603	456,479	35.33	5.66	Gas Lift	Edge Well, Delayed Start Up

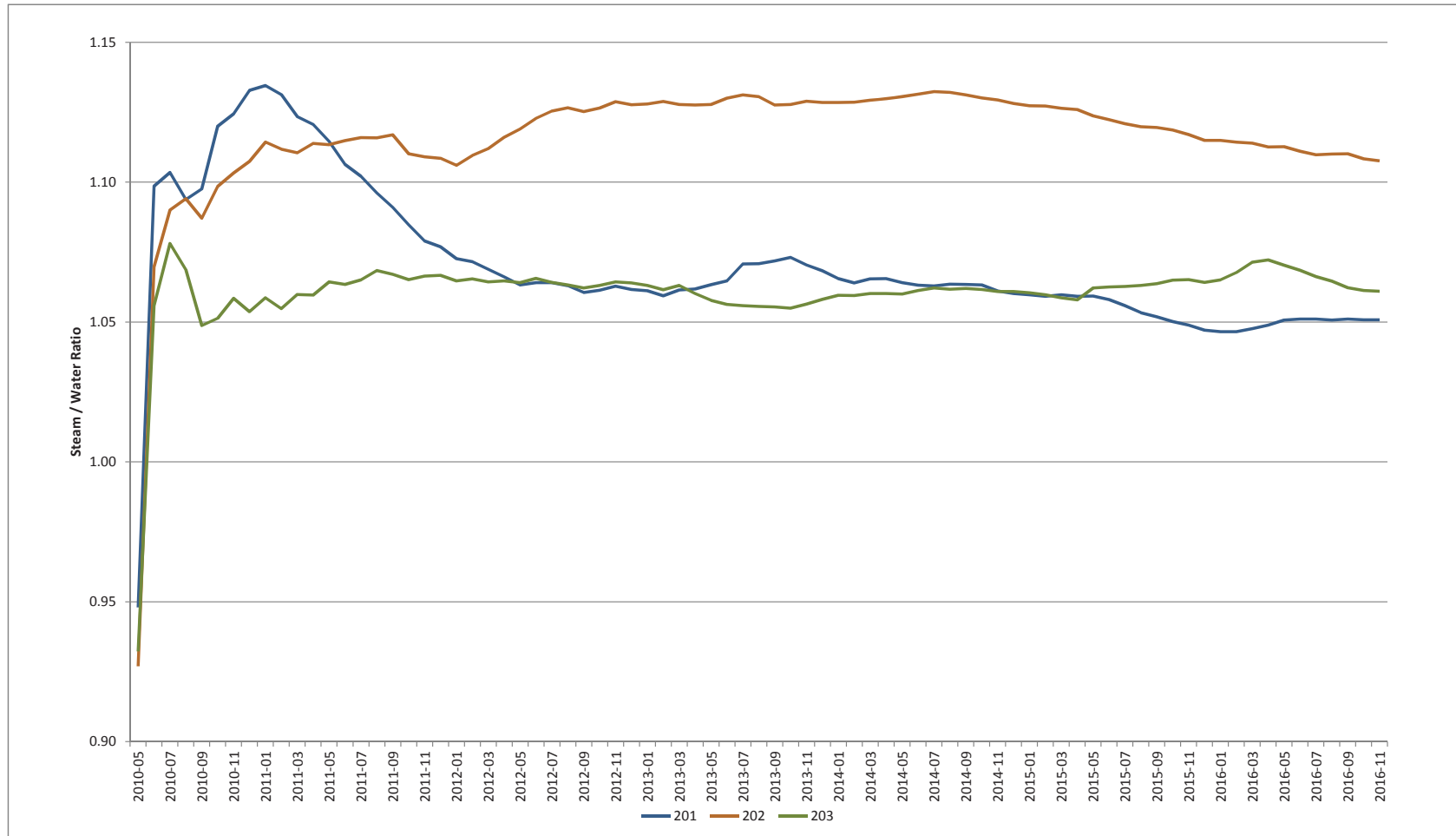
Pod One - Water Balance

Cumulative Steam In / Water Produced

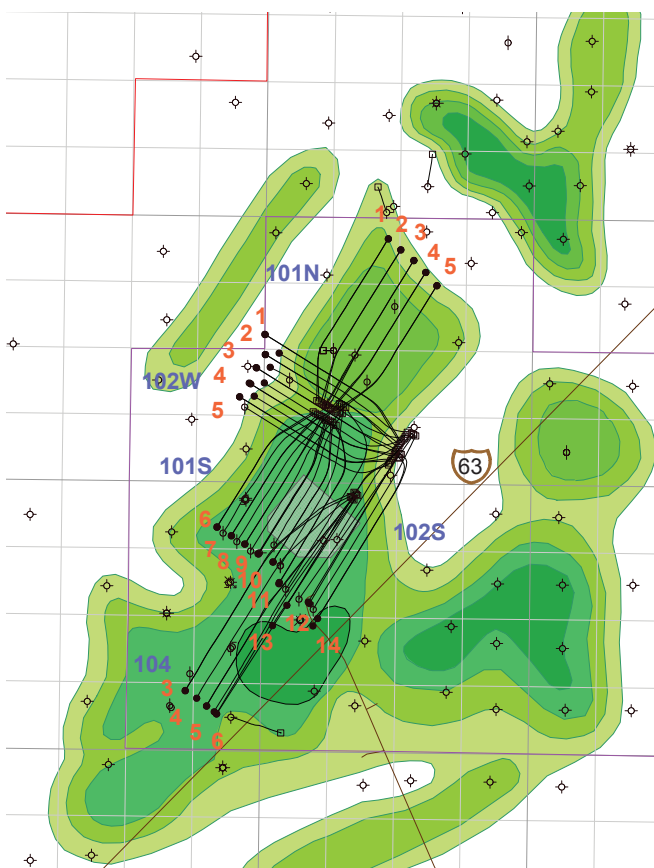


Algar - Water Balance

Cumulative Steam In / Water Produced



Pod One - Recoverable Bitumen By Pad



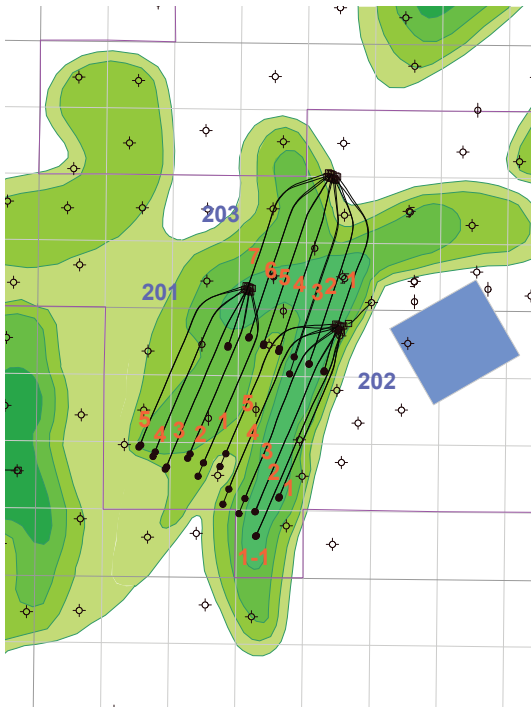
Pads	Area (ha)	Avg Porosity (%)	Avg Oil Sat (%)	Avg Net Pay (m)	Pad OBIP (e ³ m ³)	Est Pad Rec (%)	Est Pad Rec (e ³ m ³)	To date Pad Rec (e ³ m ³)	Recovery to Sept 2016 (%)
101N	29.6	33	74	18.0	1,300	32	416	460	35.4
101S	32.6	33	80	20.0	1,720	55	950	1,214	70.6
102W	31.6	33	80	17.0	1,420	50	710	885	62.3
102S	32.7	33	80	19.0	1,640	55	900	467	28.5
104	70.9	33	80	21.5	4,020	55	2,210	255	6.3

Notes:

1. Pad 101N only 101-04 and 101-05 are producing
2. Additional of estimated infill recoveries of approximately 8% for Pads 101S, 102W, 102S, and 104
3. Estimated Pad Recovery is based on the basic SAGD process
4. Pad 101N injectors were plugged back approximately 1/3 back from well toes
5. Initial Pad recoveries are proving to be on the conservative side

Algar - Recoverable Bitumen by Pad

Pads	Area (ha)	Avg Porosity (%)	Avg Oil Sat (%)	Avg Net Pay (m)	Pad OBIP (e ³ m ³)	Est Pad Rec (%)	Est Pad Rec (e ³ m ³)	To date Pad Rec (e ³ m ³)	Recovery to Sept 2016 (%)
201	47.1	33	75	19	1,930	55	1,060	553	28.7
202	45.6	33	75	18	1,890	55	1,100	558	29.5
203	56.7	33	75	22	3,040	55	1,670	986	32.4



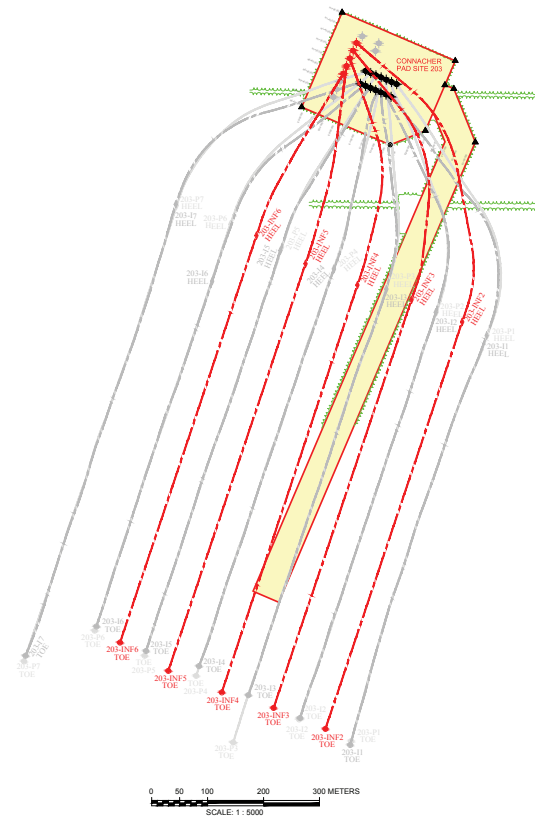
Notes:

1. Pad 203 has completed SAGD+[®] on a trial basis. Reserves will be adjusted when the commercial project begins. An additional recovery between 5 to 8% of the OBIP is estimated.
2. Estimated Pad Recovery is based on the basic SAGD process.

Subsurface - Future Plans

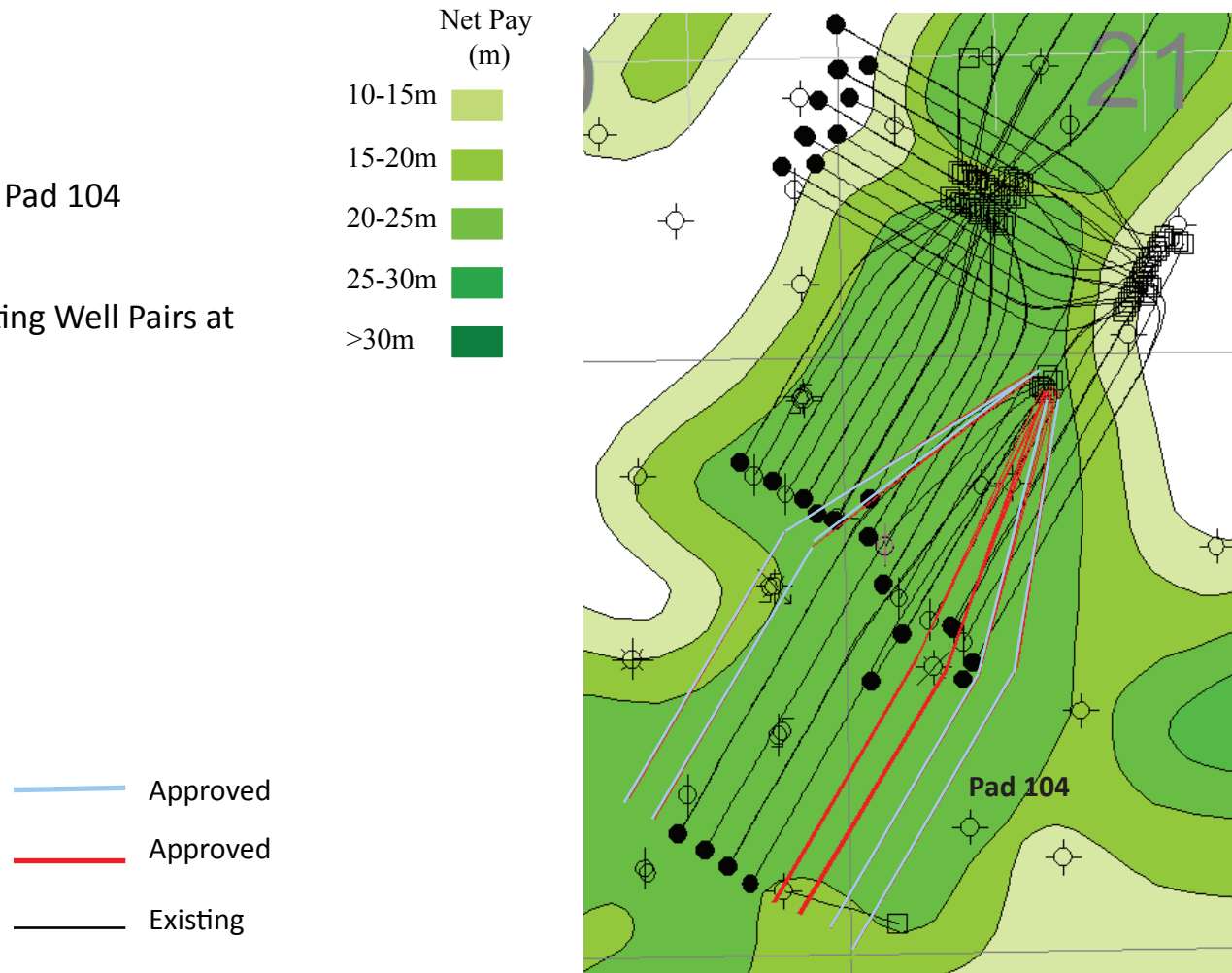
Algar - Pad 203 Infills

- Commercial Scheme Approval 10587Q
- 5 Infills Approved at Pad 203

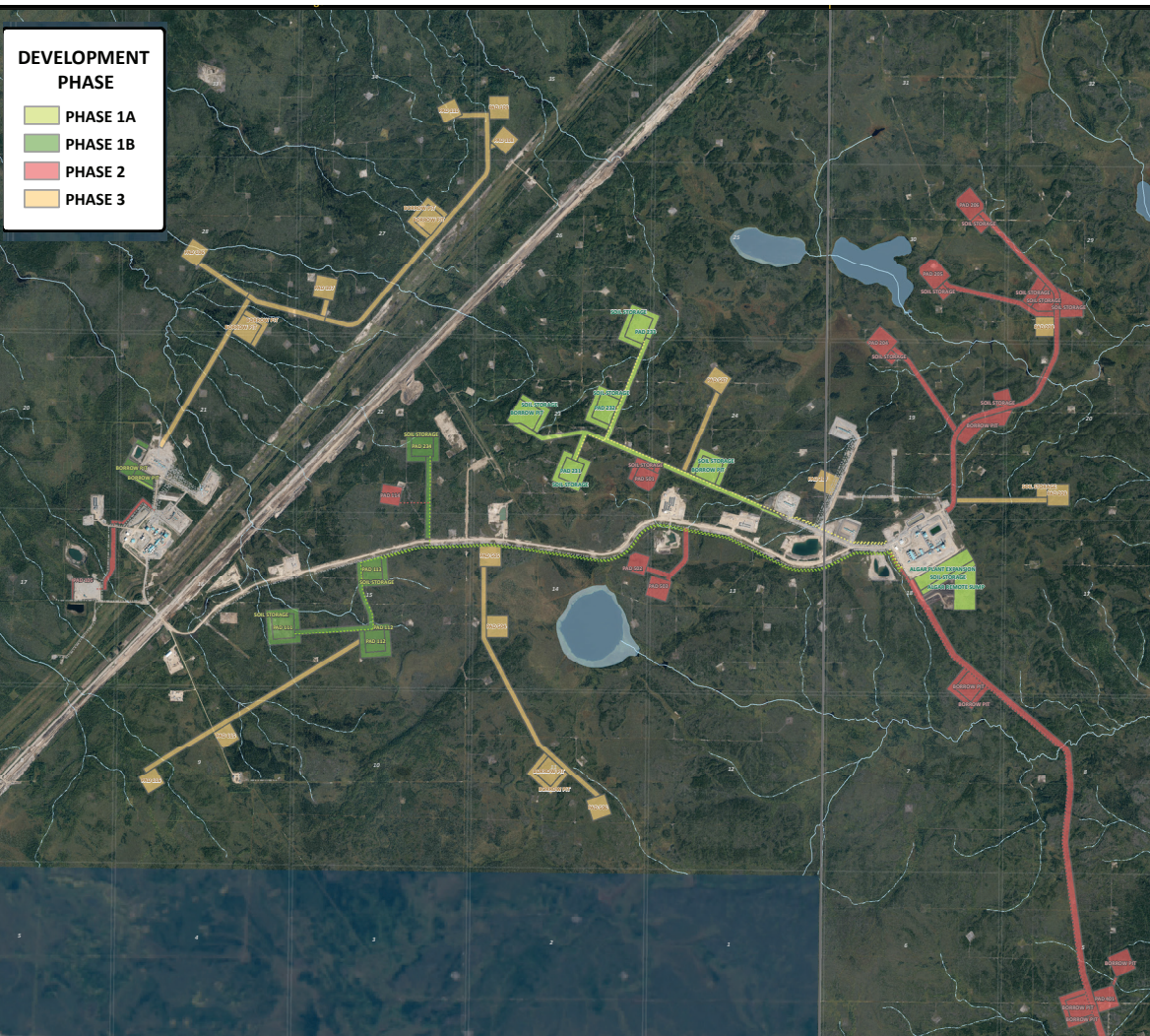


Pod One - Pad 104 Well Pairs

- 10 Well Pair Approved for Pad 104 (Approval 10587H)
- Currently there are 4 existing Well Pairs at Pad 104



Great Divide SAGD Expansion Project



- EIA Deemed Complete
- Commercial Scheme Approval Received September, 2012
- EPEA Approval Amendment Received December, 2013
- Approved for expansion to 44,000 bbl/day

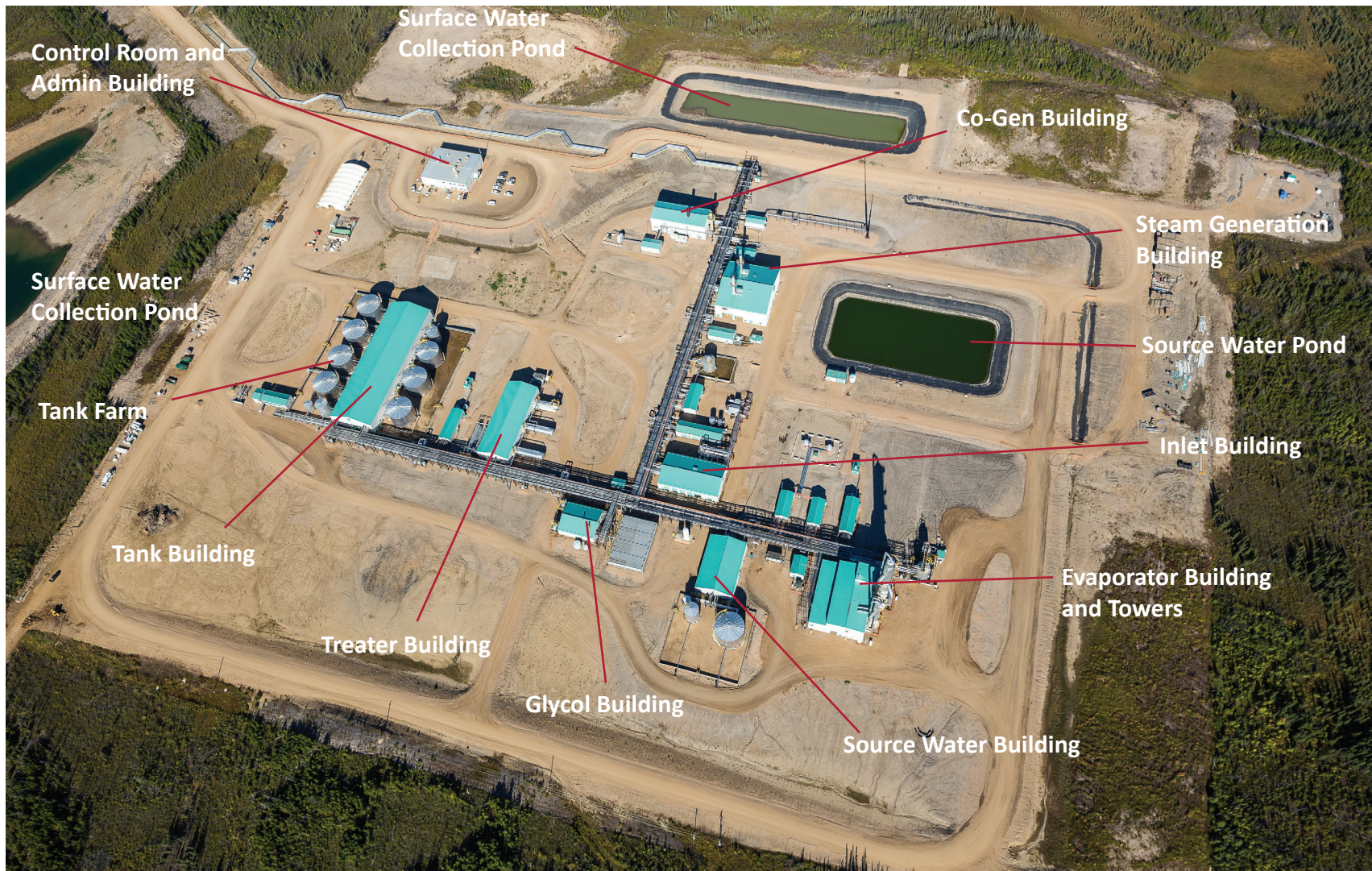
Surface - Facilities



Pod One Plant



Algar Plant



Key Points

Design Capacity ~ 1,600 m³/day bitumen

Steam Generation: Drum boilers

Operating pressure 6,300 kPa

Deliver 4,300 m³/day steam @ 98% + Quality

Treating: Diluent addition

Water Recycle: IGF, WS Filter, Two vertical tube falling film evaporator towers

Waste Water: Waste water shipped to Algar 2nd Stage Evaporators

Source water: 3 operating source water wells in the Lower Grand Rapids formation, 1 other source water well approved

Key Points

Design Capacity ~ 1,600 m³/day bitumen

Steam Generation: Drum boilers

Operating pressure 6,700 kPa

Deliver 4,800 m³/day steam @ 98% + Quality

Treating: Diluent addition

Water Recycle: IGF, WS Filter, Two vertical tube falling film evaporator towers

Waste Water: All water shipped from facility to approved disposal sites

Source water: 3 operating source water wells in the Lower Grand Rapids formation, 1 other source water well approved

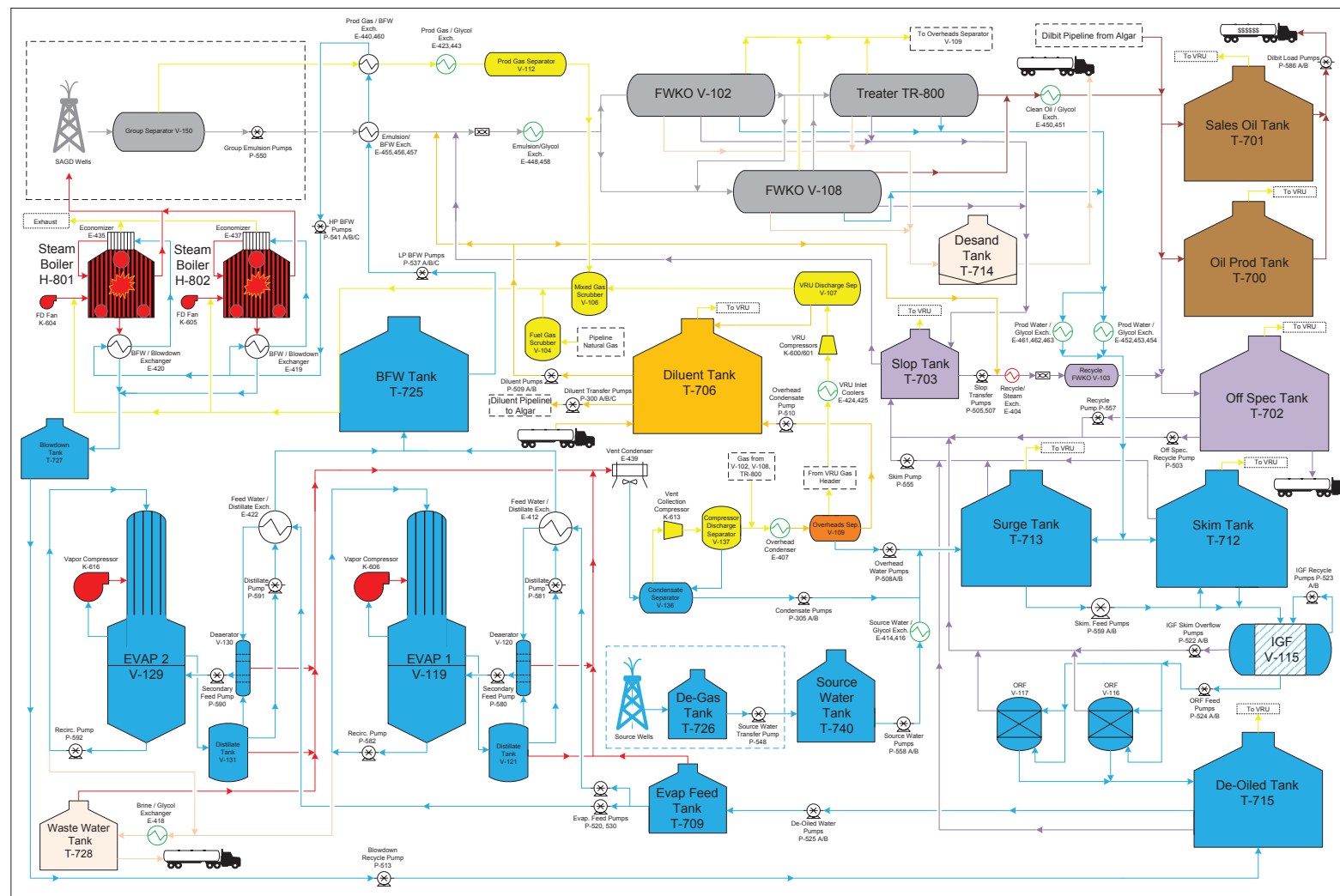
Pod One

- Re-rated temperature and pressure of inlet exchangers
- Started injecting oxygen scavenger into source water piping
- Recycling off-spec oil to front end via P- 503 and P-557
- Installed a bulk phosphate tank
- Upgraded corroded steel piping to stainless steel at the inlet of V-104 fuel gas separator

Algar

- Installed a bulk phosphate tank
- Decommissioned peroxide skid

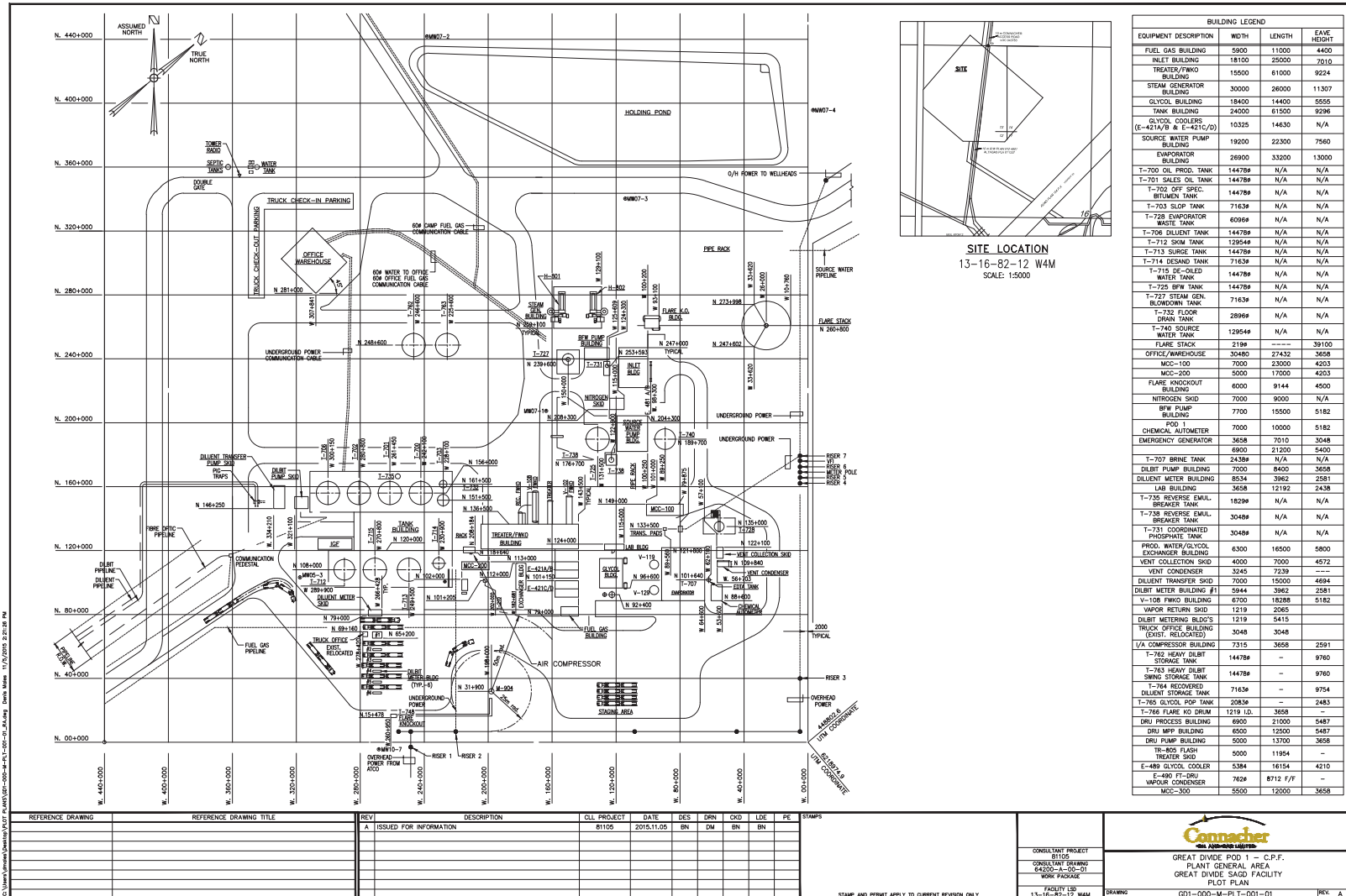
Pod One Process Schematic



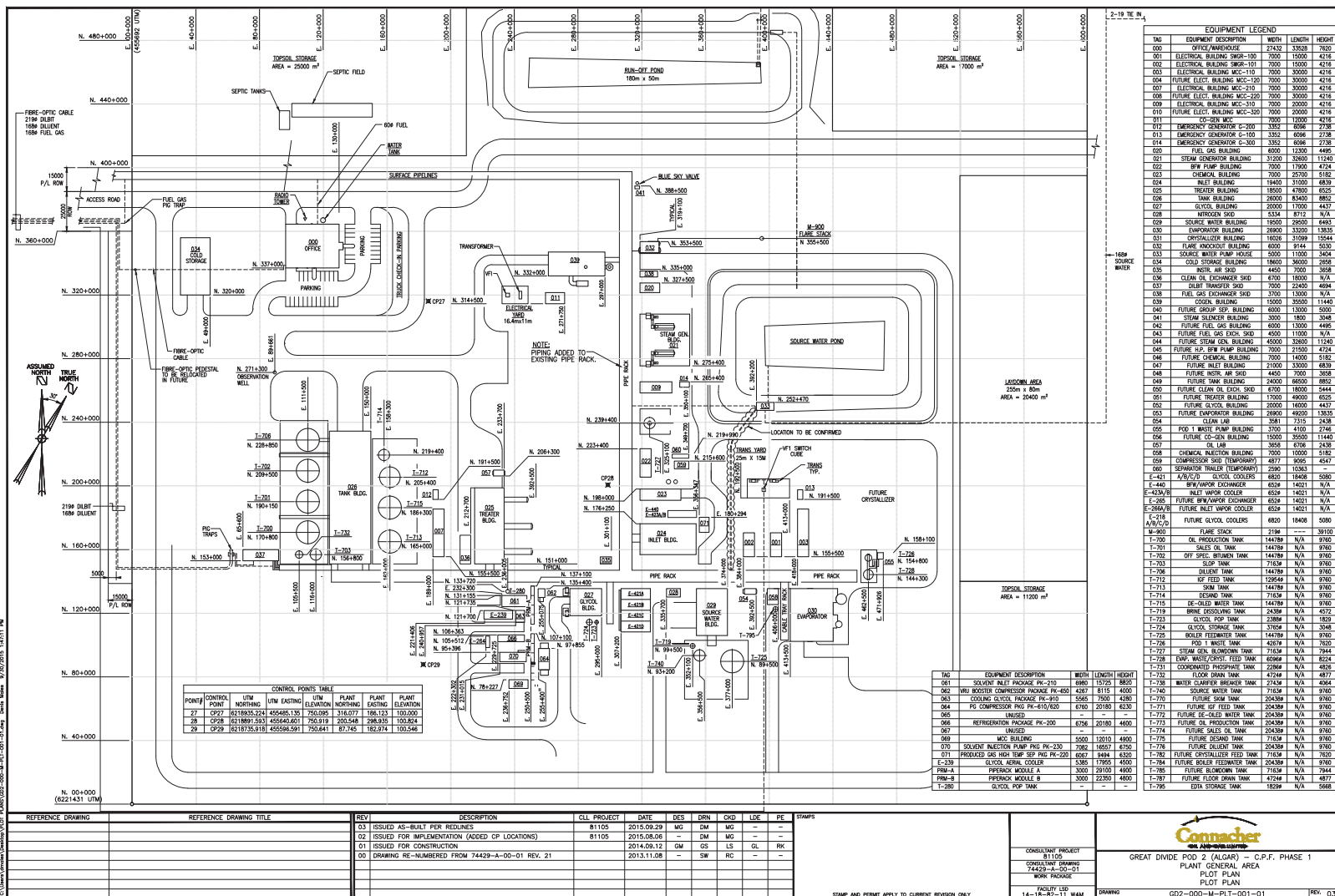
Great Divide SAGD Facilities - 10587



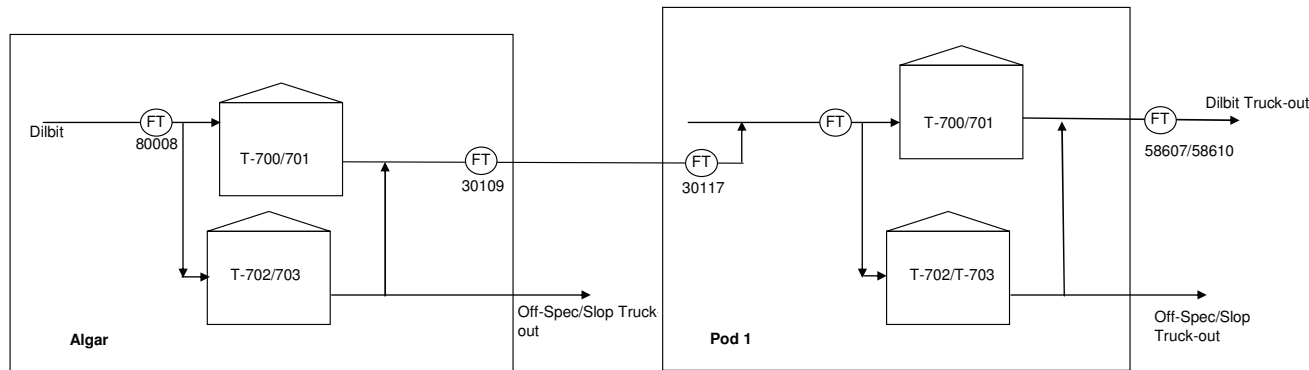
Pod One Plant Layout



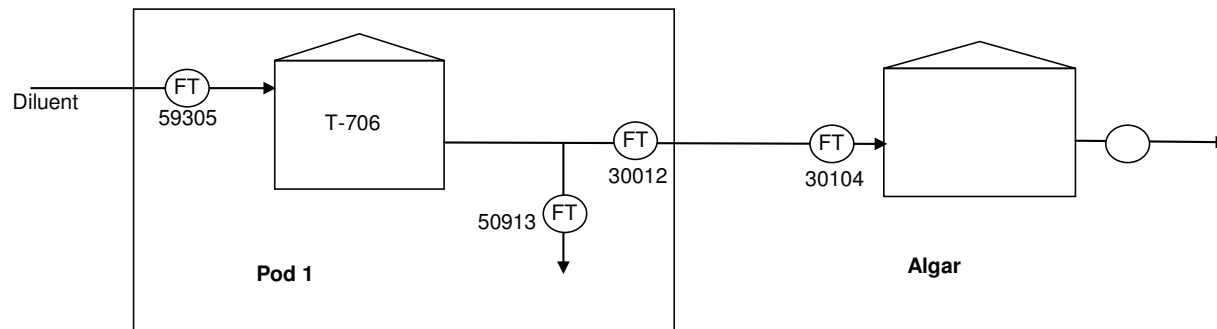
Algar Plant Layout



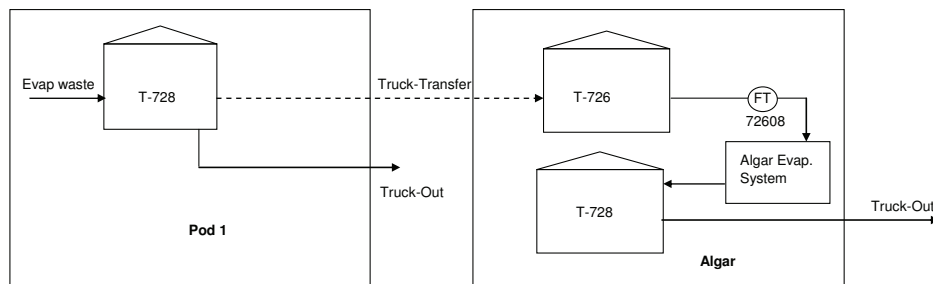
Pod One and Algar Integration



Dilbit



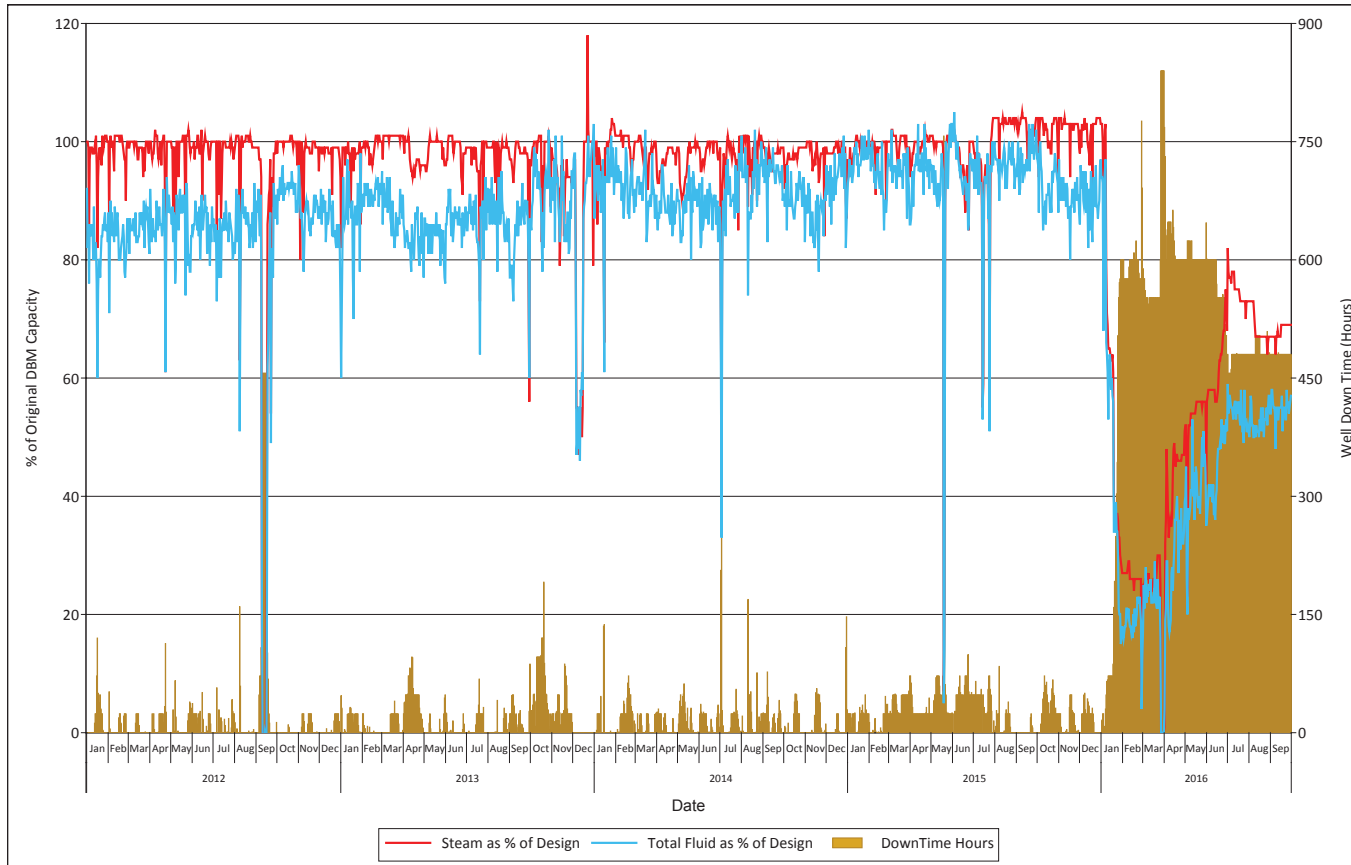
Diluent



Evap Waste

Surface - Facility Performance

Pod One CPF Performance



The reliability considers the two steam Boilers at the plant.

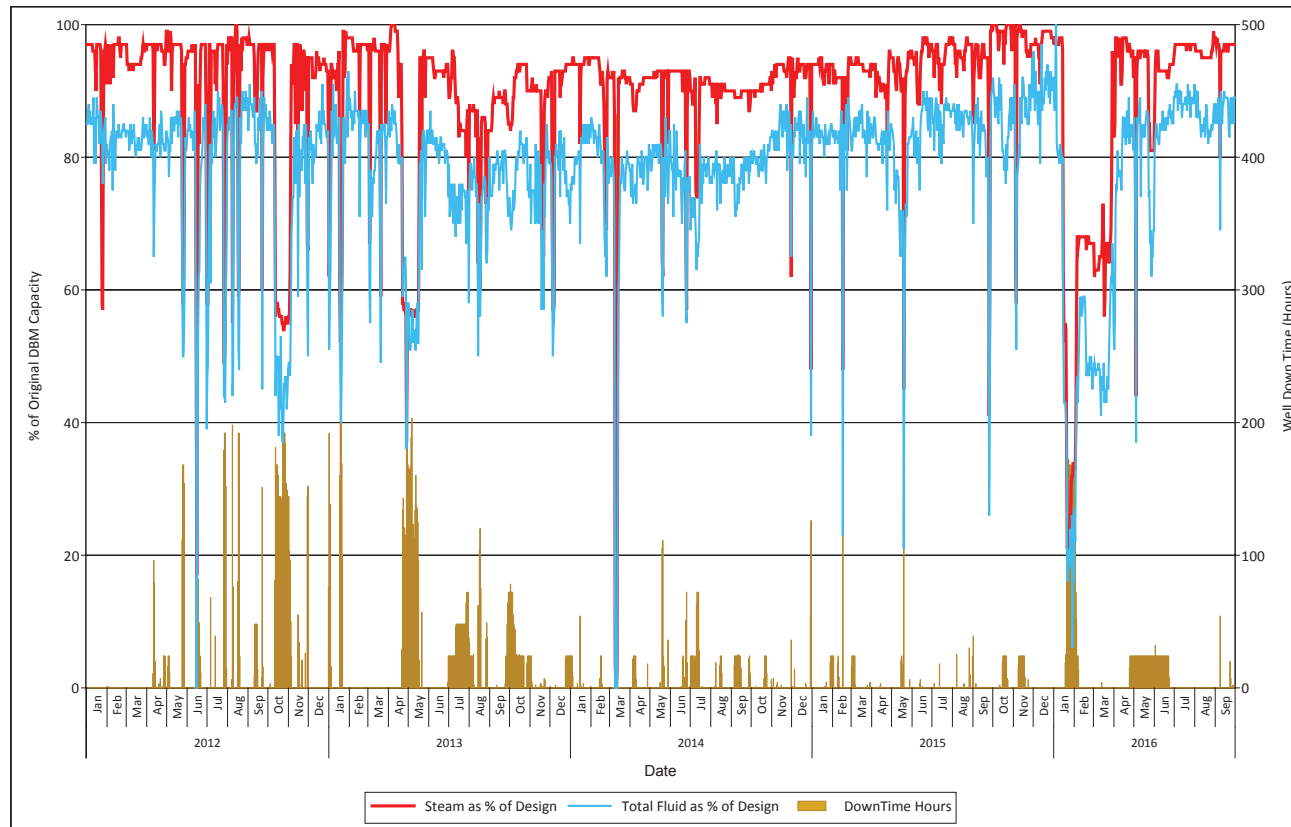
For the period October 1, 2015 to September 30, 2016 the steam plant has averaged 65.69% of the original design basis (4,320 m³ /day) and 54.02% of the designed total fluid capacity (5,920 m³/day).

This performance compares to the previous 12 months. Which had a steam generation of 98.8% and a total fluid throughput of 94.04% of plant design capacity.

Reliability has been maintained in all areas of the operation

Downtime Hours is the reported downtime for the Well Pairs.

Algar CPF Performance



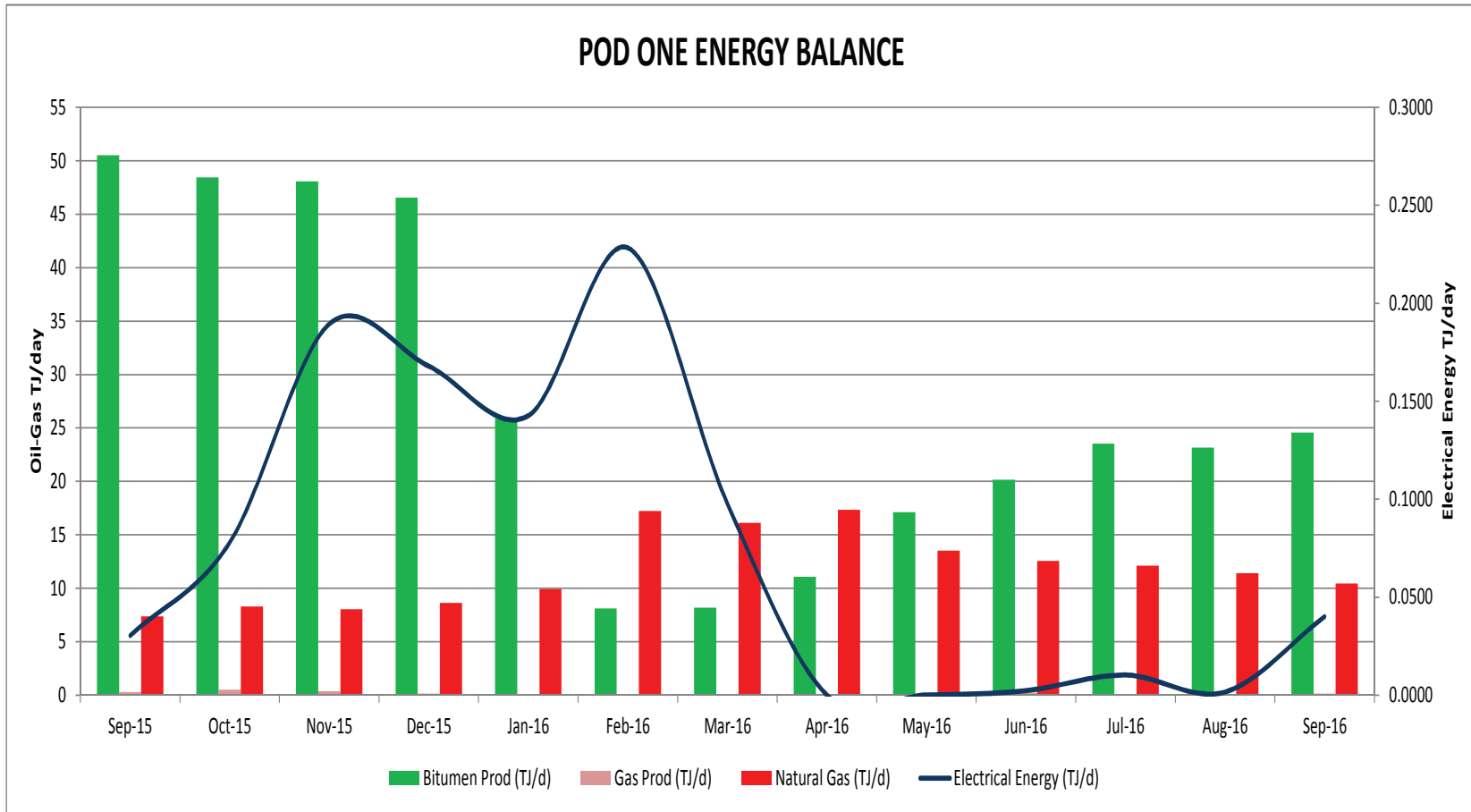
The reliability considers the two steam Boilers at the plant. The Cogen steam is not included.

For the 12 months from October 1 2015, to the of September 30, 2016 the steam plant output has averaged 79.46% of the original design basis (4800 m³ /day) and 76.85% of the designed total fluid handling capacity (6400 m³/day).

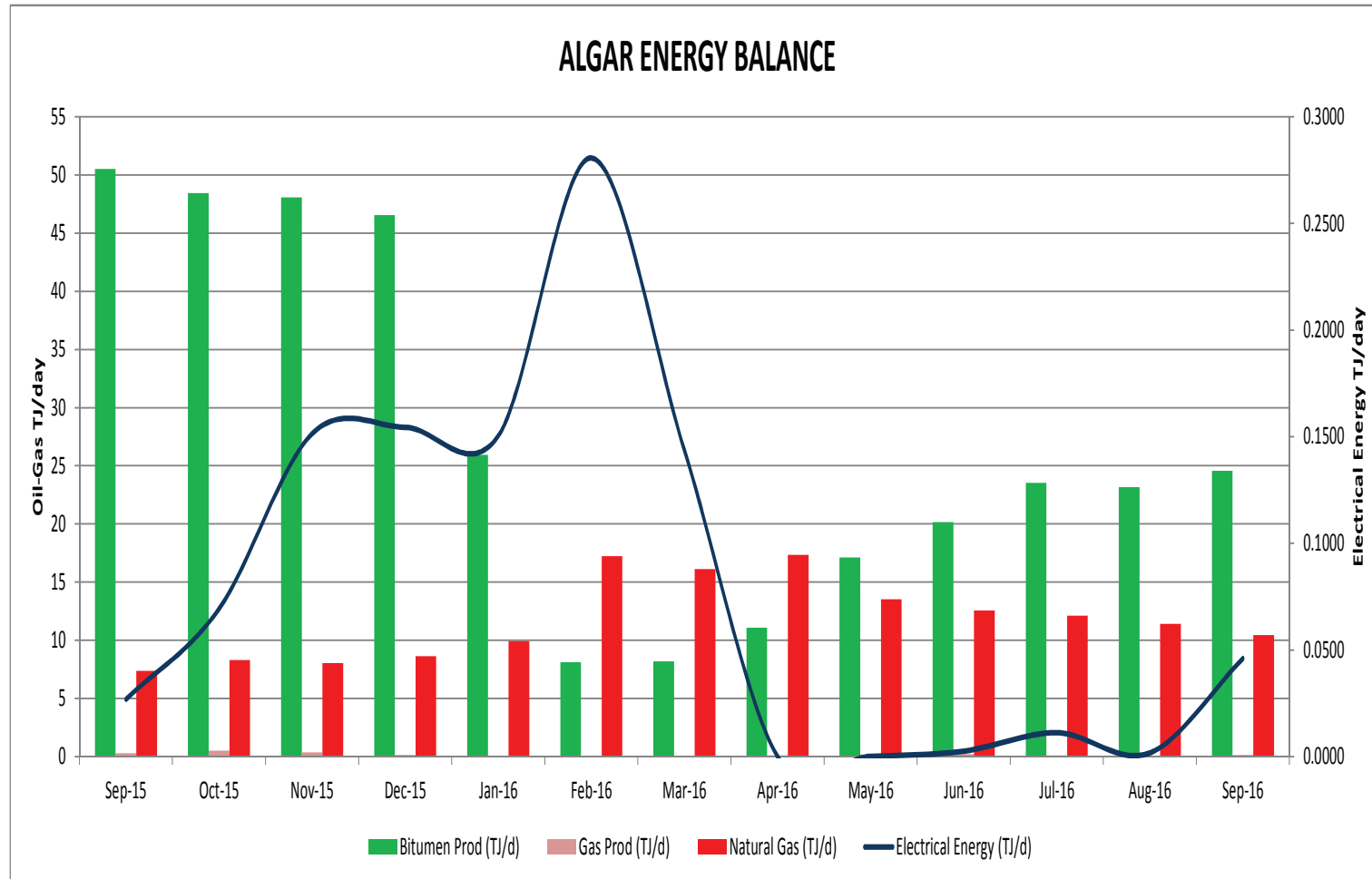
This performance compares to the previous 12 months which had a steam generation of 82.43% and total fluid throughput of 82.73% of plant design capacity.

Downtime Hours is the reported downtime for the Well Pairs.

Pod One Energy Balance



Greenhouse Gas Emissions Reported for December, 2015 = 228,000 t CO₂ equivalent



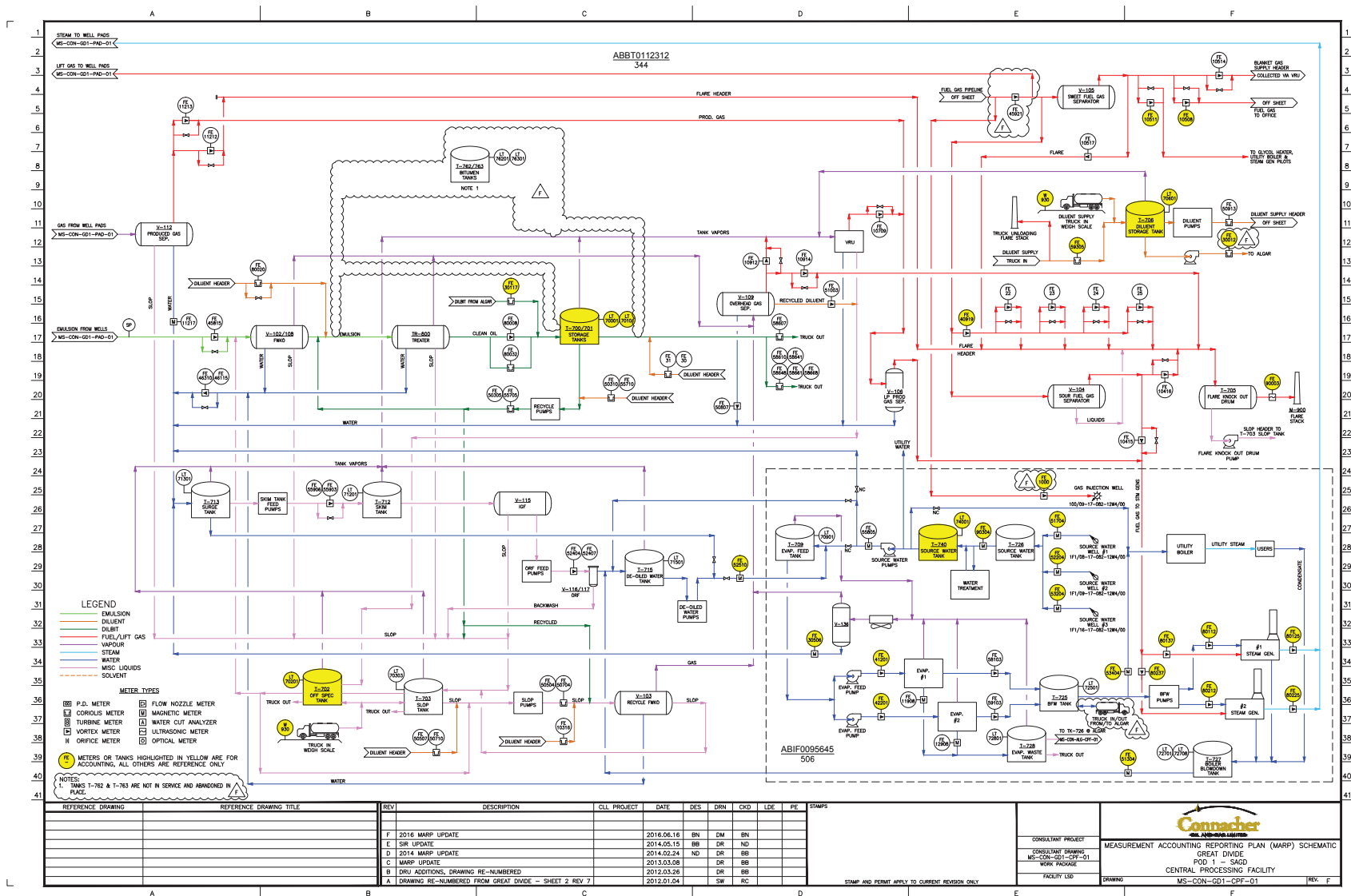
Greenhouse Gas Emissions Reported for December, 2015 = 279,372 t CO₂ equivalent

- Designed to produce 13.1 MW electricity from GT and 588 m³/d of steam from the HRSG
- Horse River sub-station on line June 2011
- Running near capacity with power distributed to both Algar and Pod One
- Steam being used at Algar

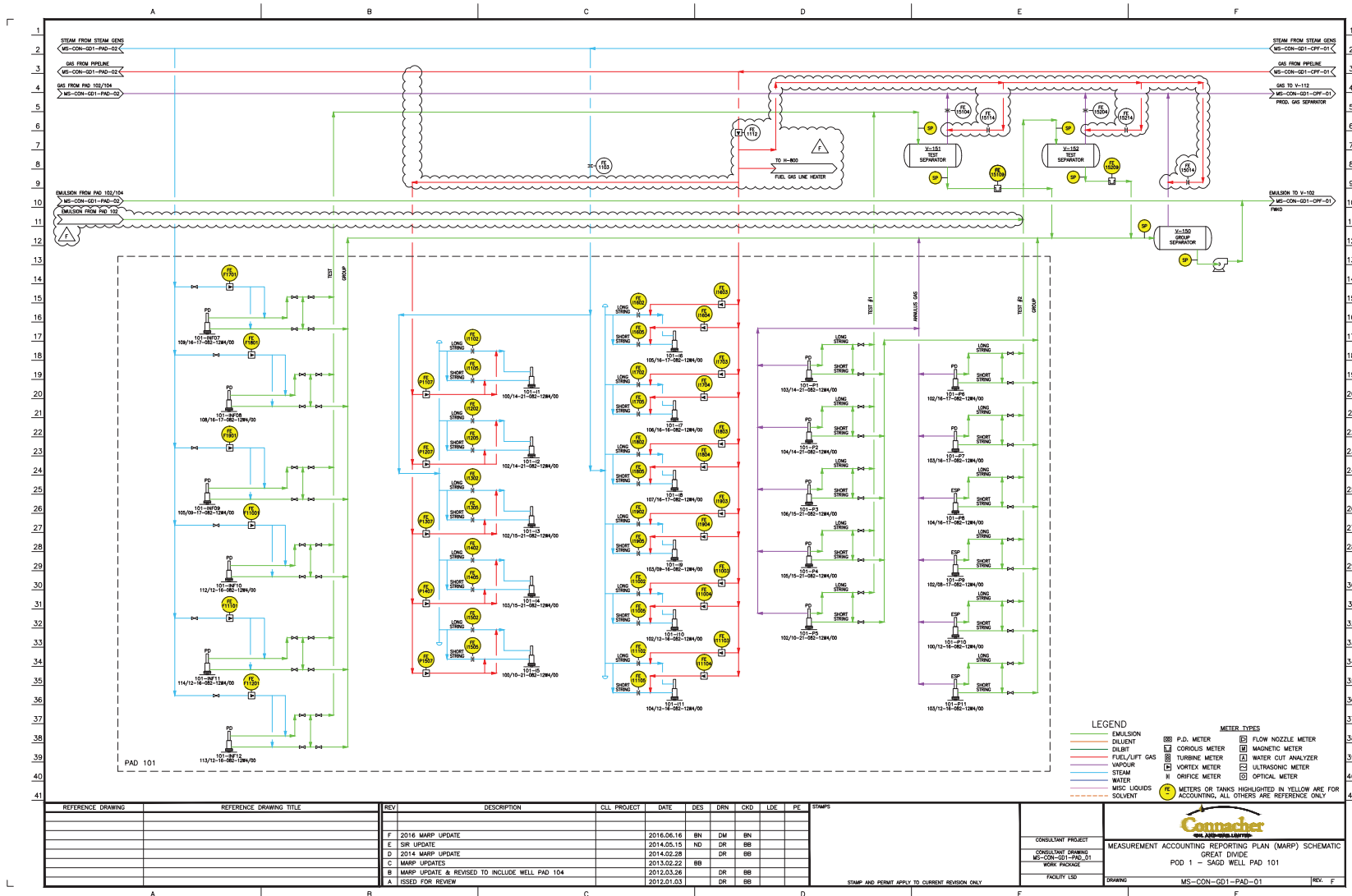
Surface - Measurement and Reporting

1. Minor changes and corrections on the 2016 MARP, manual and schematics to implement comments from AER review

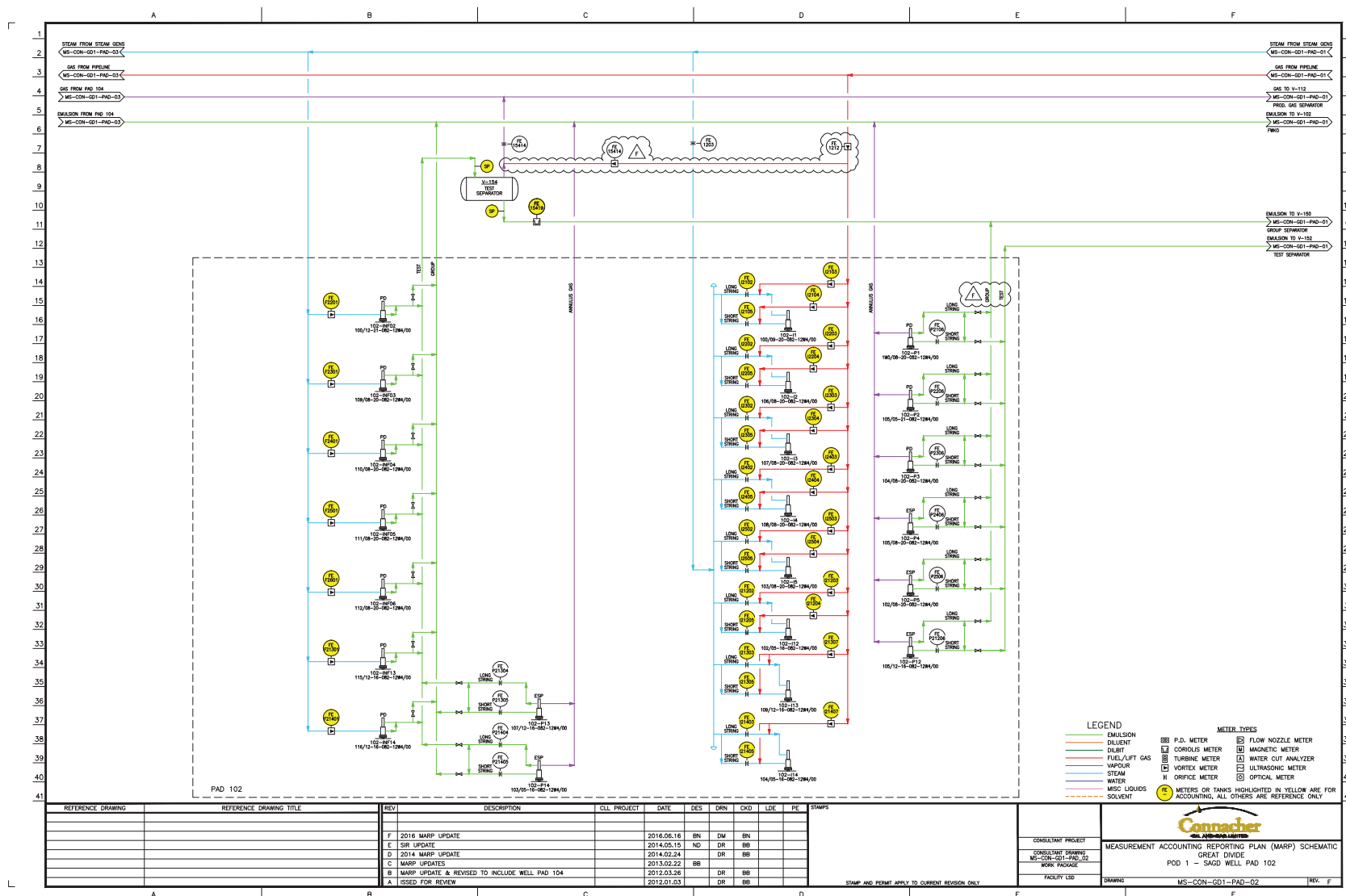
Pod One MARP - CPF



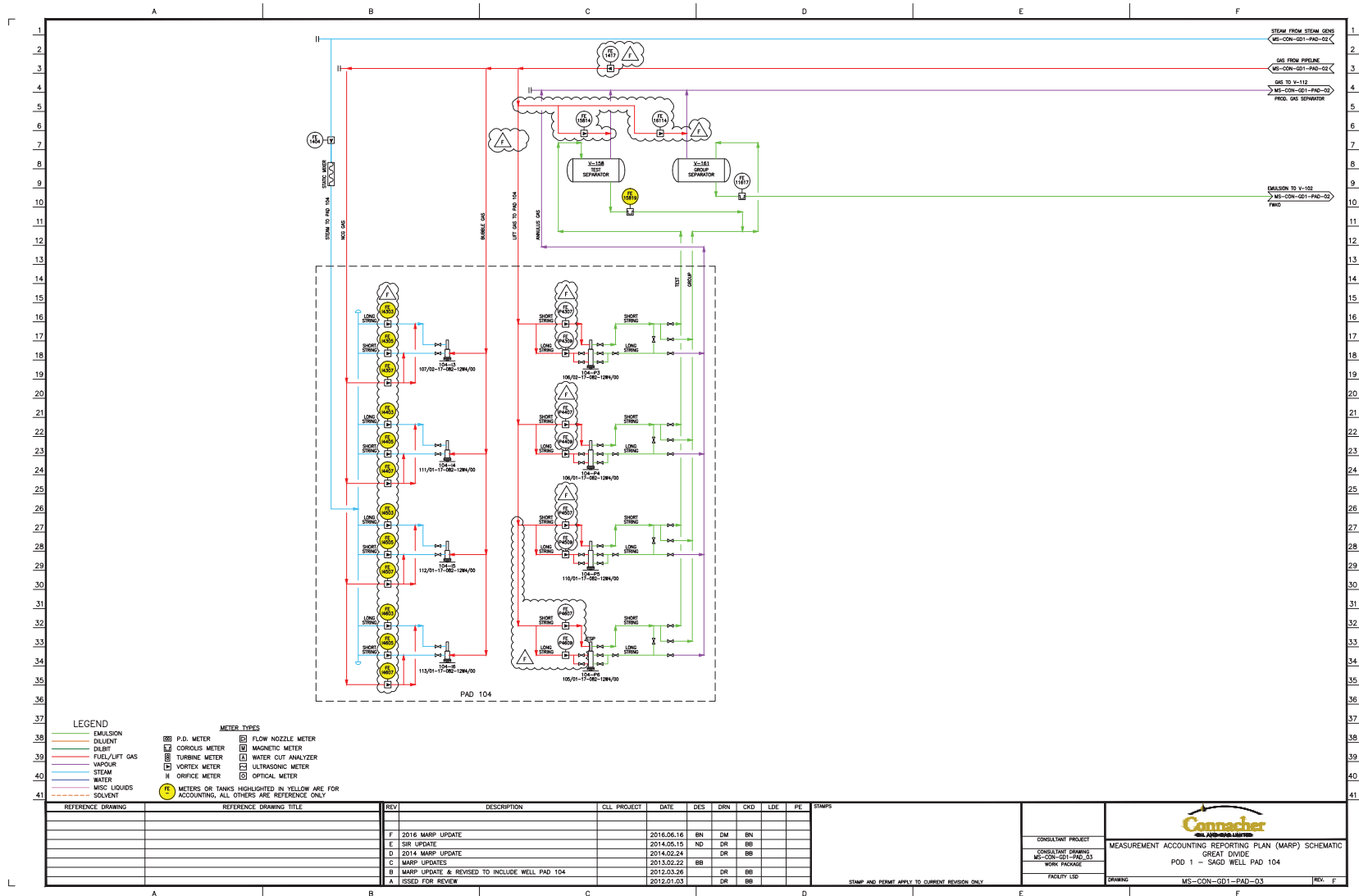
Pod One MARP - Pad 101

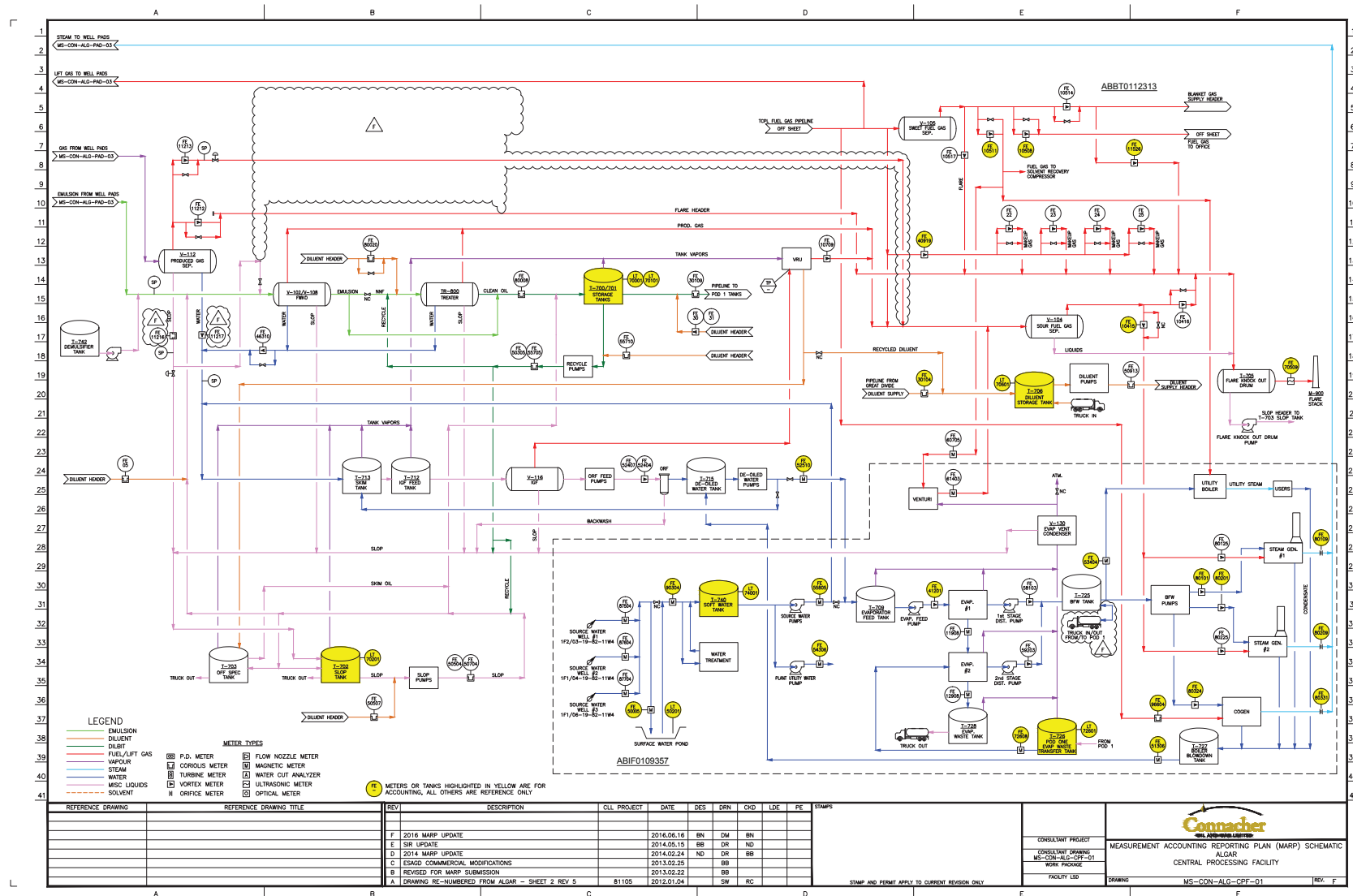


Pod One MARP - Pad 102

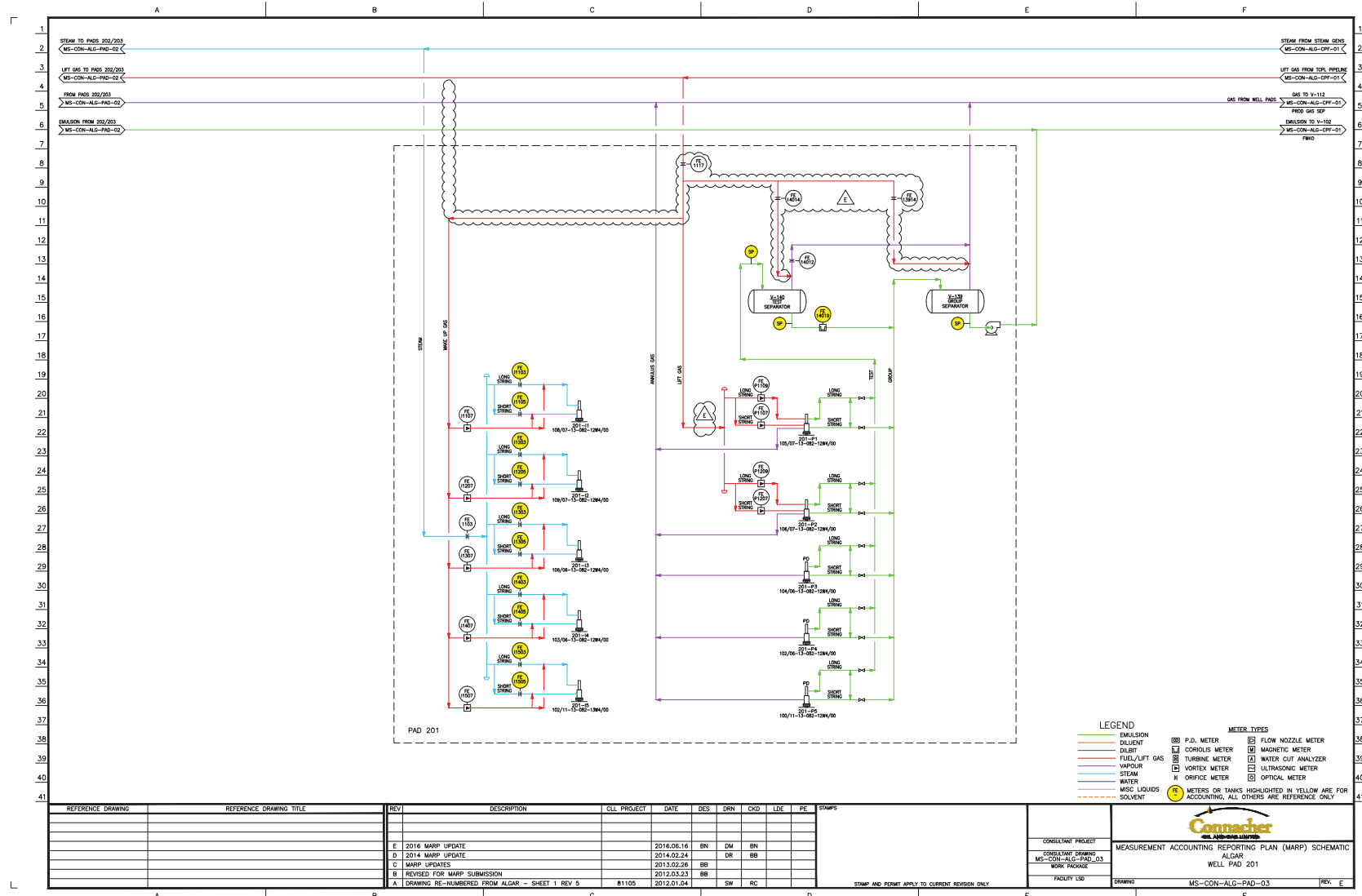


Pod One MARP - Pad 104





Algar MARP - Pad 201

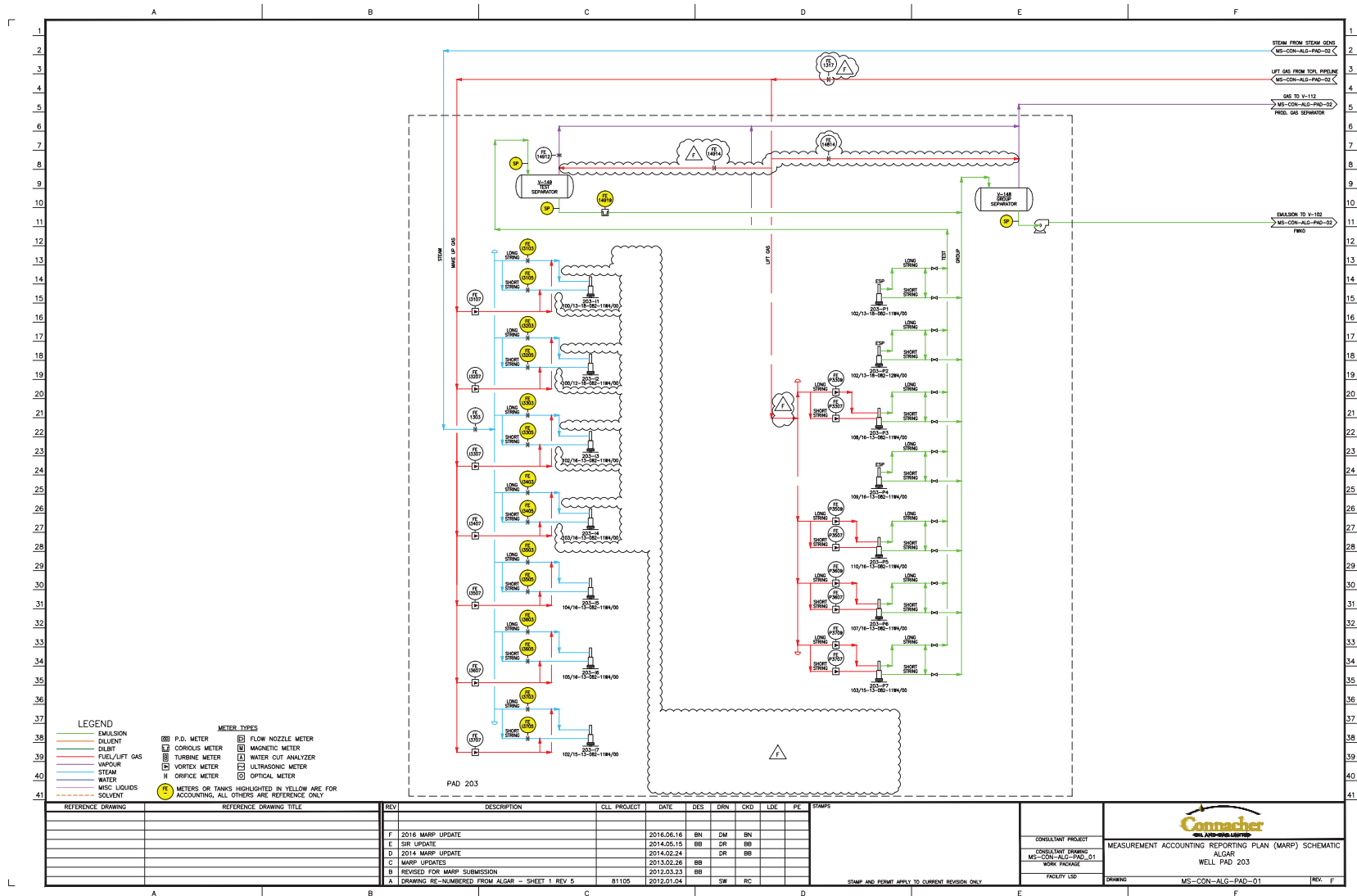




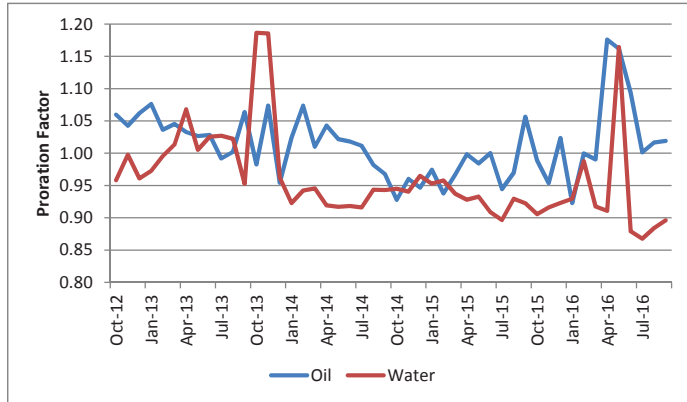
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Algar MARP - Pad 203



Pod One and Algar Profacs

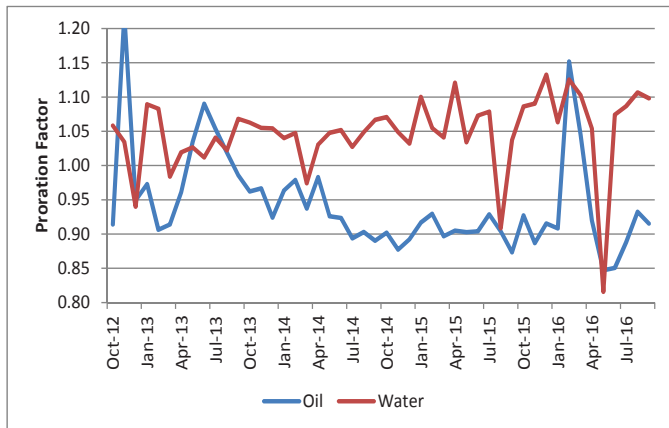


Pod One uses manual oil cuts however procedures implemented 2012 are clearly showing improved results.

An Agar oil cut meter is installed at Algar and work is progressing on the calibration however oil cuts are still reported from manual cuts.

The profac at Algar is calculated from the interconnect pipeline volumes whereas the Pod One profac is calculated from truck receipts less the Algar pipeline volumes and is subject to typical truck measurement differences.

Pod One



Algar

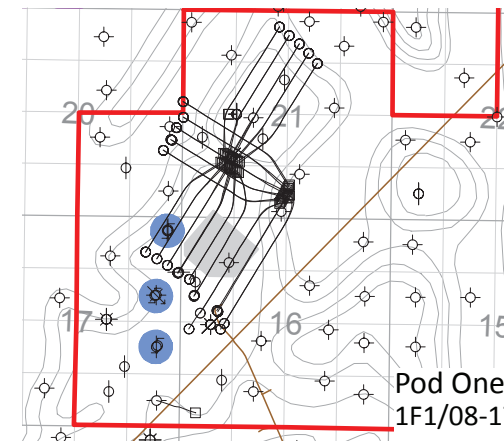
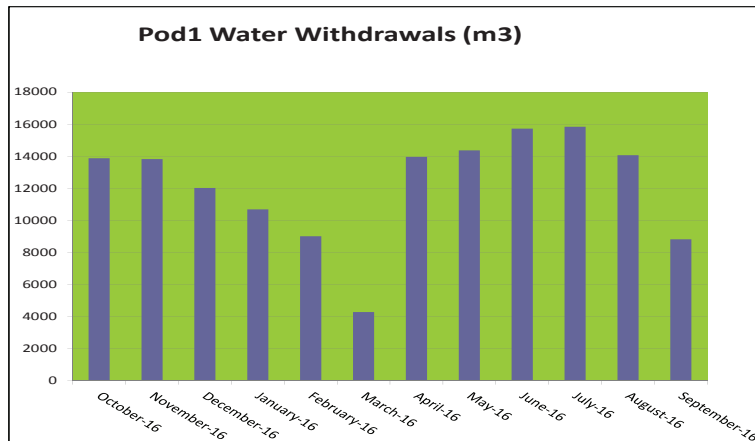
Surface - Water Recycle



Source Water Wells - Pod One

Year	Pod One Water Withdrawals (m ³ /year)	Licenced Maximum Annual Diversion (m ³ /year)
2012	132,670	292,000
2013	92,462	292,000
2014	122,720	292,000
2015	114,208	292,000
2016	106,745	292,000

Water Act Licence 00240458-01-00	
Well Location	Production Interval (meters below grade)
16-17-082-12 W4M	300 - 350
09-17-082-12 W4M	300 - 350
08-17-082-12 W4M	300 - 350
02-17-082-12 W4M (standby)	324 - 330

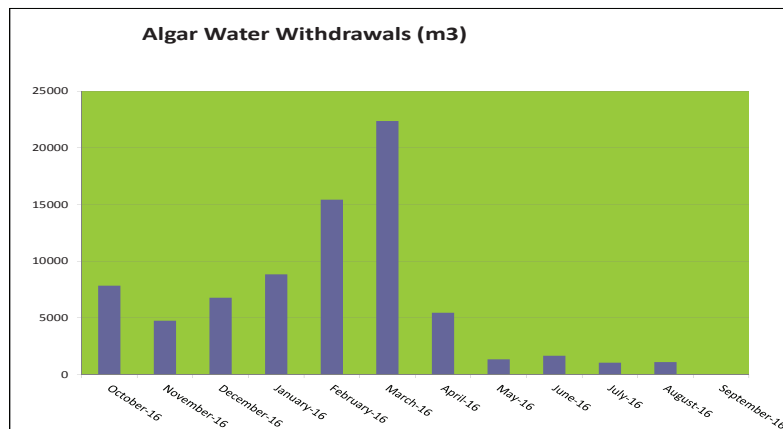


Pod One Water Wells
1F1/08-17-082-12W4/00
1F1/09-17-082-12W4/00
1F1/16-17-082-12W4/00

All wells use the Grand Rapids Formation for source water.

Source Water Wells - Algar

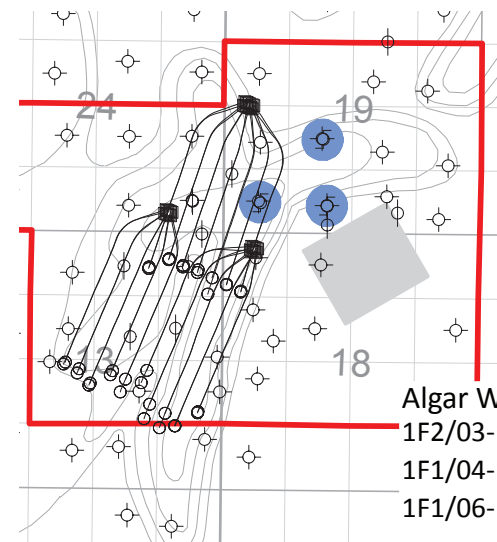
Year	Algar Water Withdrawals (m ³ /year)	Licensed Maximum Annual Diversion (m ³ /year)
2012	96,164	330,000
2013	78,917	330,000
2014	45,632	330,000
2015	45,142	330,000
2016	57,247	330,000



All wells use the Grand Rapids Formation for source water.

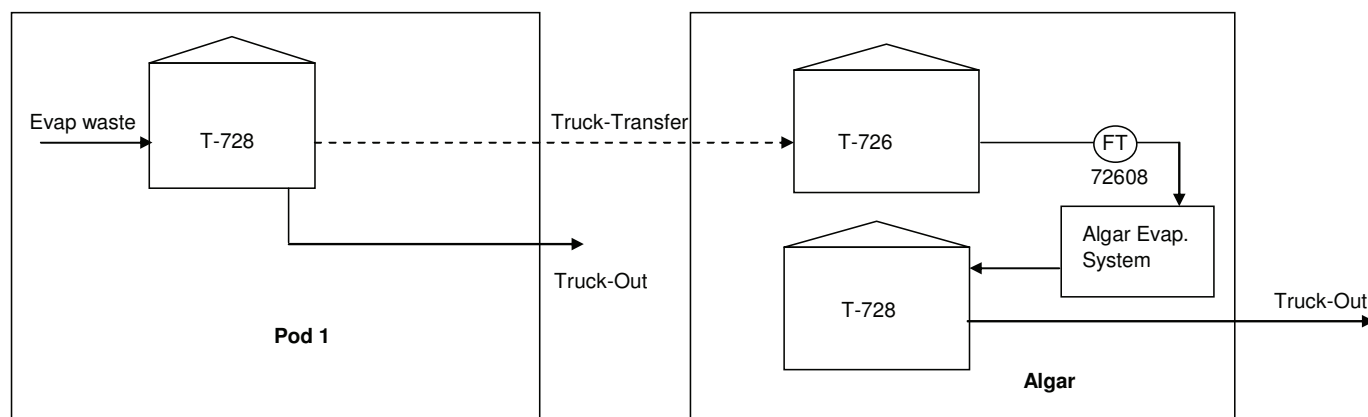
Water Act Licence 00240527-00-02

Well Location	Production Interval (meters below grade)
02-19-082-11 W4M standby	356 - 382
03-19-082-11 W4M	349 - 382
04-19-082-11 W4M	350 - 382
06-19-082-11 W4M	347 - 382

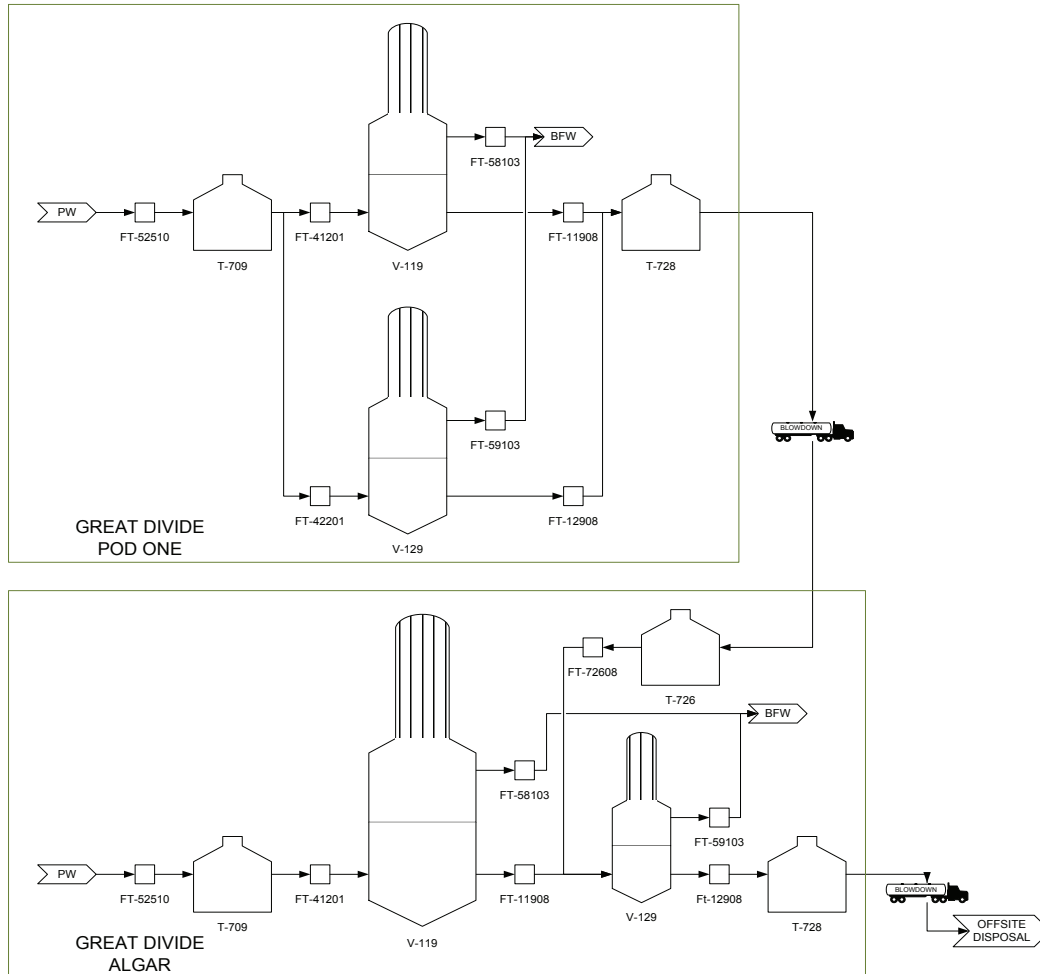


Algar Water Wells
1F2/03-19-082-11W4/00
1F1/04-19-082-11W4/00
1F1/06-19-082-11W4/00

Evaporator Waste Integration

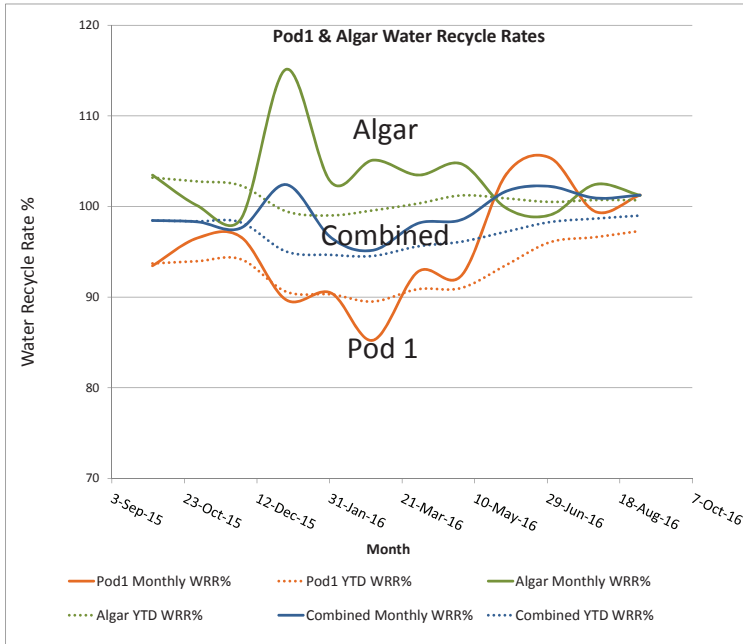


Integrated Water Recycle Scheme



- Evaporators produce high quality boiler feed water efficiently while generating a highly concentrated brine for disposal.
- At Algar a second stage evaporator further concentrates both the Algar brine and a portion of the Pod One brine to improve water reuse and minimize disposal.
- Disposal concentrations are close to crystallizer performance.
- Chemical optimization has significantly improved evaporator reliability.

Water Recycle Ratio

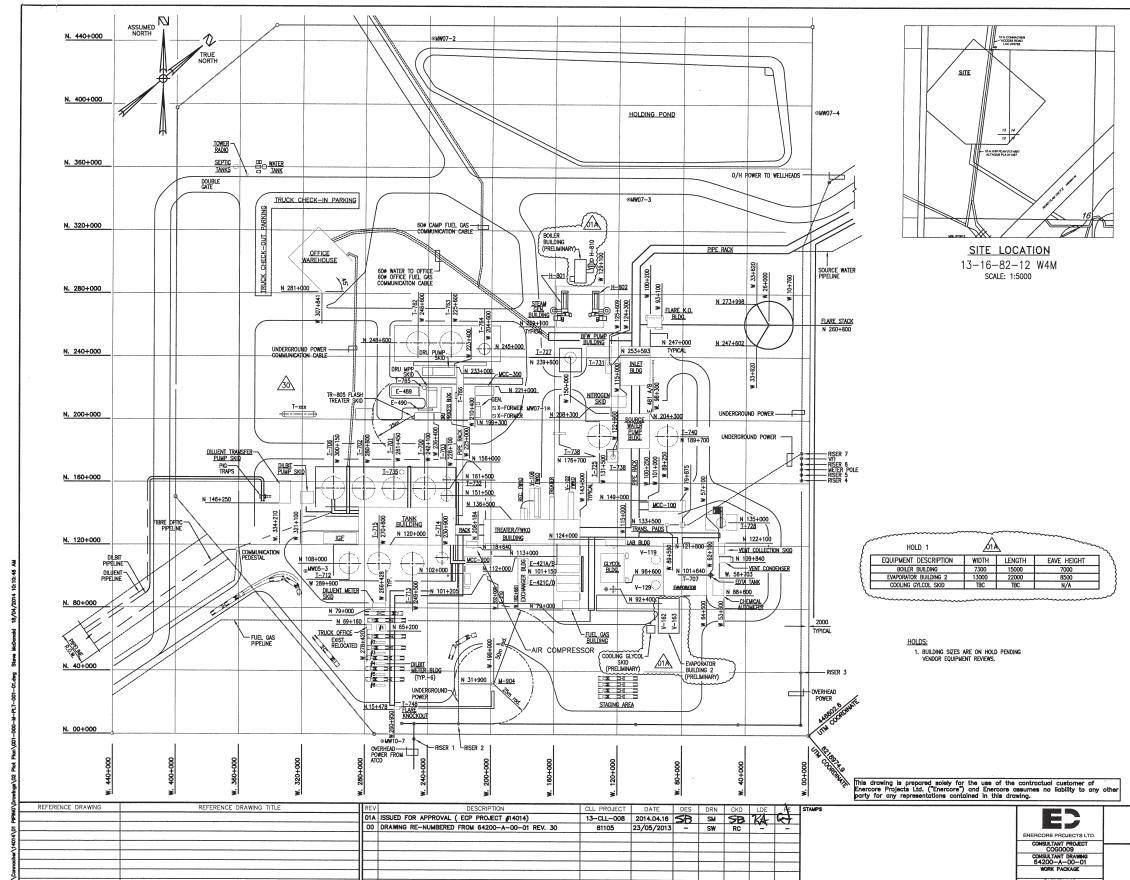


- The series evaporator operation at Algar provides high recycle rates and improved reliability.
- The Algar operation accommodates waste from the parallel evaporators at Pod One and brine is shipped from Pod One to Algar.
- By treating part of the Pod One blow-down at Algar the average yearly water recycle ratio for both plants is approximately 97%.

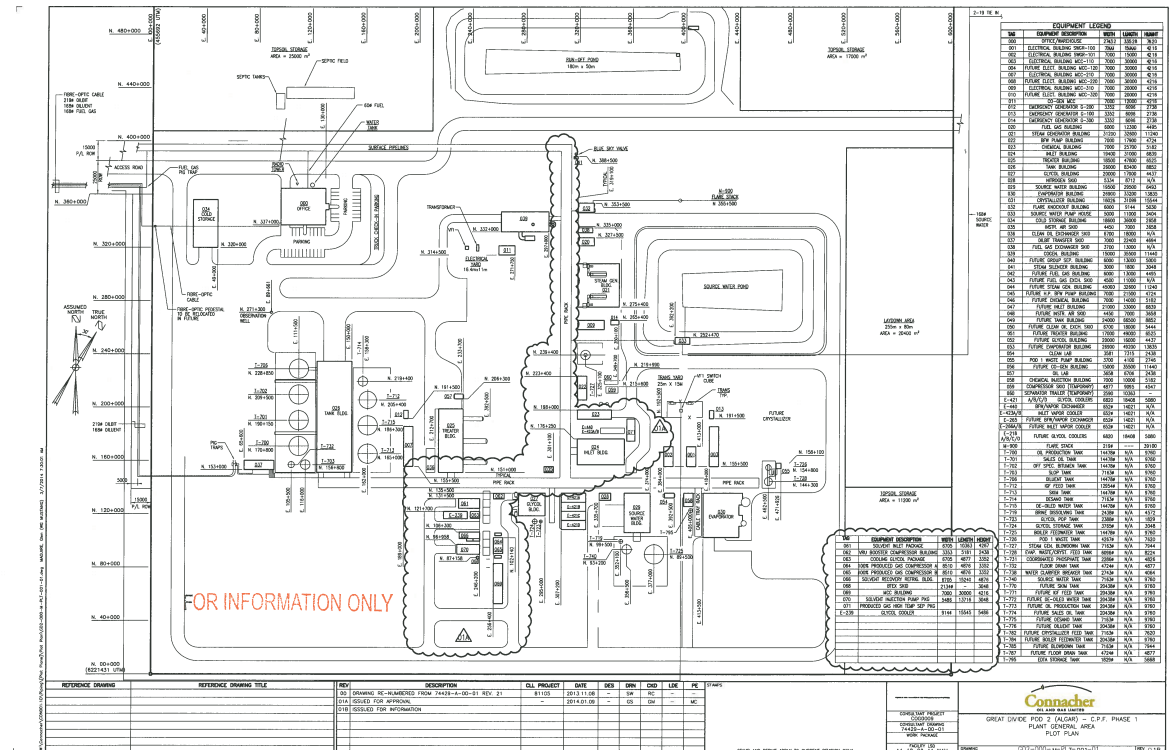
Month	Pod1 Monthly WRR%	Pod1 YTD WRR%	Algar Monthly WRR%	Algar YTD WRR%	Combined Monthly WRR%	Combined YTD WRR%
Oct-15	93.5	93.7	103.5	103.2	98.5	98.5
Nov-15	96.5	94.0	100.1	102.8	98.3	98.4
Dec-15	96.6	94.2	98.6	102.3	97.6	98.2
Jan-16	89.7	90.6	115.1	99.5	102.4	95.0
Feb-16	90.5	90.3	102.7	99.0	96.6	94.7
Mar-16	85.2	89.5	105.1	99.6	95.2	94.6
Apr-16	92.8	90.9	103.5	100.3	98.1	95.6
May-16	92.4	91.0	104.7	101.2	98.6	96.1
Jun-16	103.6	93.6	99.8	100.9	101.7	97.2
Jul-16	105.4	96.1	99.1	100.5	102.2	98.3
Aug-16	99.5	96.6	102.4	100.7	100.9	98.7
Sep-16	101.3	97.3	101.2	100.7	101.3	99.0
Average						97.0

Surface - Future Plans

- Commercial Scheme Approval 10587P.
- 500 t/d of steam.
- Allows for 2 Well Pair at Pad 104.
- Steam Generator (17.26 MW).
- 2 Evaporator Units.
- SIR 1 Submitted for EPEA Amendment.
- No additional water allocation required.



- Commercial Scheme Approval 10587K.
- Light hydrocarbon (solvent) and steam co-injection at all well pairs at Algar.
- Solvent to be recovered at facility for re-injection.
- EPEA 67(3) No objection received May, 2014.
- Construction began August, 2014 but not yet completed.





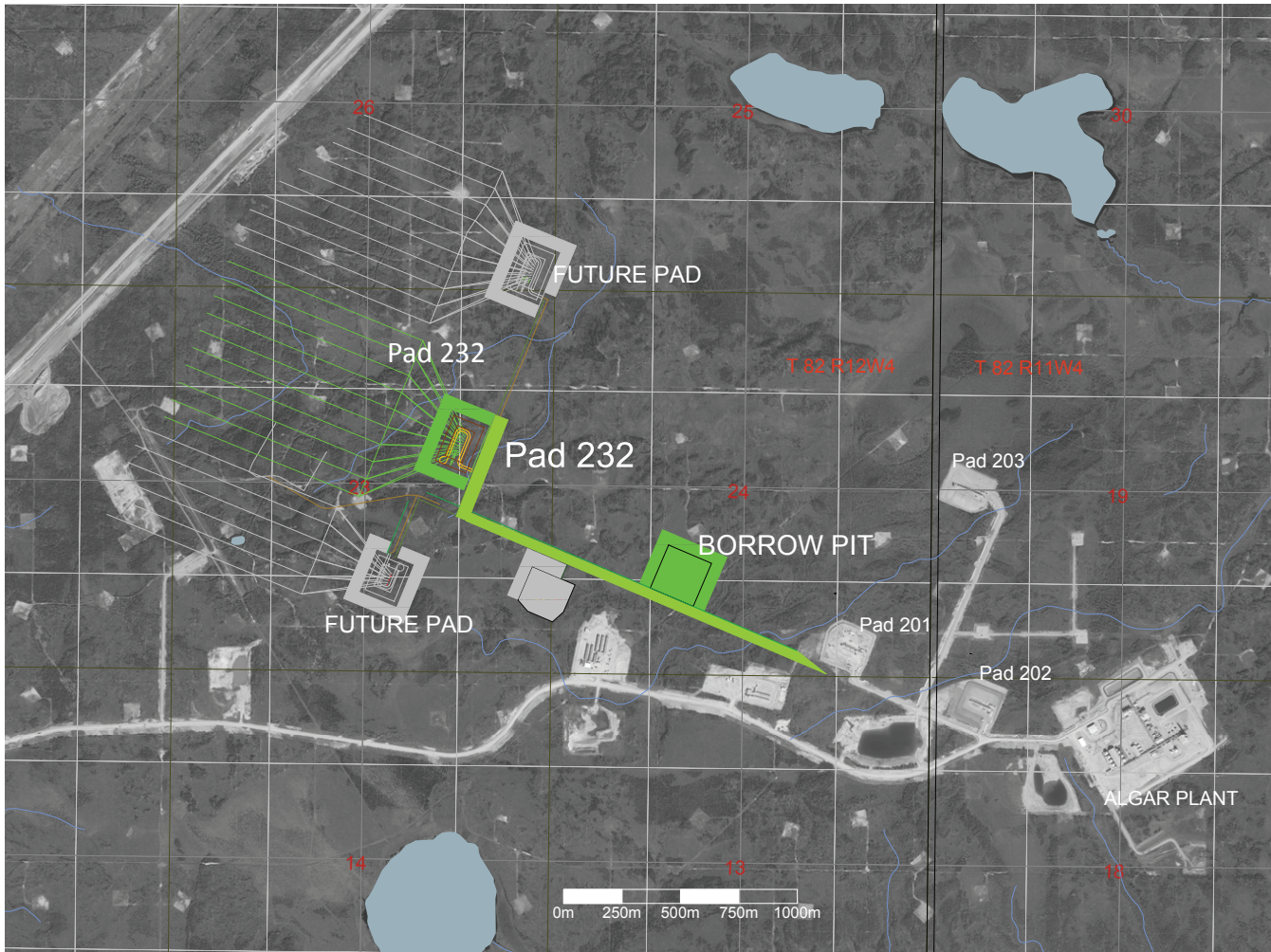
Connacher
OIL AND GAS LIMITED
2016

- [illegible]

Algar - New Pad Development

Near Future Development to include:

- Pad 232 (Phase 1A)
- Borrow Pit
- Utility Corridor



Surface - Sulphur Production



Pod One Sulphur Emissions

Quarter	Average Sulphur Dioxide Emissions (t/day)
Q4 - 2015	0.41
Q1 - 2016	0.41
Q2 - 2016	0.09
Q3 - 2016	0.21

- Pod One EPEA SO₂ emission limit is 1.98 t/day
- Peak SO₂ emissions were 0.41 t/day on Jan 5 to 7, 2016

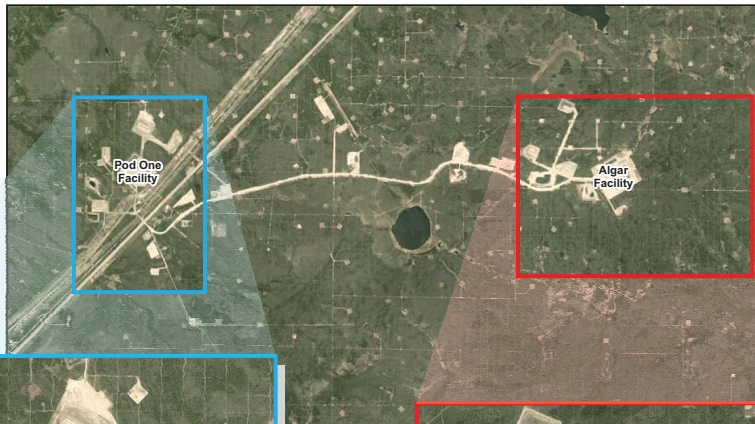
- Plant Total SO₂ = Flared SO₂ + Steam Generators SO₂
- There has been no material change in sulphur production observed over the past year of production at Pod One
- Connacher will continue to monitor produced gas H₂S concentrations, sulphur emissions and evaluate plans for sulphury recovery installations
- SO₂ production is well below emission limits

Quarter	Average Sulphur Dioxide Emissions (t/day)
Q4 - 2015	0.73
Q1 - 2016	0.61
Q2 - 2016	0.71
Q3 - 2016	0.73

- Algar EPEA SO₂ emission limit is 1.98 t/day
- Peak SO₂ emissions were 0.83 t/day on Oct 27, 2016

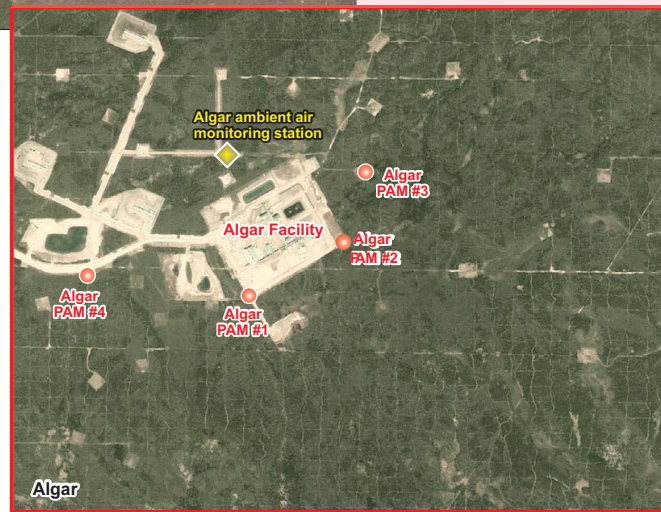
- Plant Total SO₂ = Flared SO₂ + Steam Generators SO₂
- There has been no material change in sulphur production observed over the past year of production at Algar
- Connacher will continue to monitor produced gas H₂S concentrations, sulphur emissions and evaluate plans for sulphury recovery installations
- SO₂ production is well below emission limits

Ambient Air Quality Network



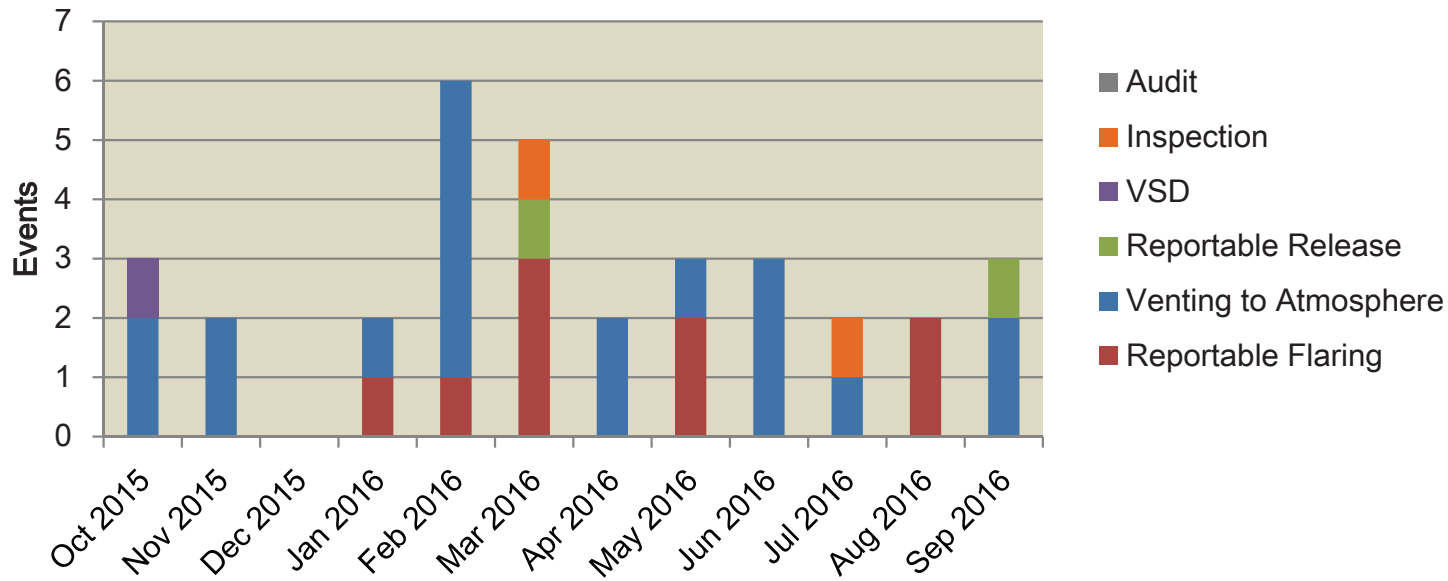
There are a total of 8 passive air monitoring stations at Pod One and Algar. These sites monitor for SO₂ and H₂S. For the reporting period there were no exceedances of the AAAQO

Connacher is required to complete continuous ambient air monitoring station for SO₂, H₂S and NO₂, as well as wind speed and wind direction. This monitoring is required 6 months per year. For the reporting period all measured concentrations were within the AAAQO's.



Surface - Environment

Great Divide Compliance



Great Divide Applications / Authorizations

Approval Date	Authorization No.	Description
December 4, 2013	10587M	Pod One Full Field NCG Co-injection Scheme Approval
December 12, 2013	10587N	Pod One - Pad 101 and Pad 102 Infills (9) Scheme Approval
January 8, 2014	10587O	SAGD+® Trail Pad 104 Scheme Approval
March 21, 2014	10587P	Mini-Expansion at Pod One Scheme Approval
Pending	Pending	EPEA Approval Amendment for Mini-Expansion at Pod One
June 10, 2014	F36853	Pod One Facility Licence Amendment
August 1, 2014	F40209	SAGD+® Commercial Project Facility Licence Amendment
August 13, 2014	56423	SAGD+® Commercial Project Solvent Pipeline Licence
September 10, 2014	10587Q	Algar - Pad 203 Infills (5) Scheme Approval
October 1, 2014	10587R	Algar Full Field NCG Co-injection Scheme Approval
Pending	Pending	Algar Water Act Licence 240527-00-00 Renewal
Pending	Pending	Pod One Water Act Licence 240458-01-00 Renewal
February 8, 2016	10587S	Produced Water Disposal Operations at Pad 101N Approval

Great Divide Inspections, Audits and VSDs

Inspection Date	Licence Number	Location	Inspection Result
October 8, 2014	51876	01-24-082-12 W4M	Satisfactory
October 8, 2014	54978	01-24-082-12 W4M	Satisfactory
October 8, 2014	51620	14-18-082-11 W4M	Satisfactory
October 8, 2014	48792	13-16-082-12 W4M	Satisfactory
October 8, 2014	40209	15-18-082-11 W4M	Satisfactory
January 1, 2015	36853	13-16-082-12 W4M	Satisfactory
July 1, 2015	240008-00-04 (EPEA)	13-16-082-12 W4M	Satisfactory
March 1, 2016	n/a	15-18-082-11 W4M	Satisfactory
July 1, 2016	n/a	13-16-082-12 W4M	Satisfactory

Audit Date	Licence Number	Location	Issue and Resolution
October 2014	10587	Great Divide SAGD	Injection Pressure audit. Technical data submitted. Closed
January 2015	W0450332	Pad 202 PO1-1	Unsatisfactory; failure to submit drilling waste records within 24 months of rig release. Closed
March 2015	W0455341	AC/09-22-082-12W4M	Unsatisfactory; failure to submit drilling waste records within 24 months of rig release. Closed
April 2015	W0445265	07/02-17-082-12W4M	Unsatisfactory; failure to submit drilling waste records within 24 months of rig release. Closed

Voluntary Self Disclosures

VSD	Licence Number	Location	Issue and Resolution
September 2014	W0374122	Pad 101N-I03	CLC failed to complete casing inspection log&install casing corrosion coupon in well by July 30th,2015. Closed Nov 21/2015
September 2014	multiple	various at Great Divide	CLC aquired several inactive pipelines within the Great Divide area that were not properly suspended or abandoned. Ongoing; AER granted an extension to complete pipeline discontinuation activities to March 31,2016
January 2015	W0450336	105/01-13-082-12W4M	Low risk NC, failure to submit drilling waste records within 24 months indentified by an internal audit. Closed

Great Divide Monitoring Programs

Connacher currently implements the following monitoring programs at the Great Divide Project:

- Groundwater monitoring program;
- Wildlife monitoring program (approved in late 2014);
- Ambient air monitoring program;
- Industrial wastewater and Industrial runoff monitoring program; and,
- Soil monitoring program.

No changes or developments to EPEA compliance monitoring programs

Appendix A - List of Additional Material Submitted

Additional Material Attached to Submission:

Pressure & temperature data from observation wells for Pod One & Algar
in prescribed AER Format

Energy Usage & Balance for Algar & Great Divide

Electrical Use at Pod One & Algar

SCVF GM Testing Results

Connacher Heave monitoring Data

Pump Histories

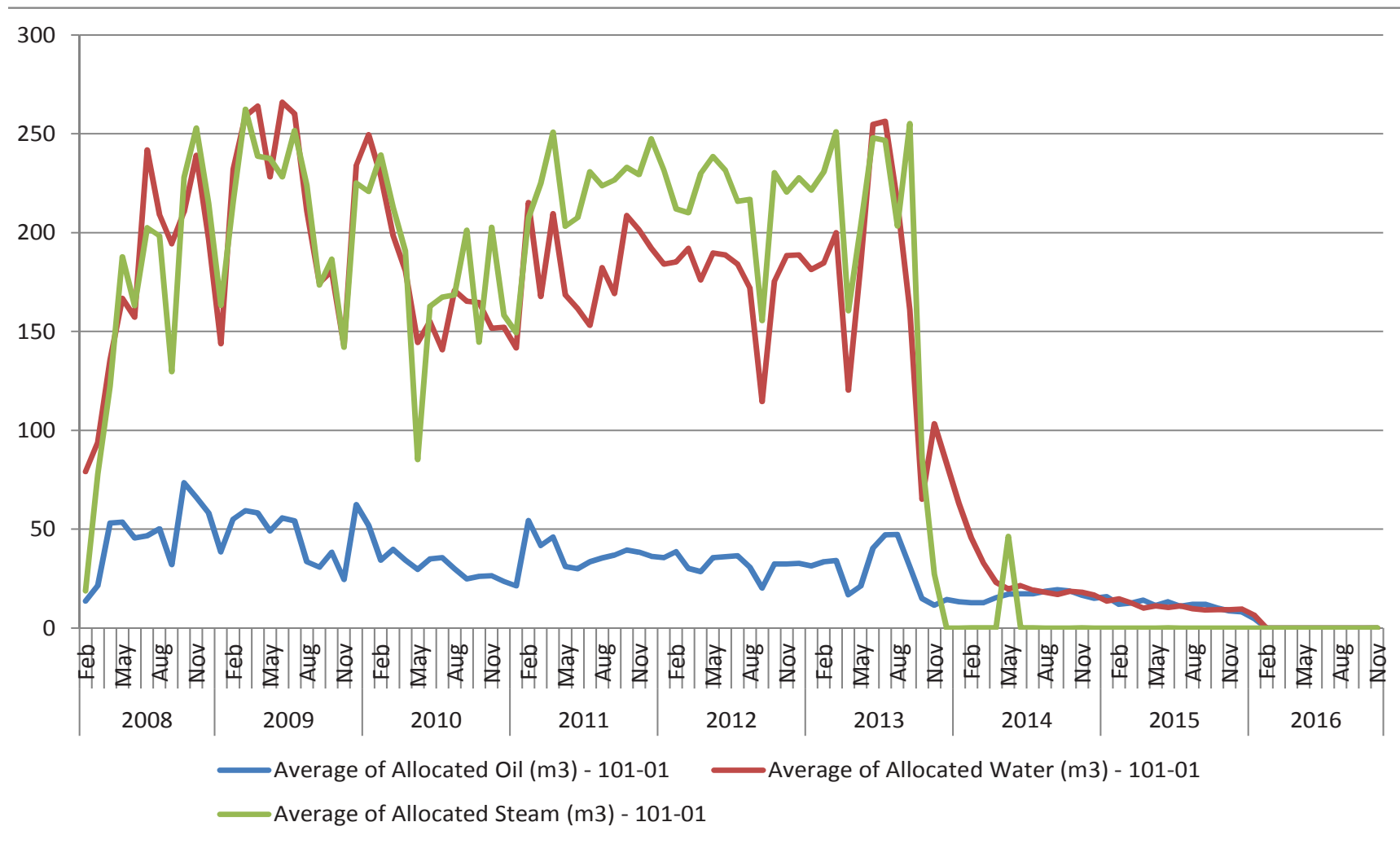
Appendix B - Bitumen Reserves and Resources

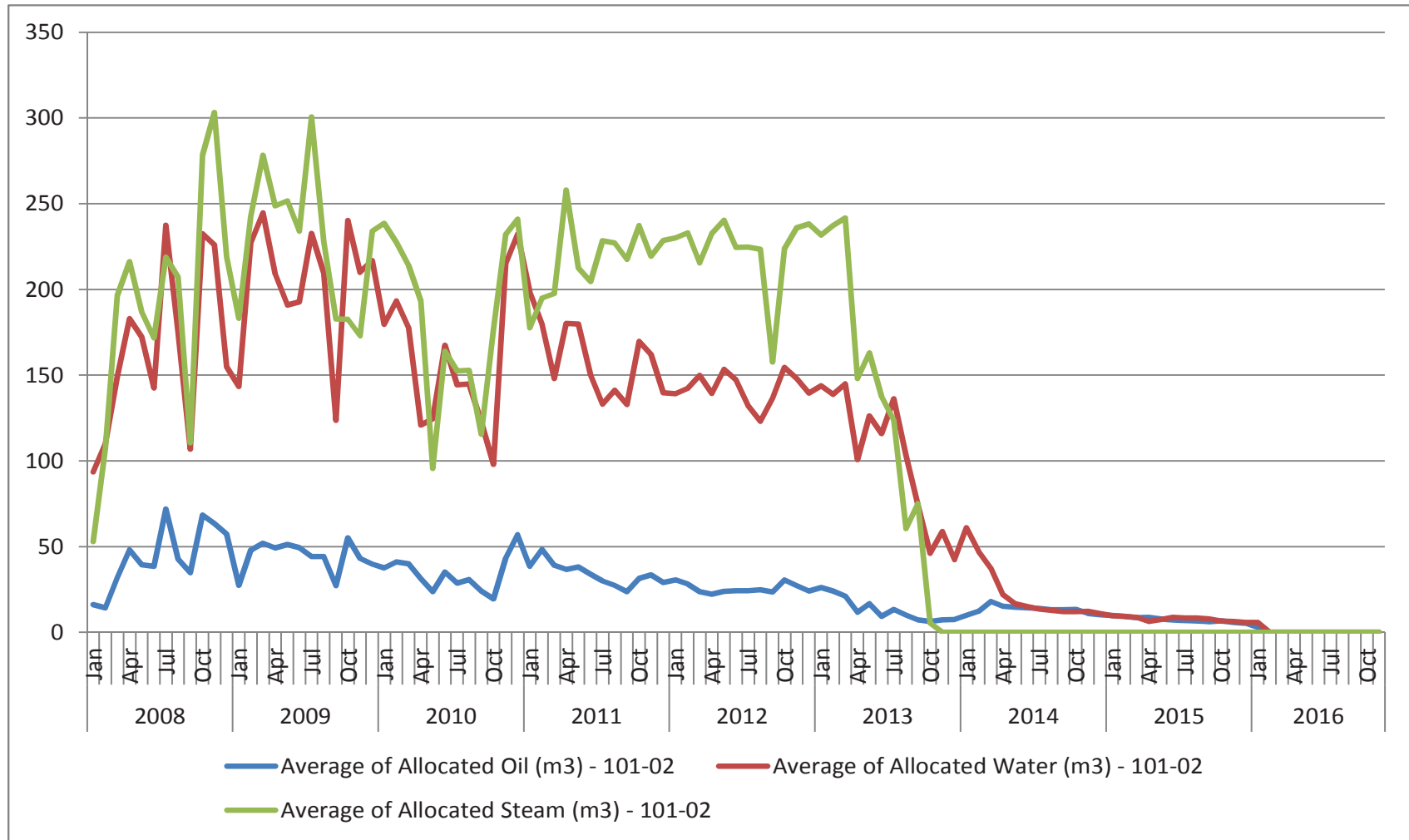
1) Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

2) Probable 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.

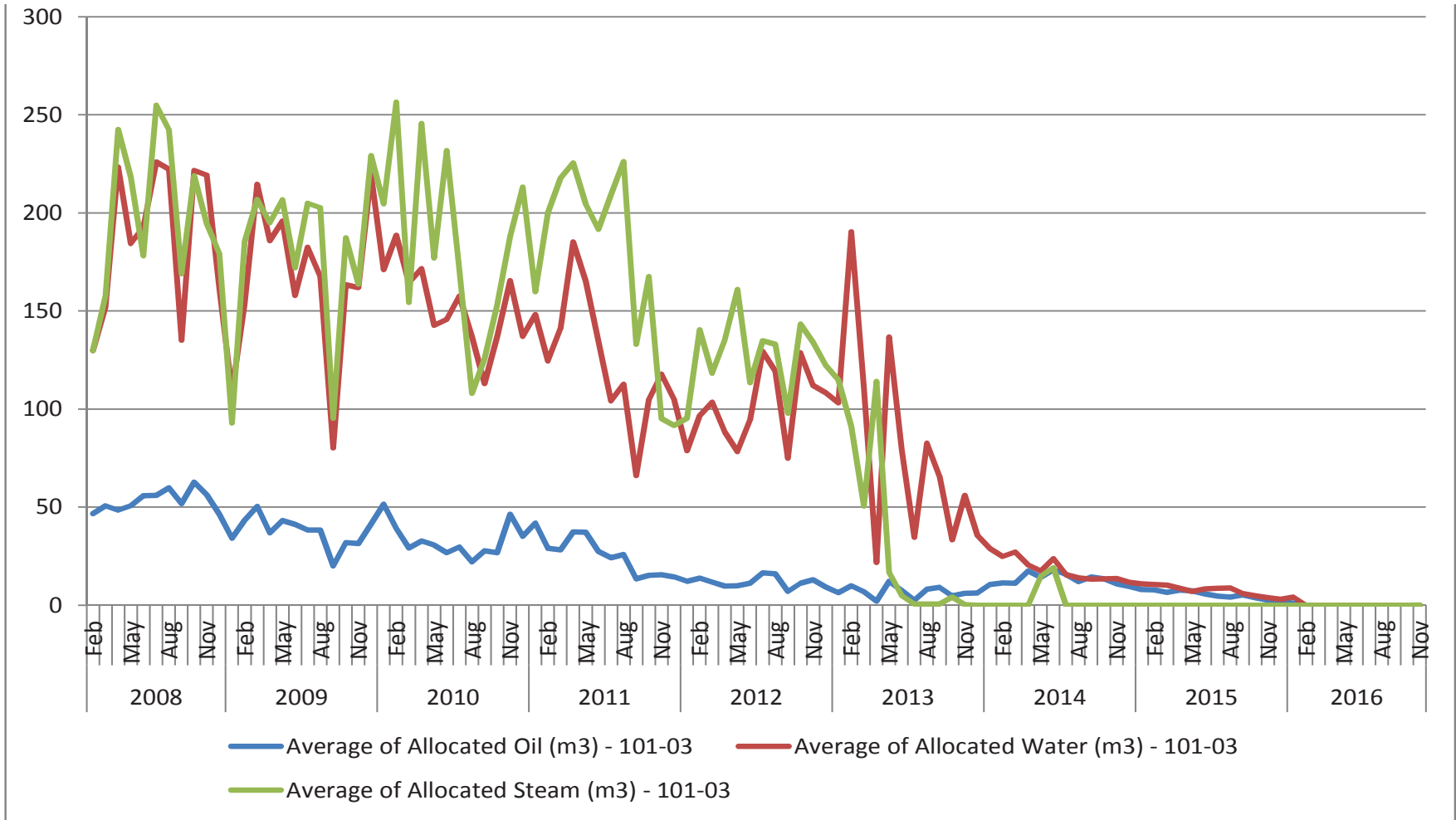
Appendix C - Individual Well Performance

Pod One Pad 101N - 101-01

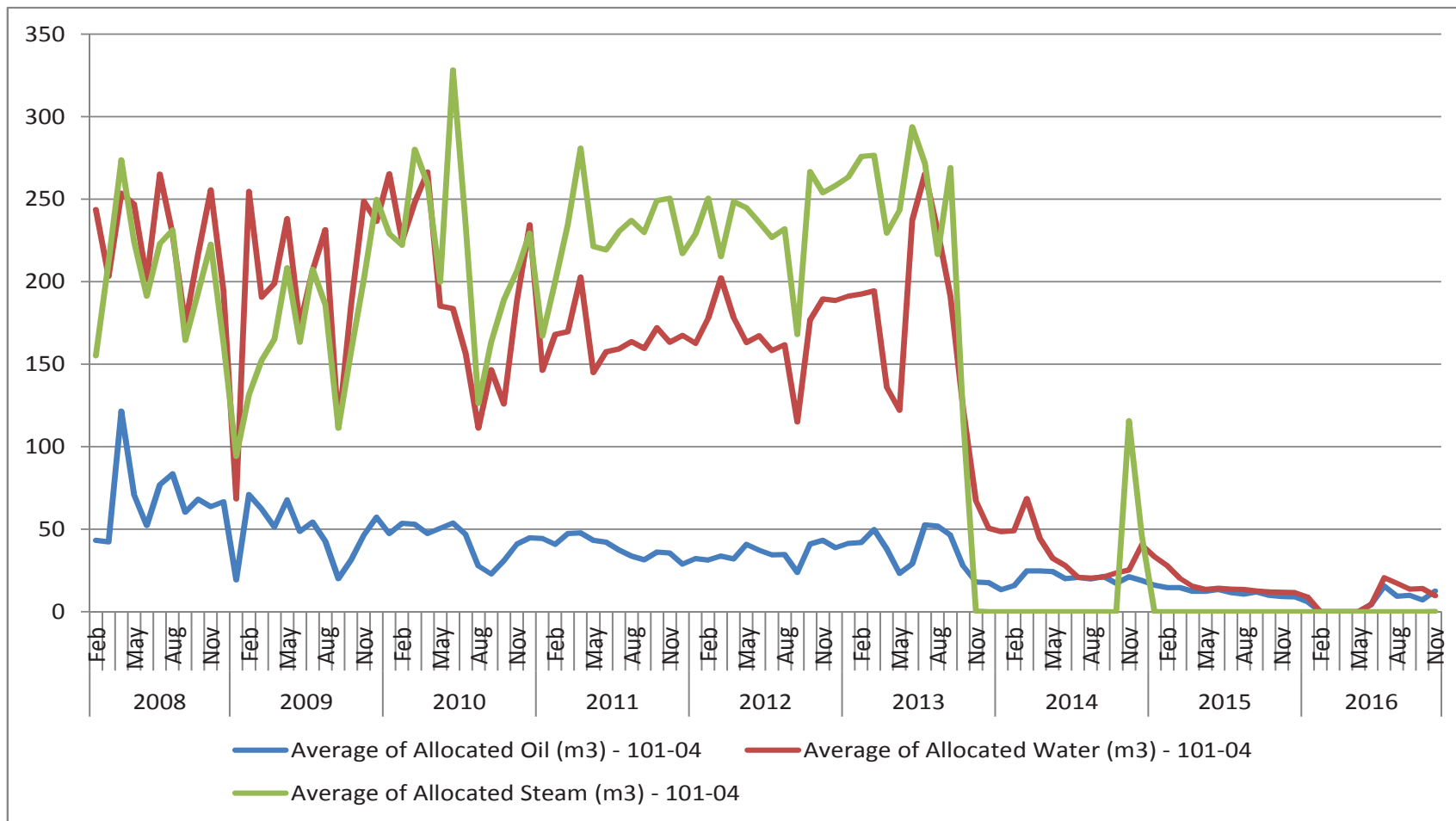




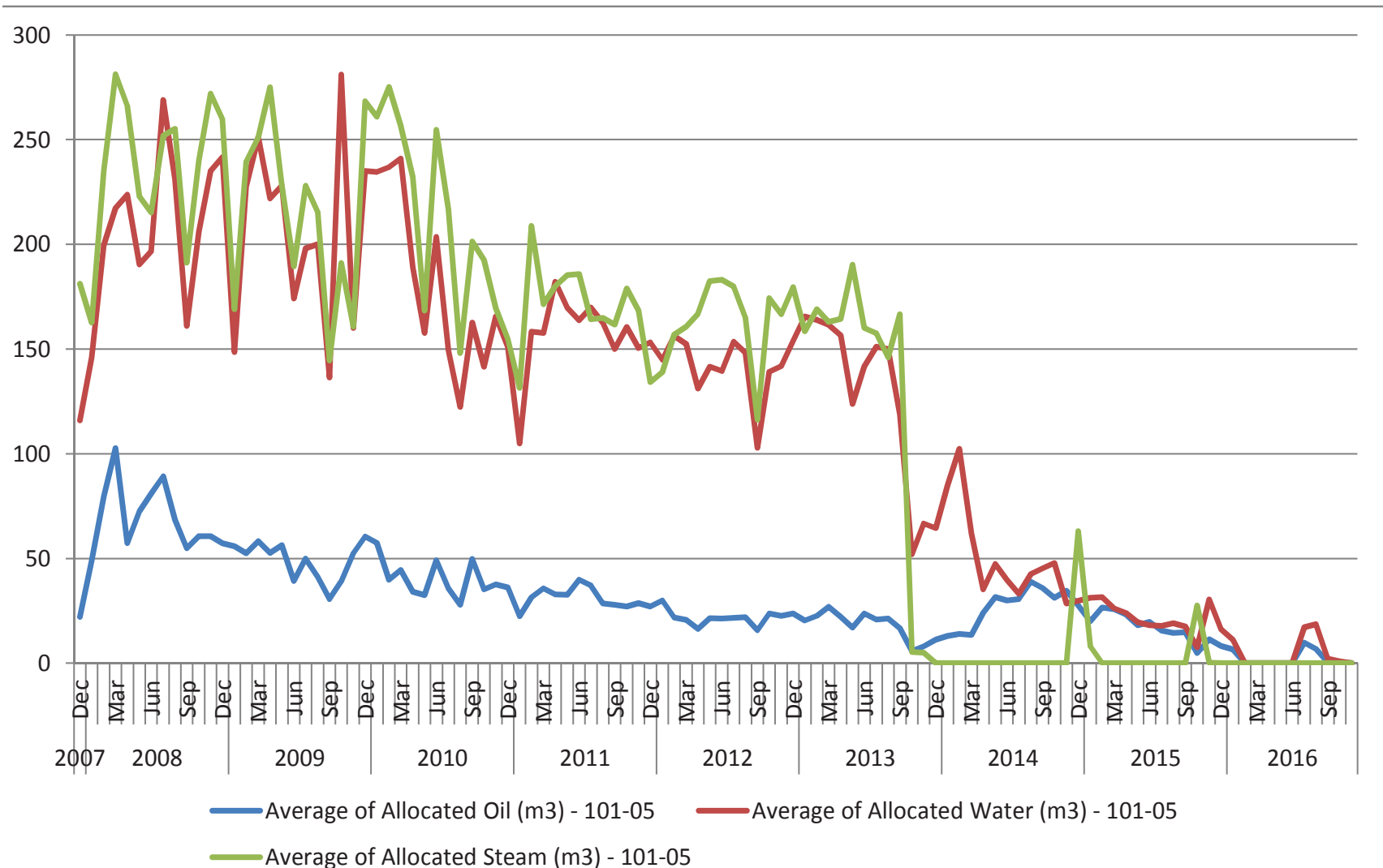
Pod One Pad 101N - 101-03



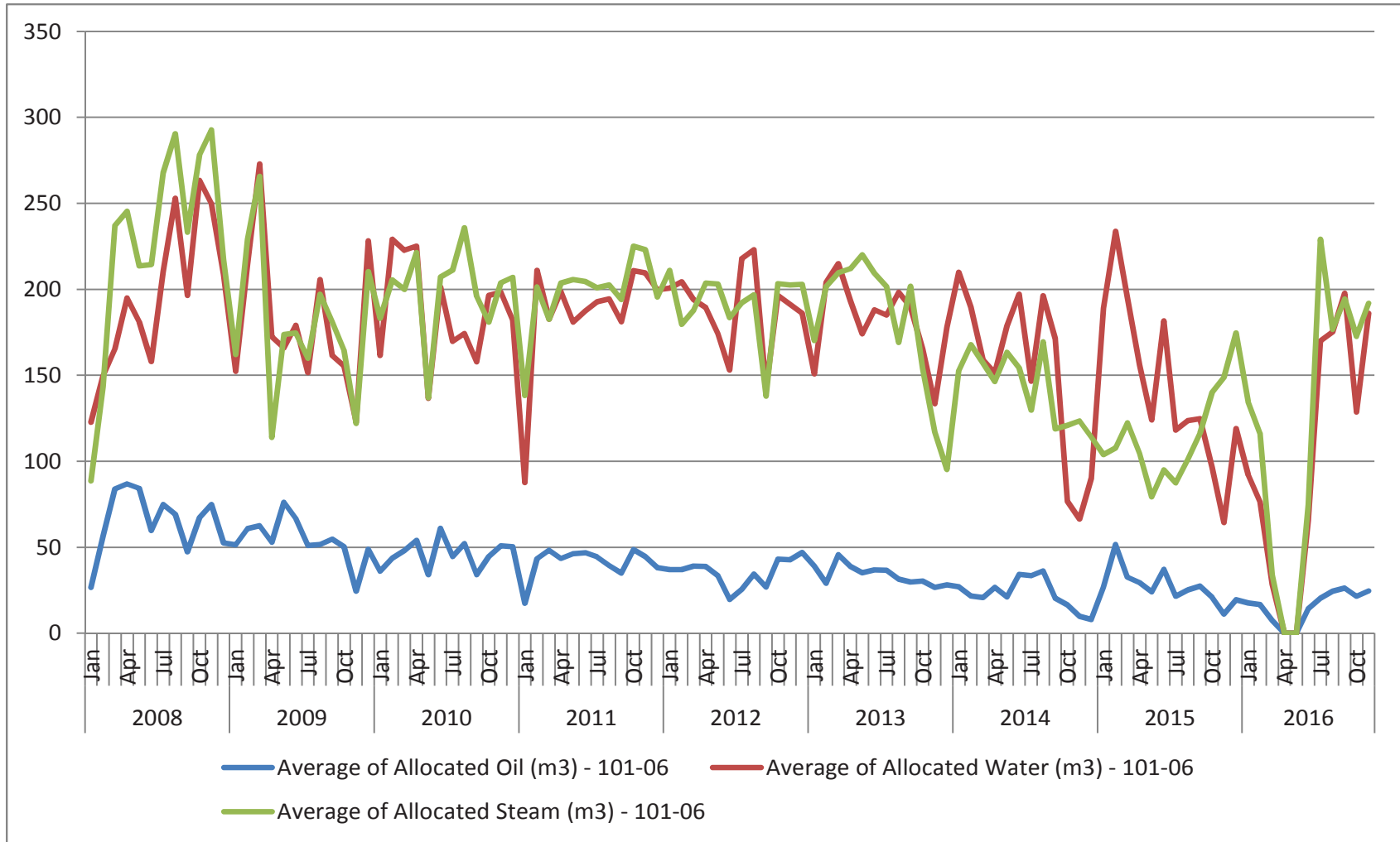
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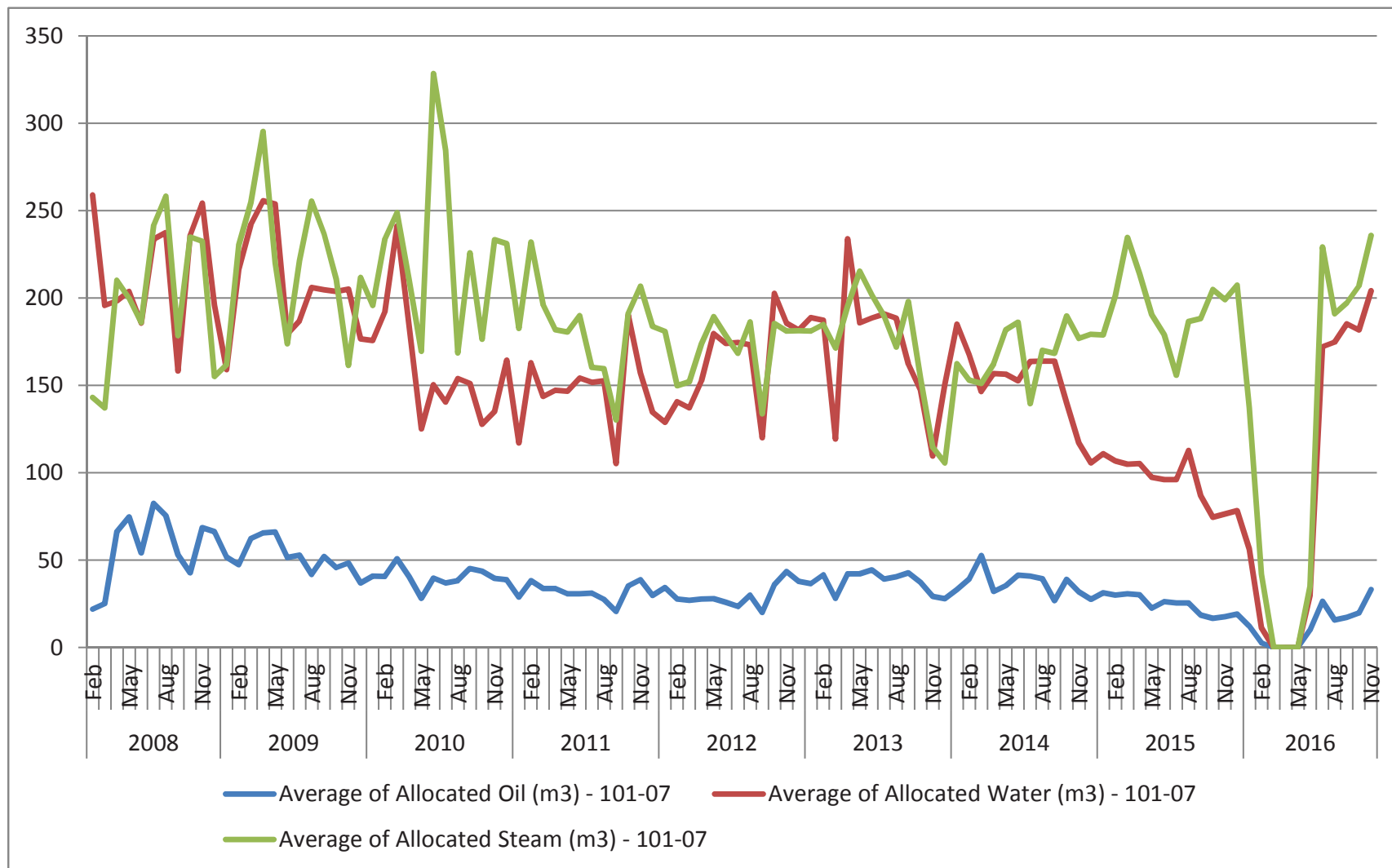
Pod One Pad 101N - 101-05



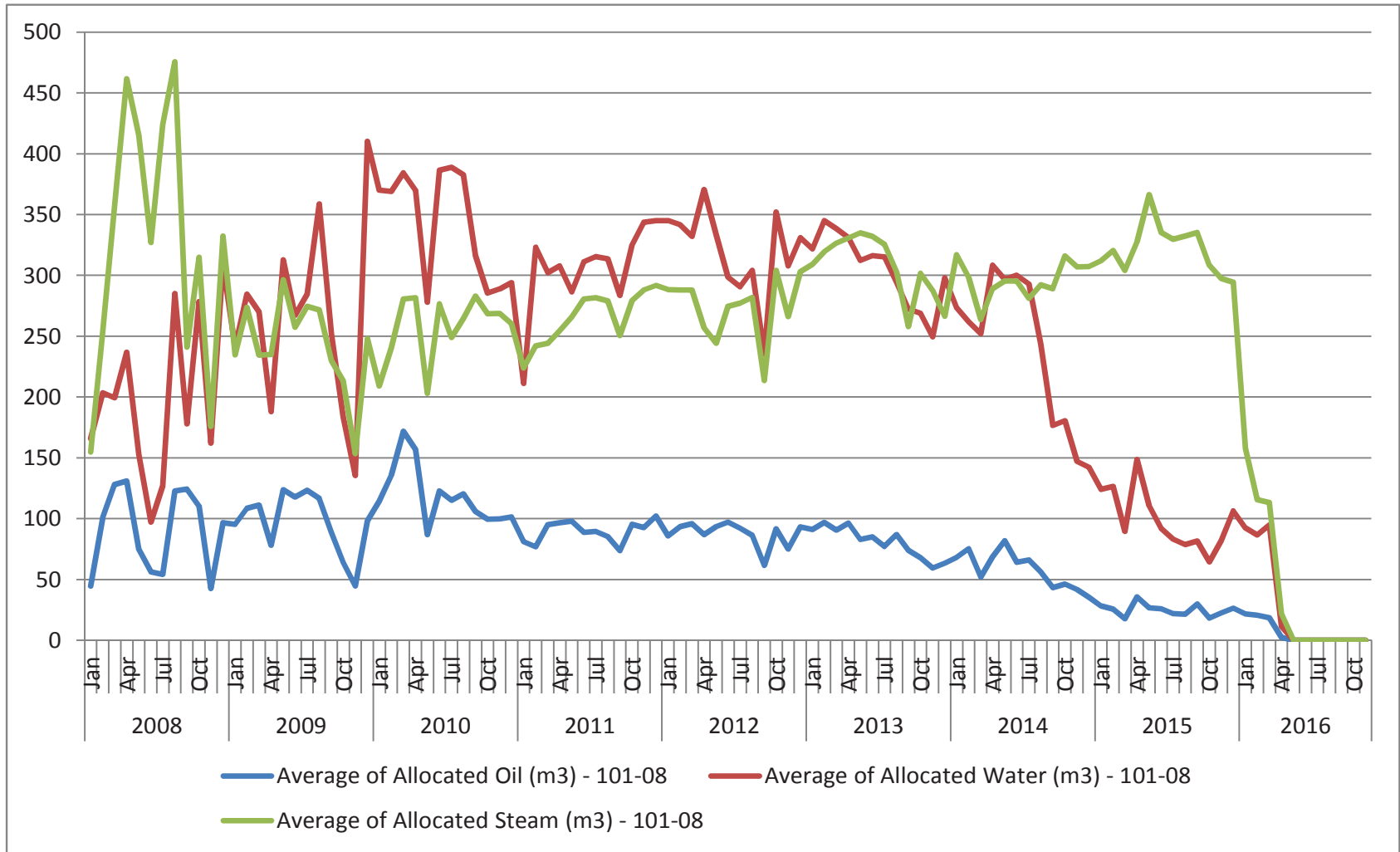
Pod One Pad 101S - 101-06



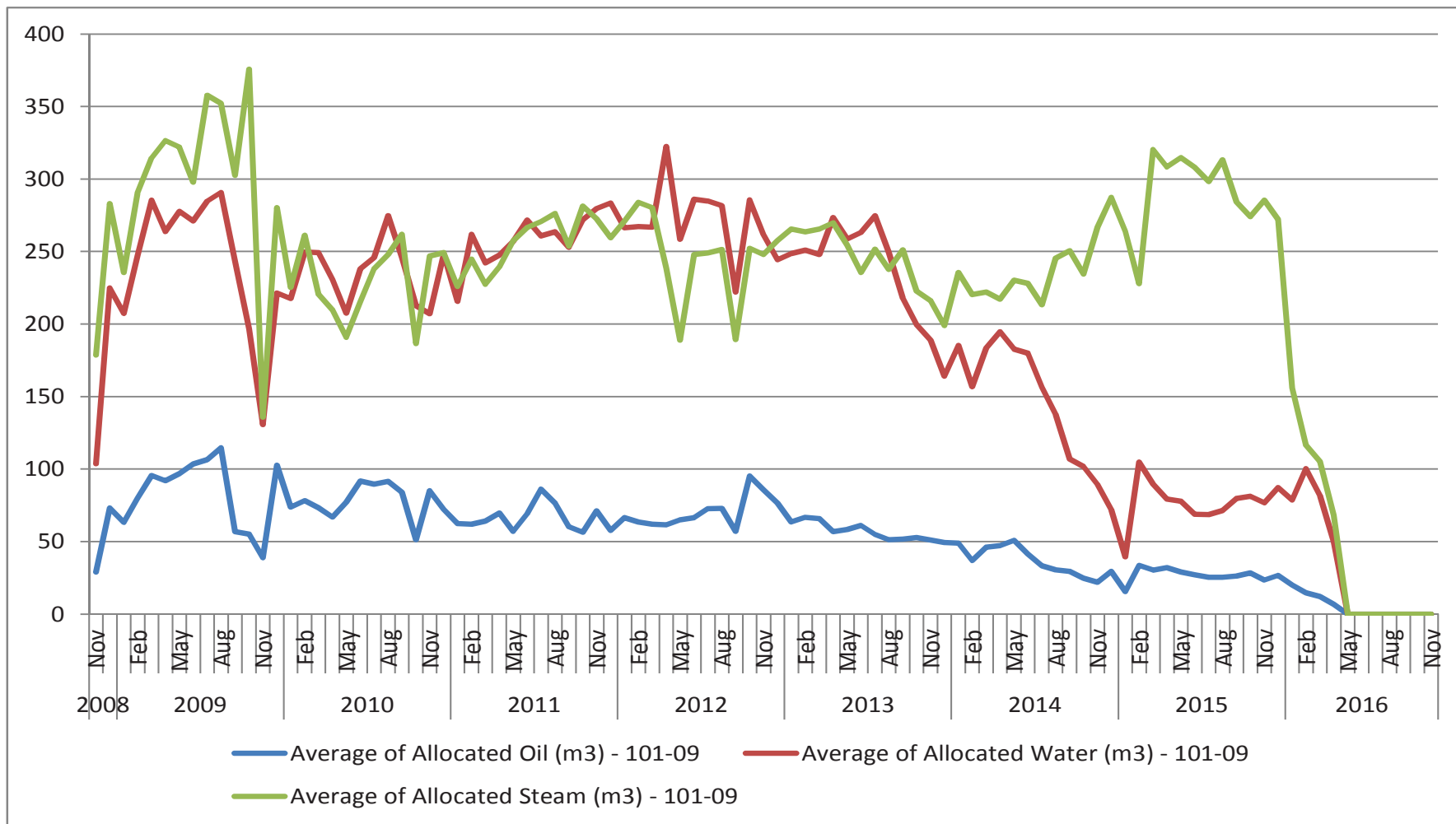
Pod One Pad 101S - 101-07



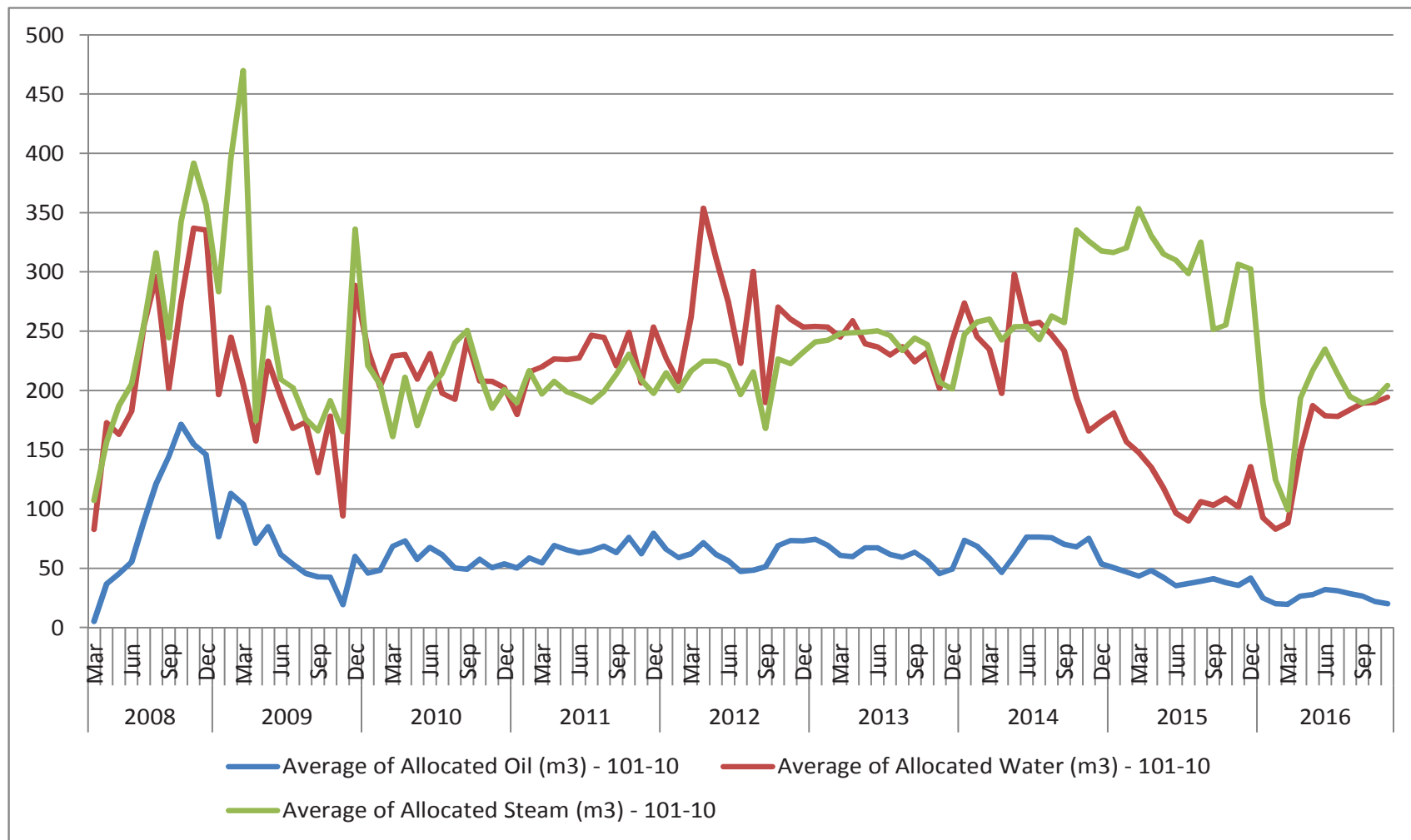
Pod One Pad 101S - 101-08



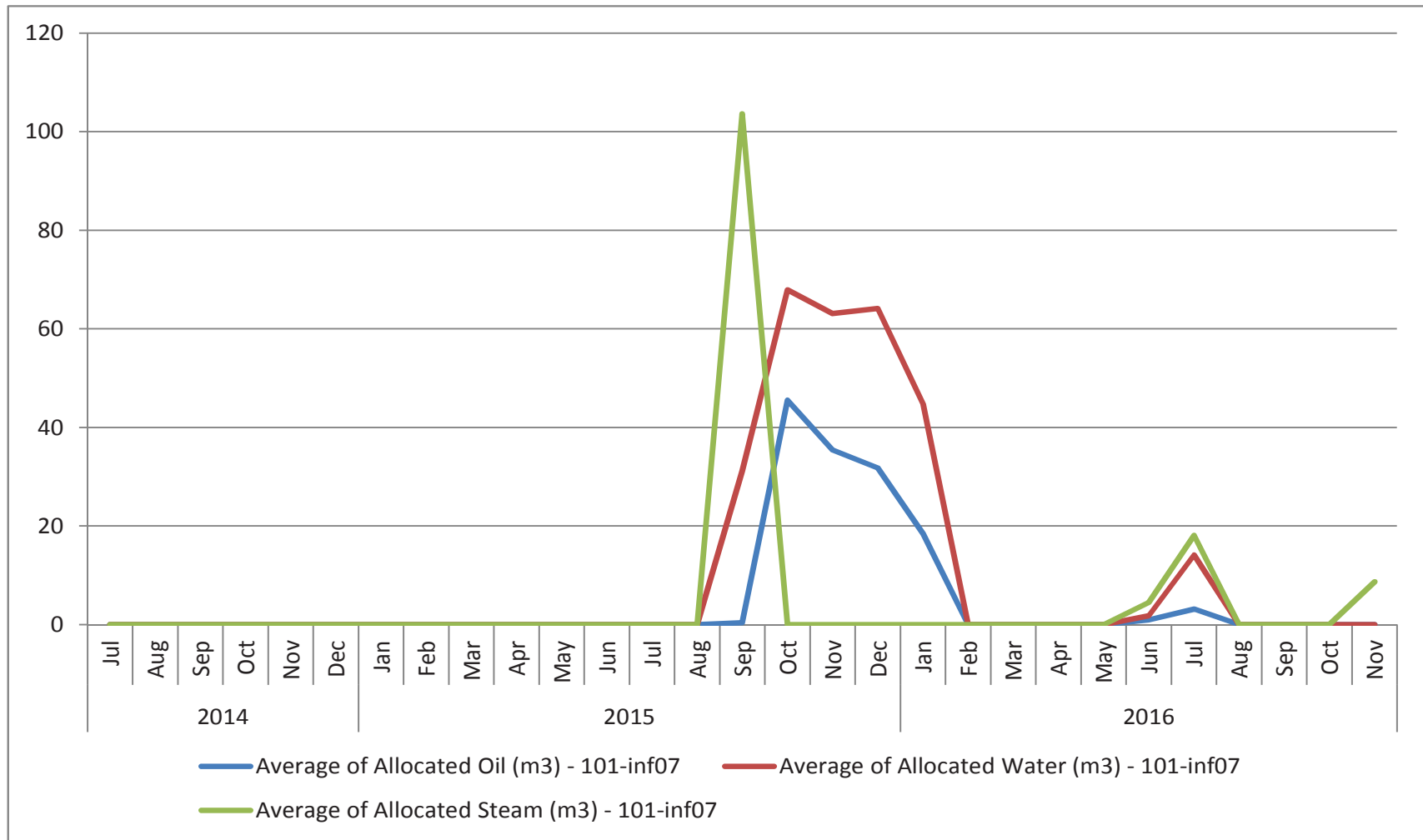
Pod One Pad 101S - 101-09



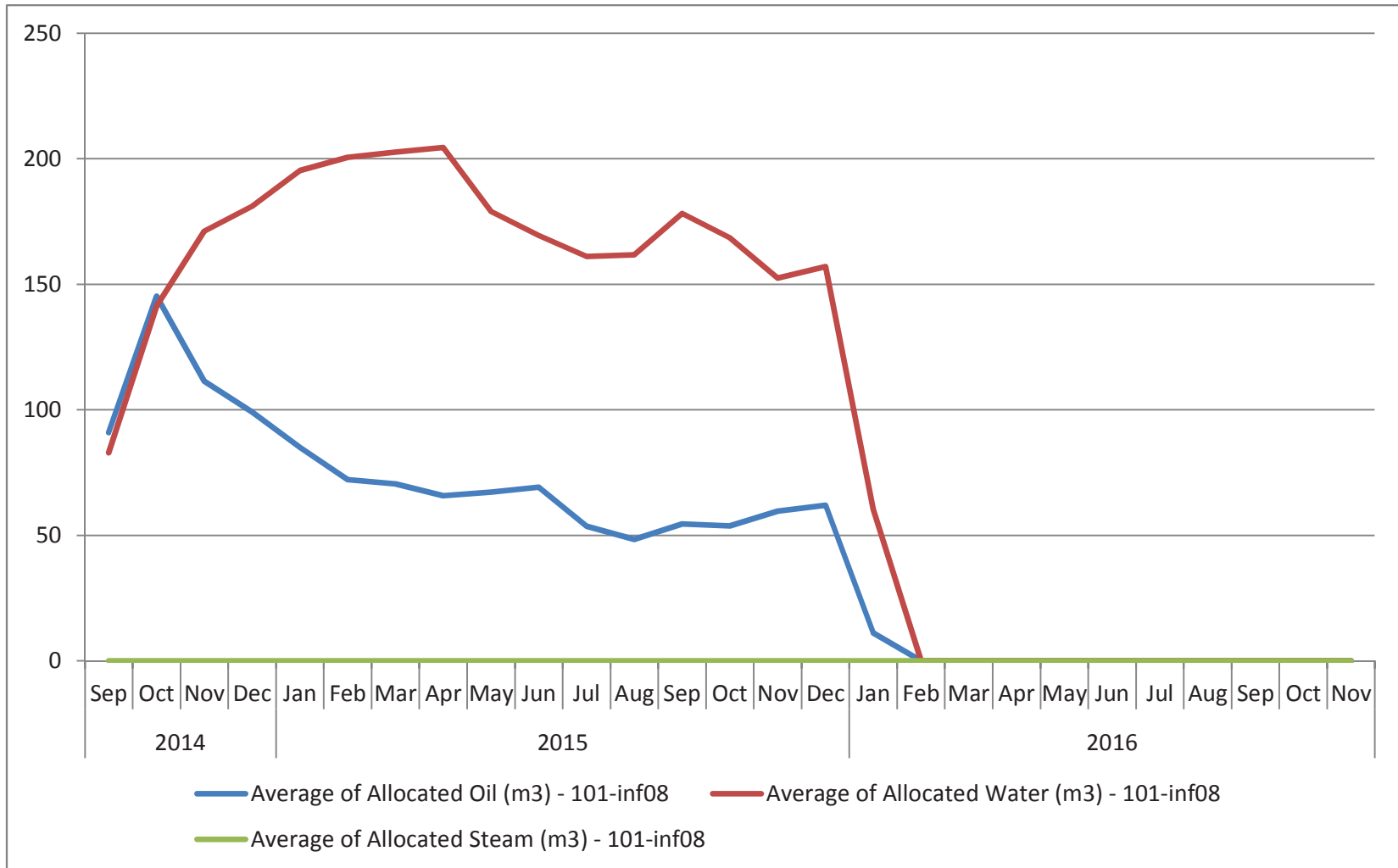
Pod One Pad 101S - 101-10



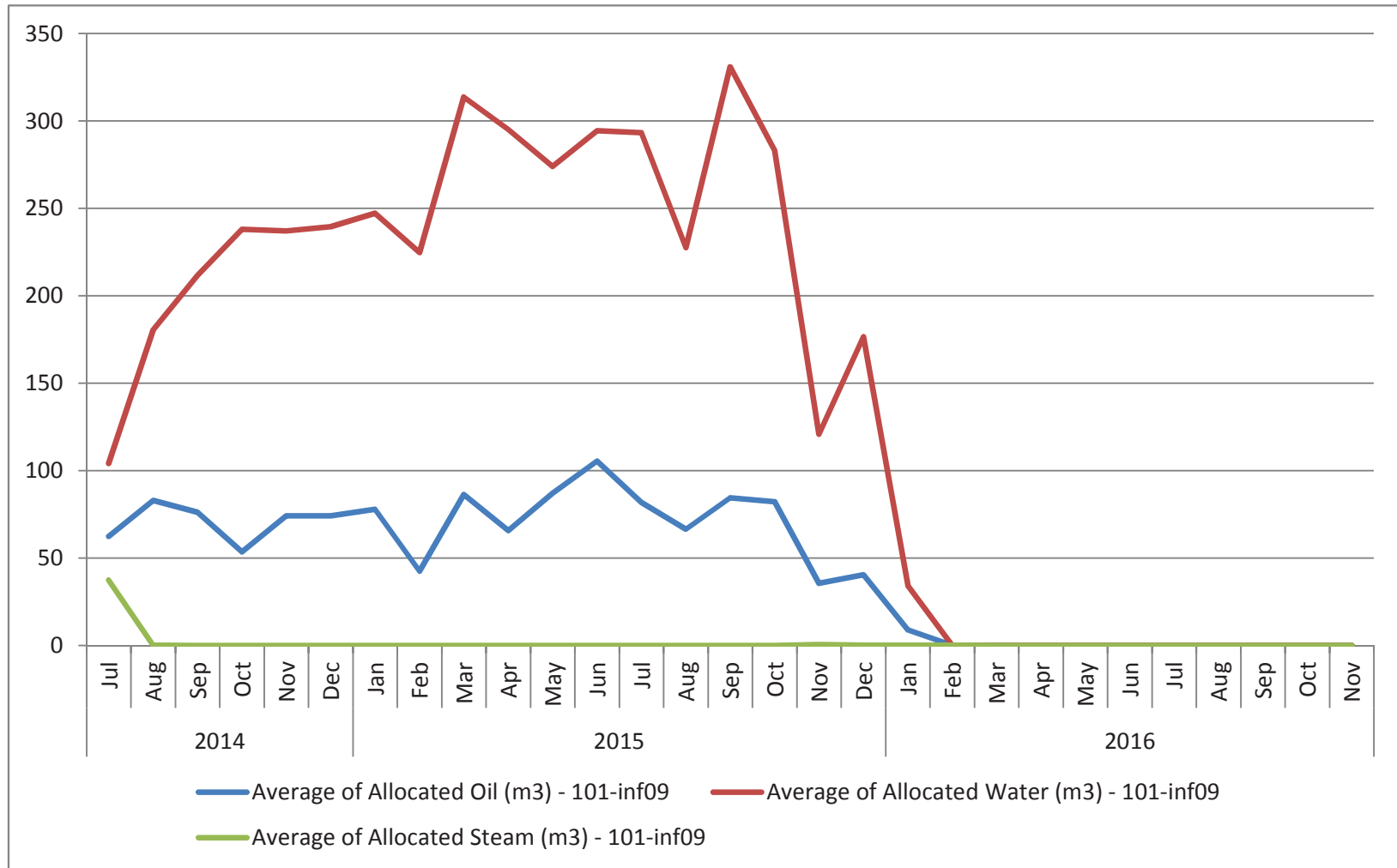
Pod One Pad 101S - 101-F07



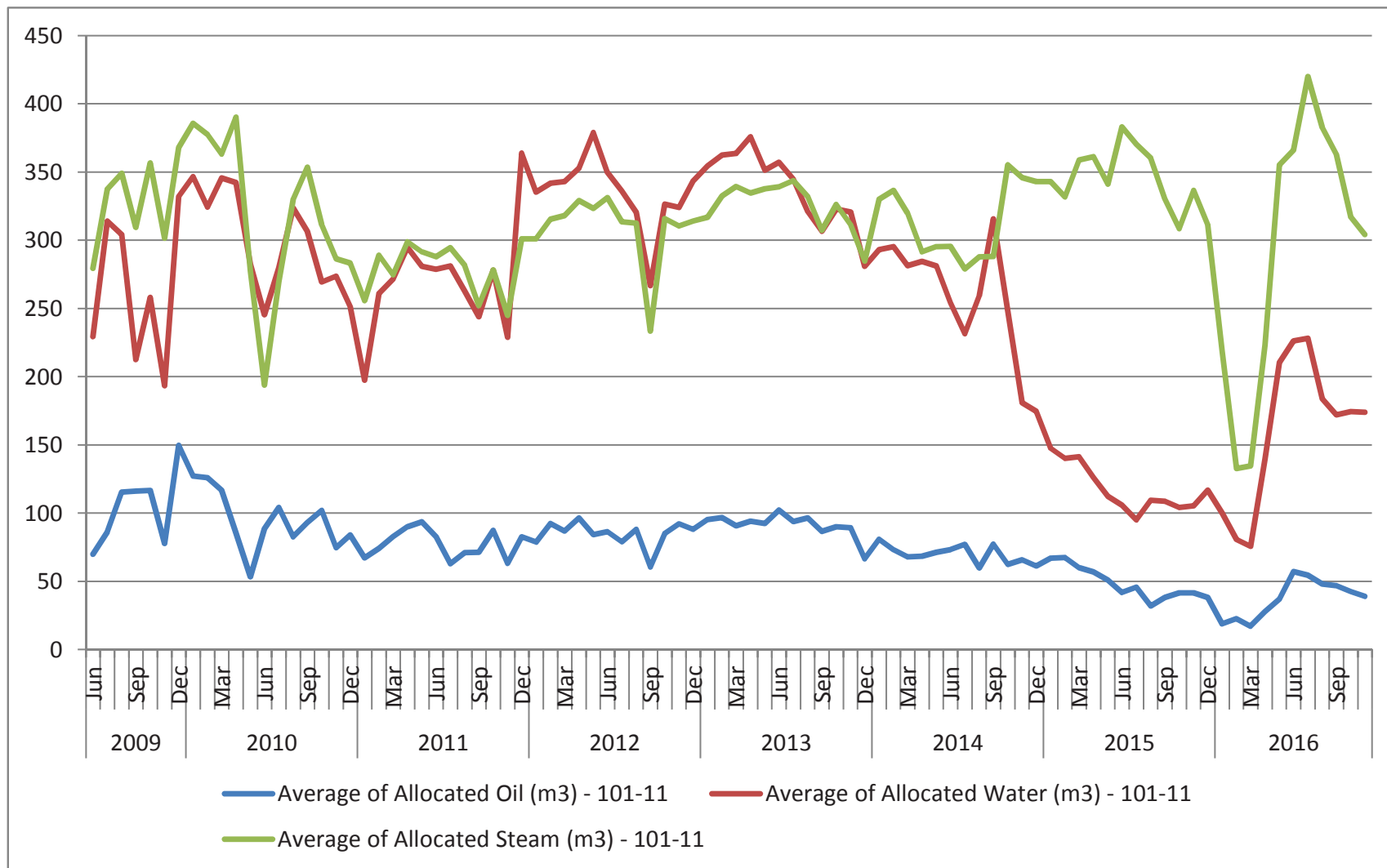
Pod One Pad 101S - 101-F08



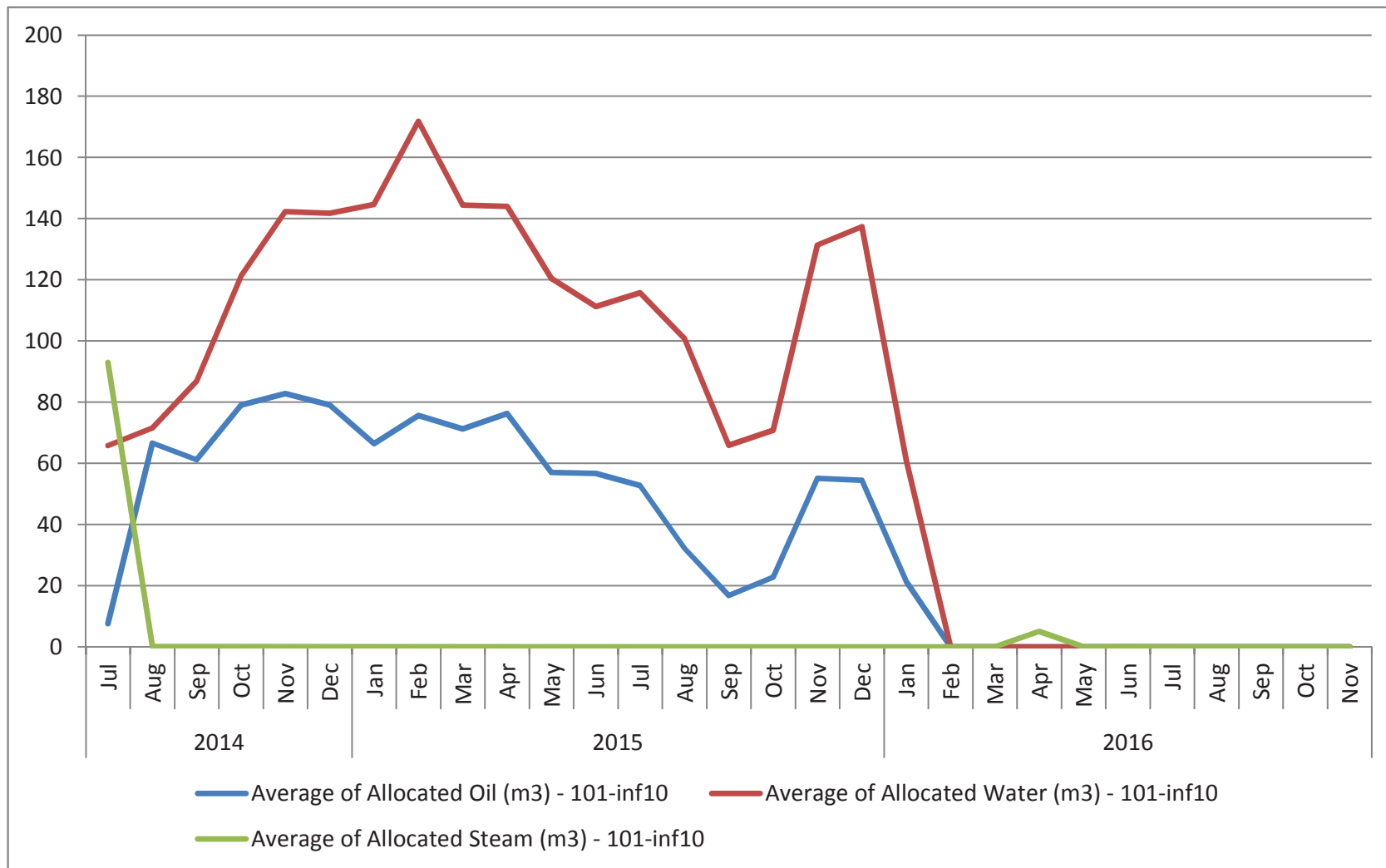
Pod One Pad 101S - 101-F09



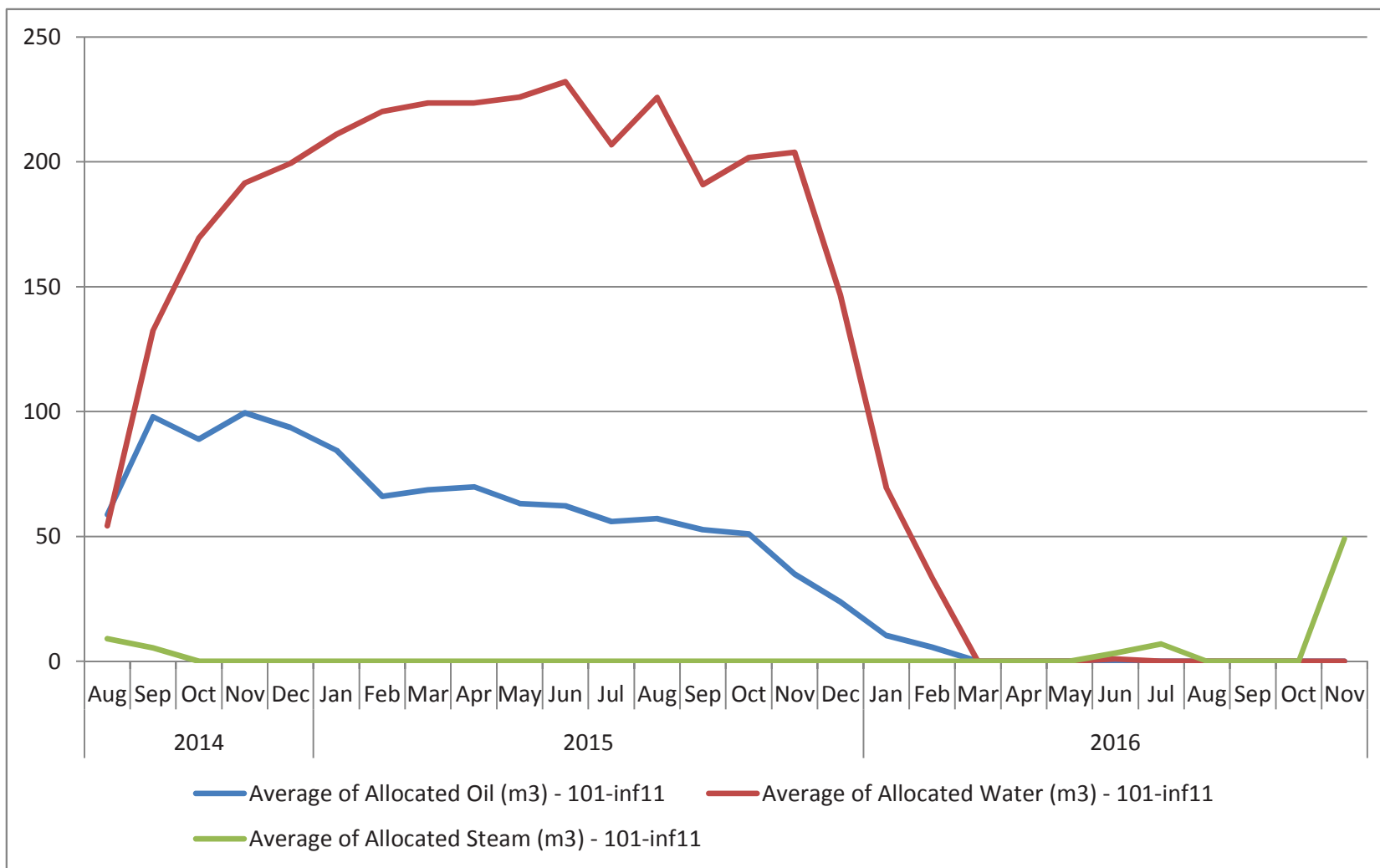
Pod One Pad 102S - 101-11



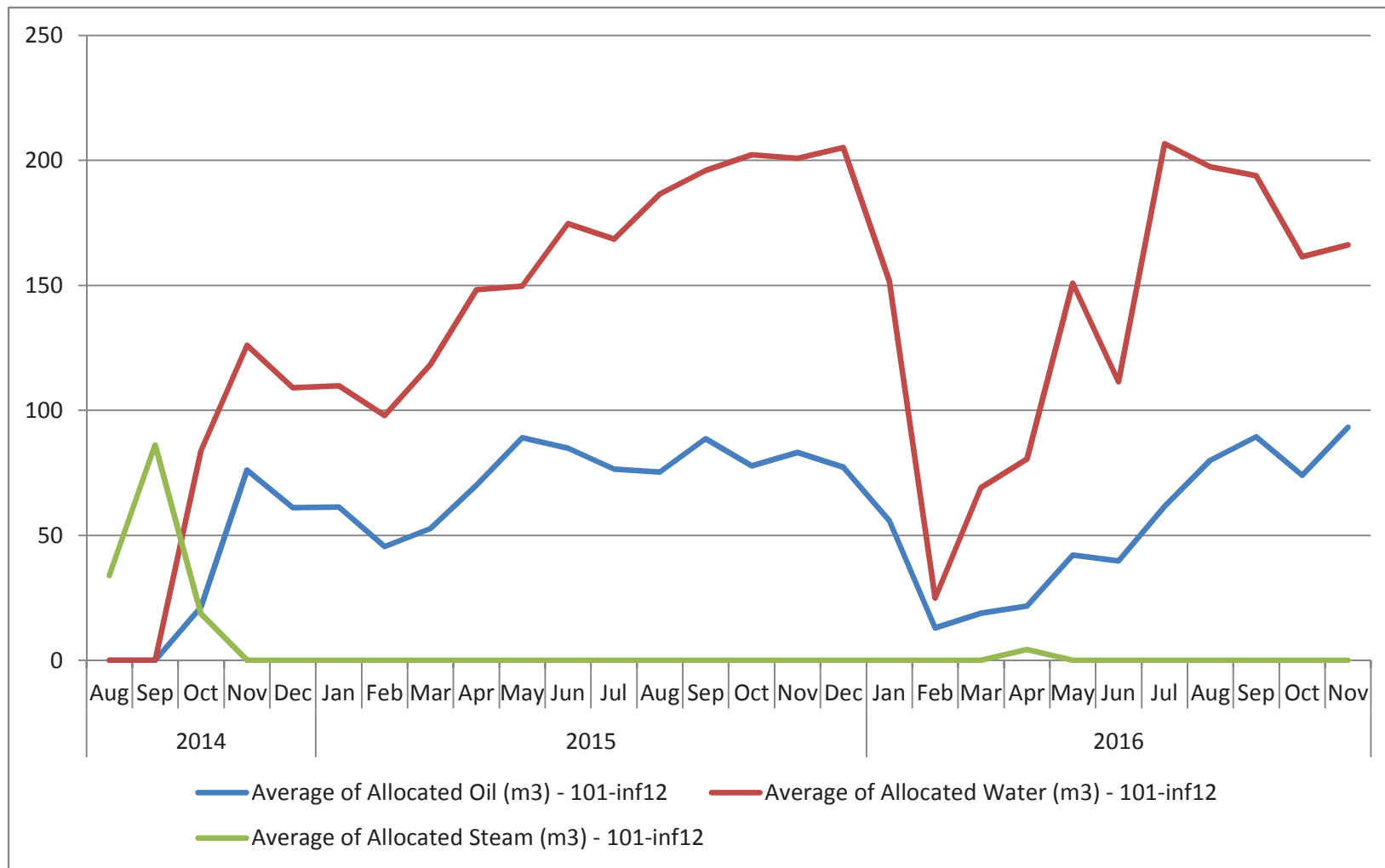
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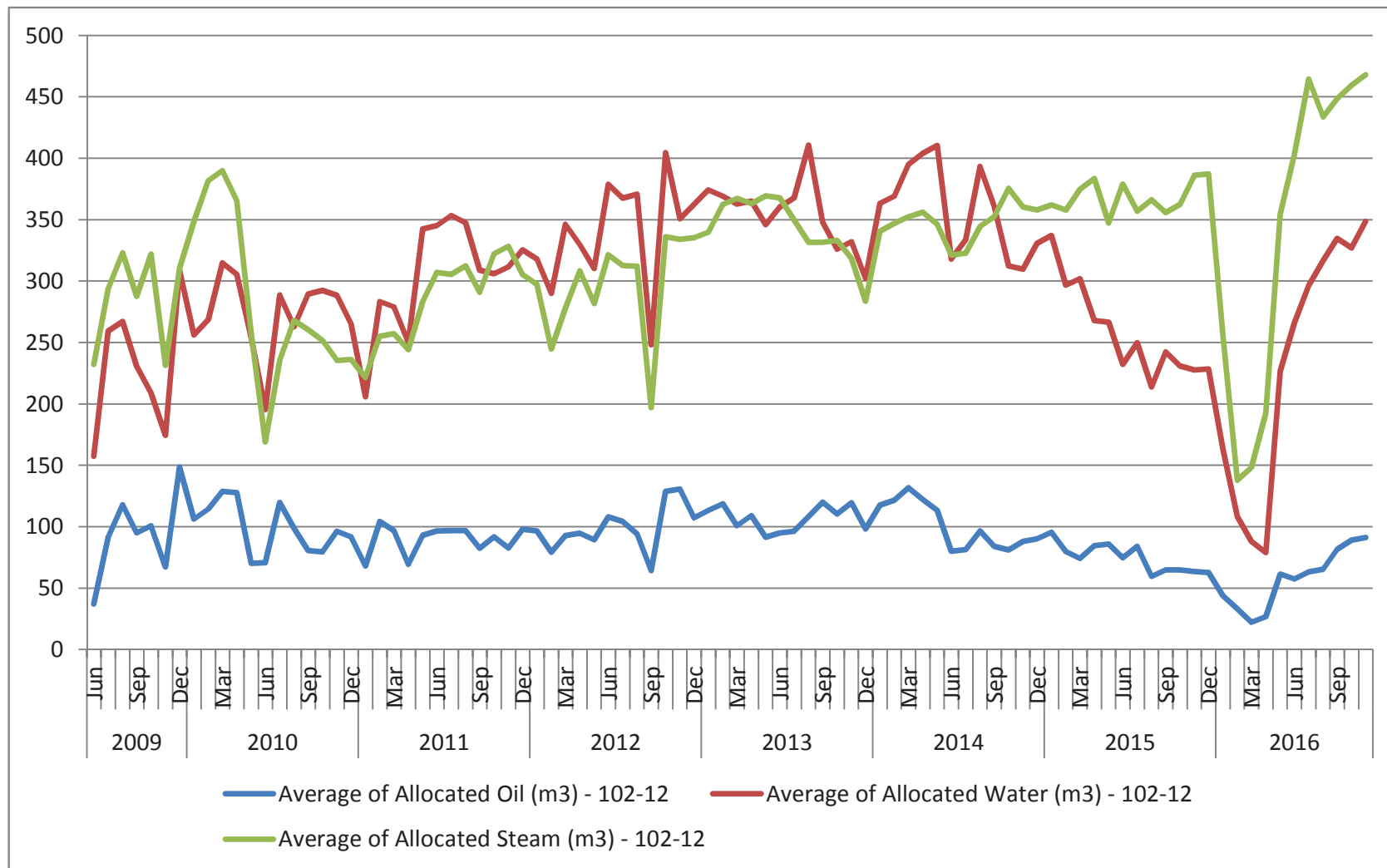
Pod One 102S - 101-F11



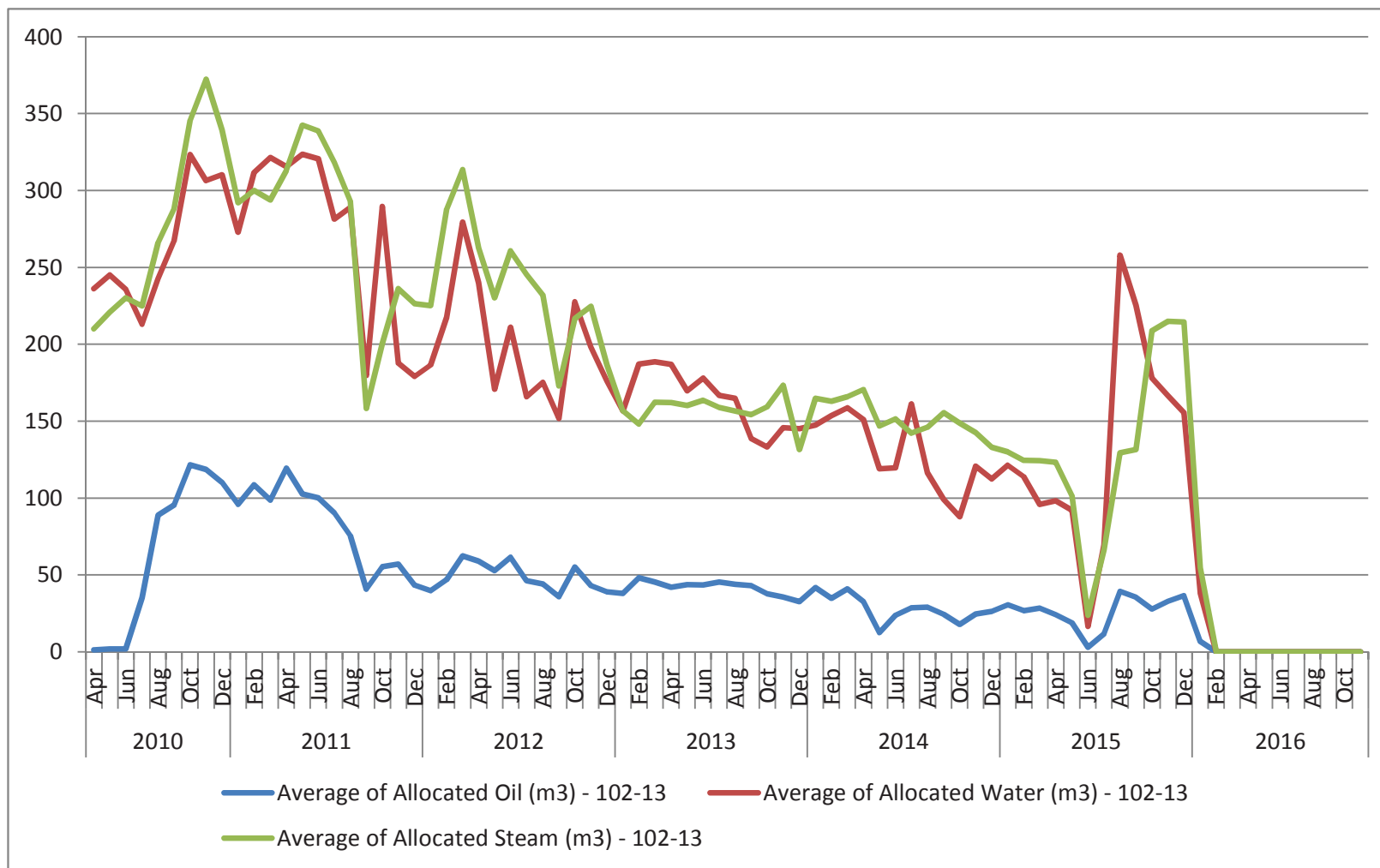
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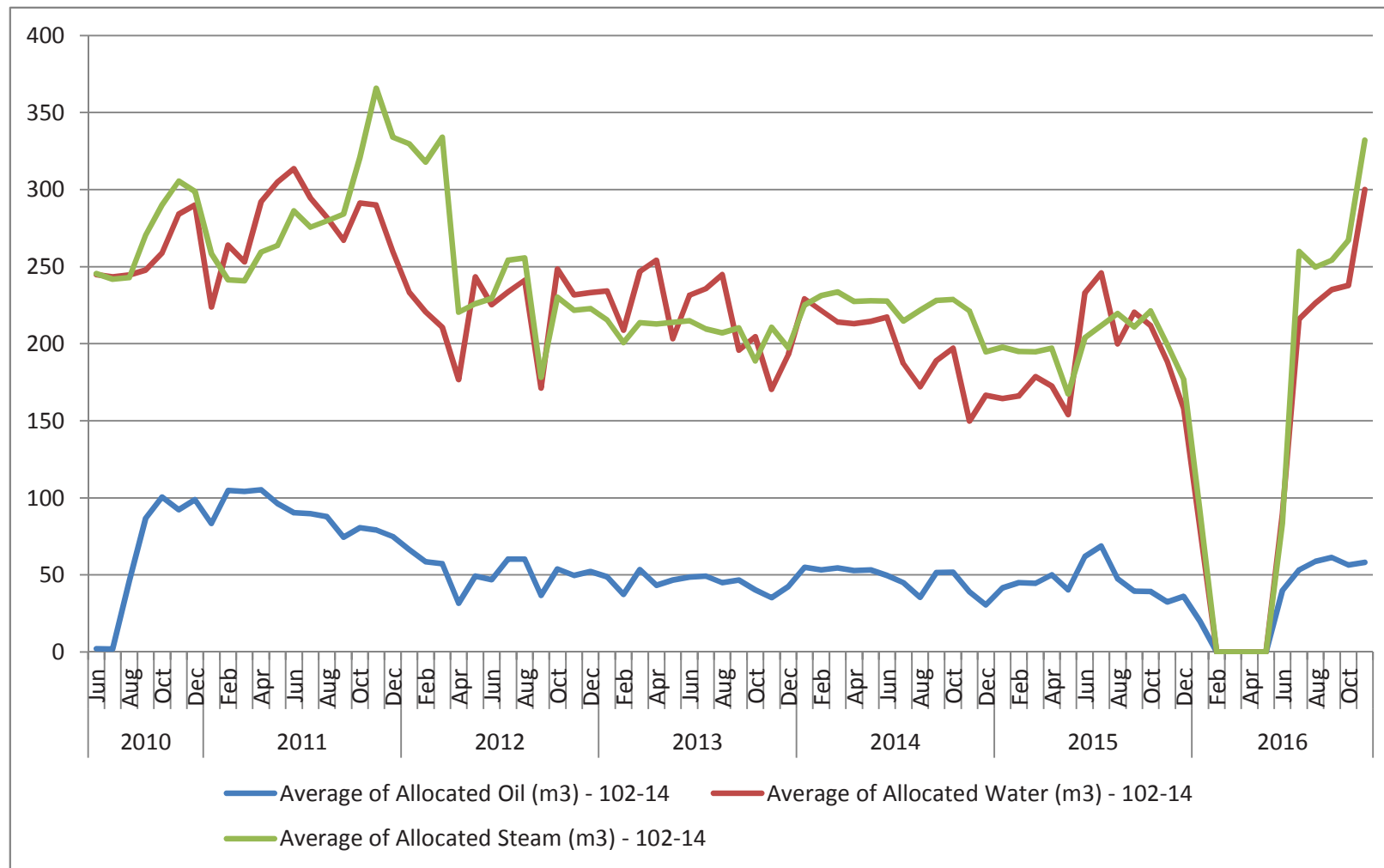
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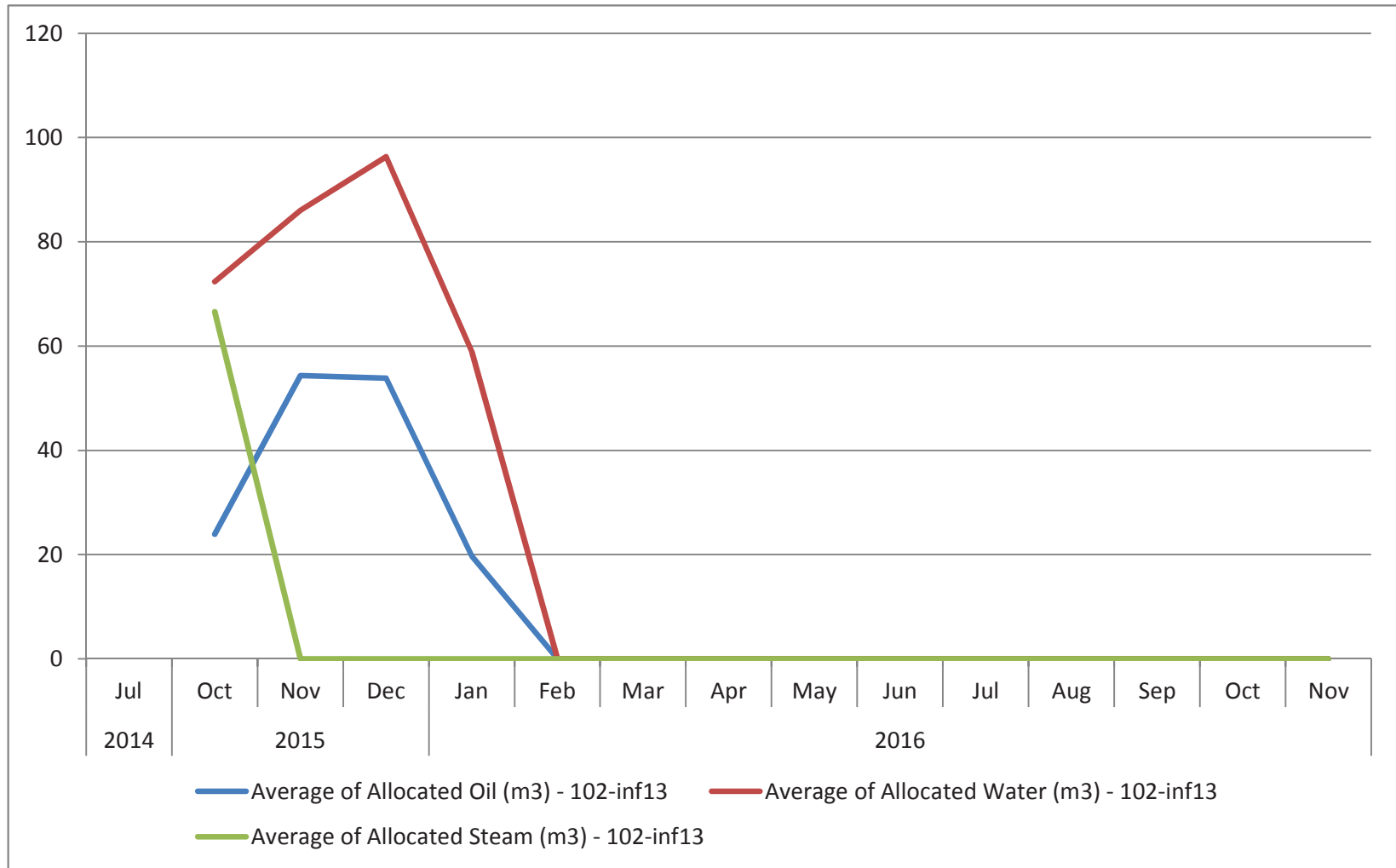


Pod One Pad 102S - 102-13

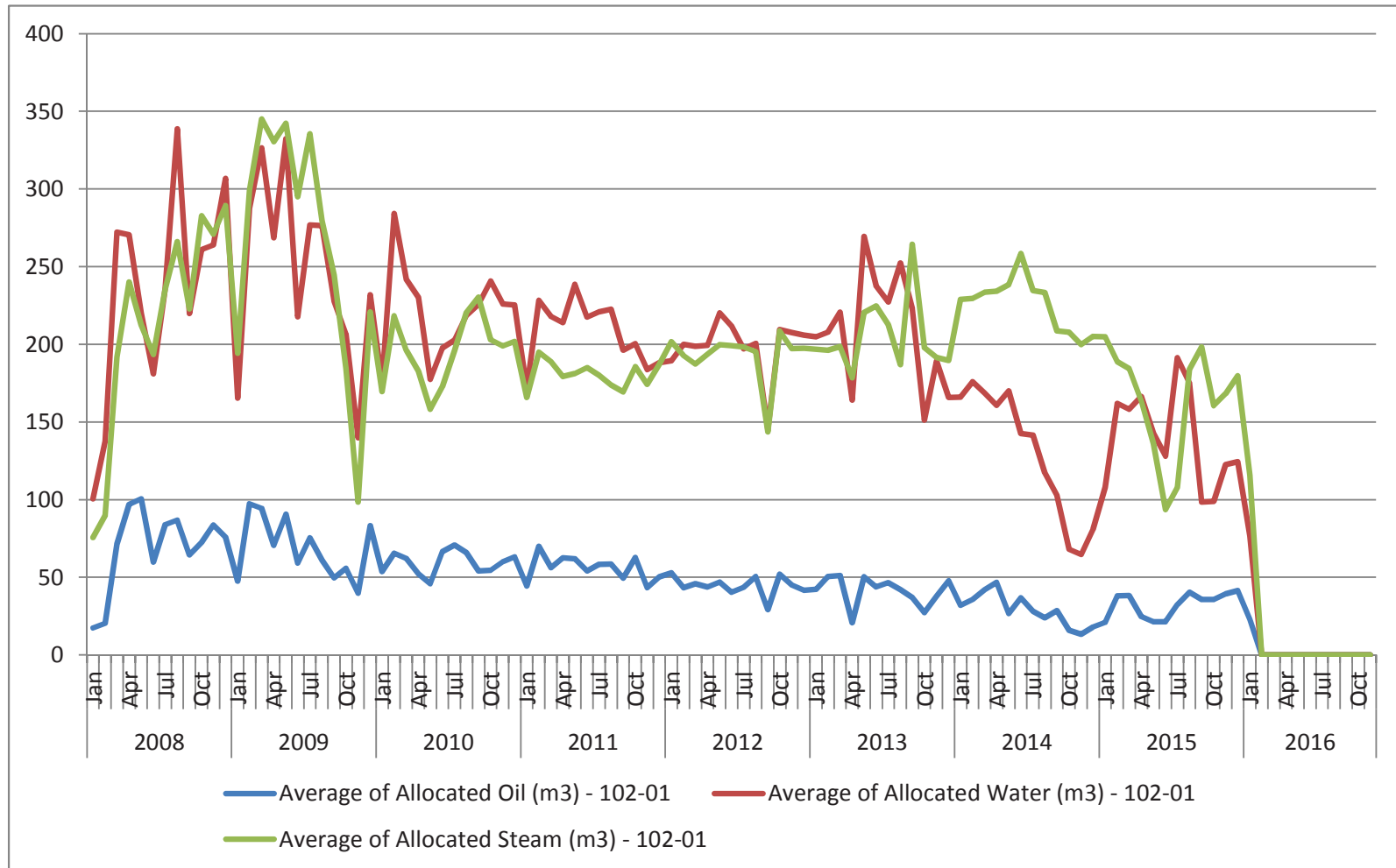


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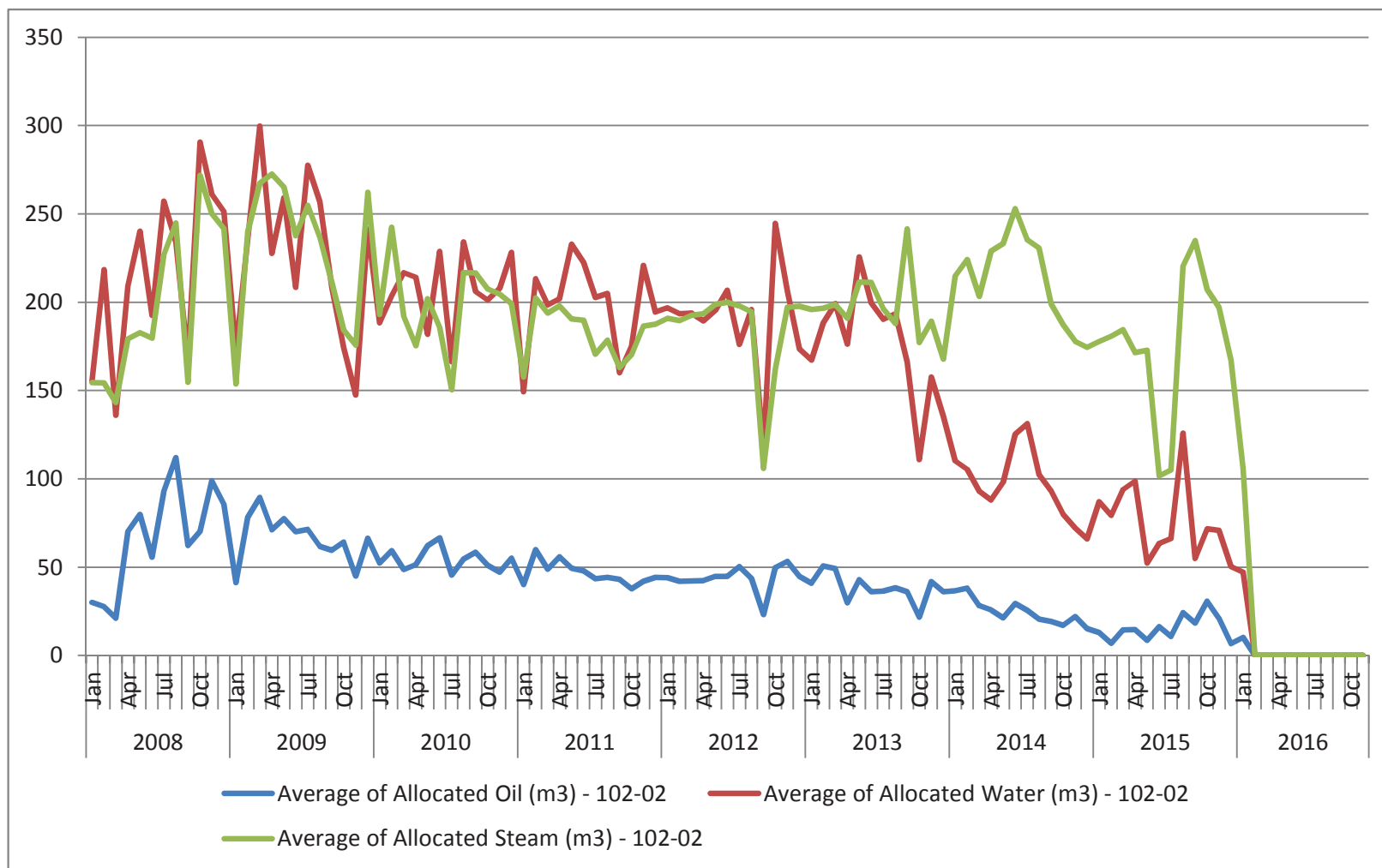




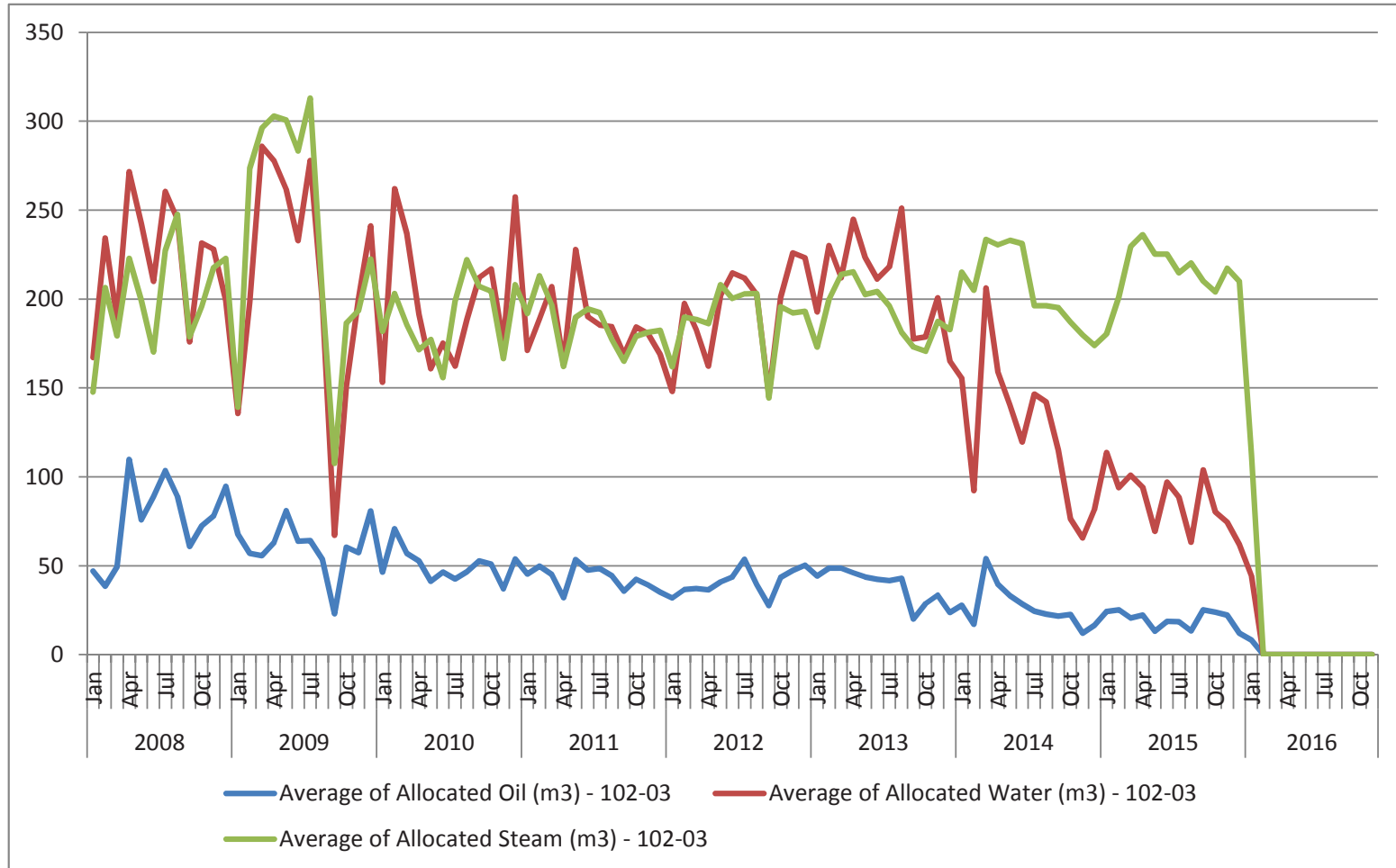
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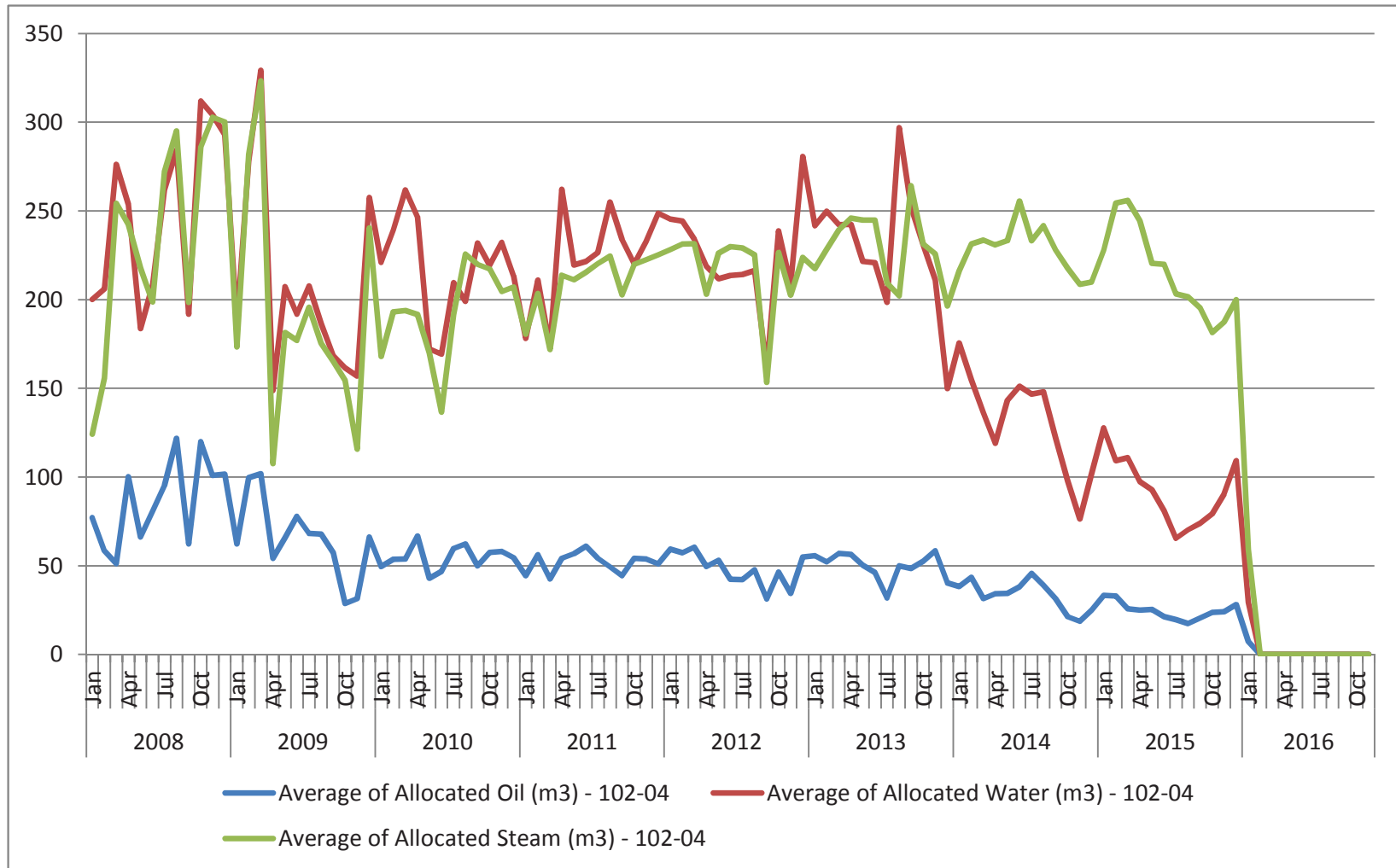
Pod One Pad 102W - 102-02



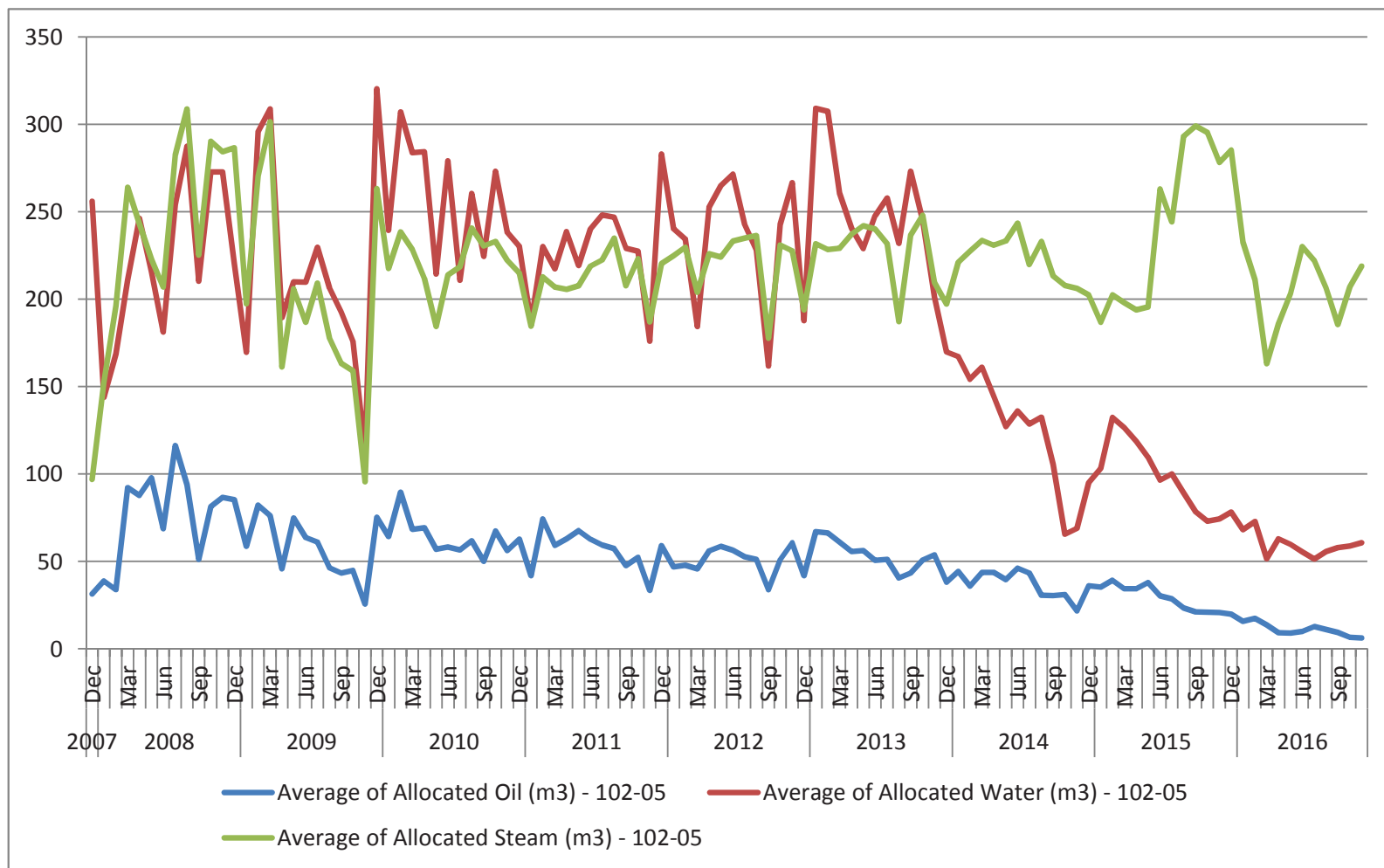
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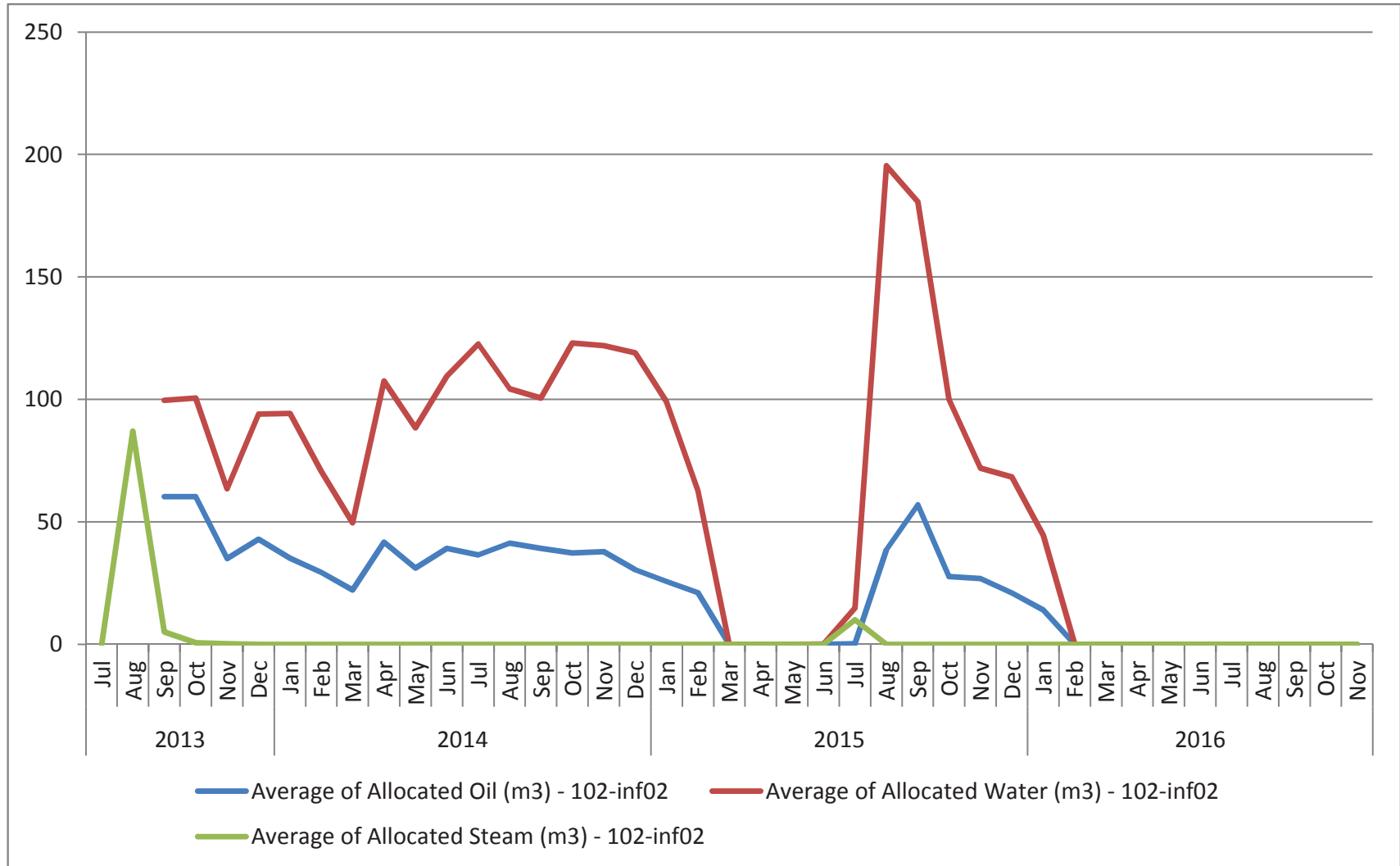


Pod One Pad 102W - 102-04

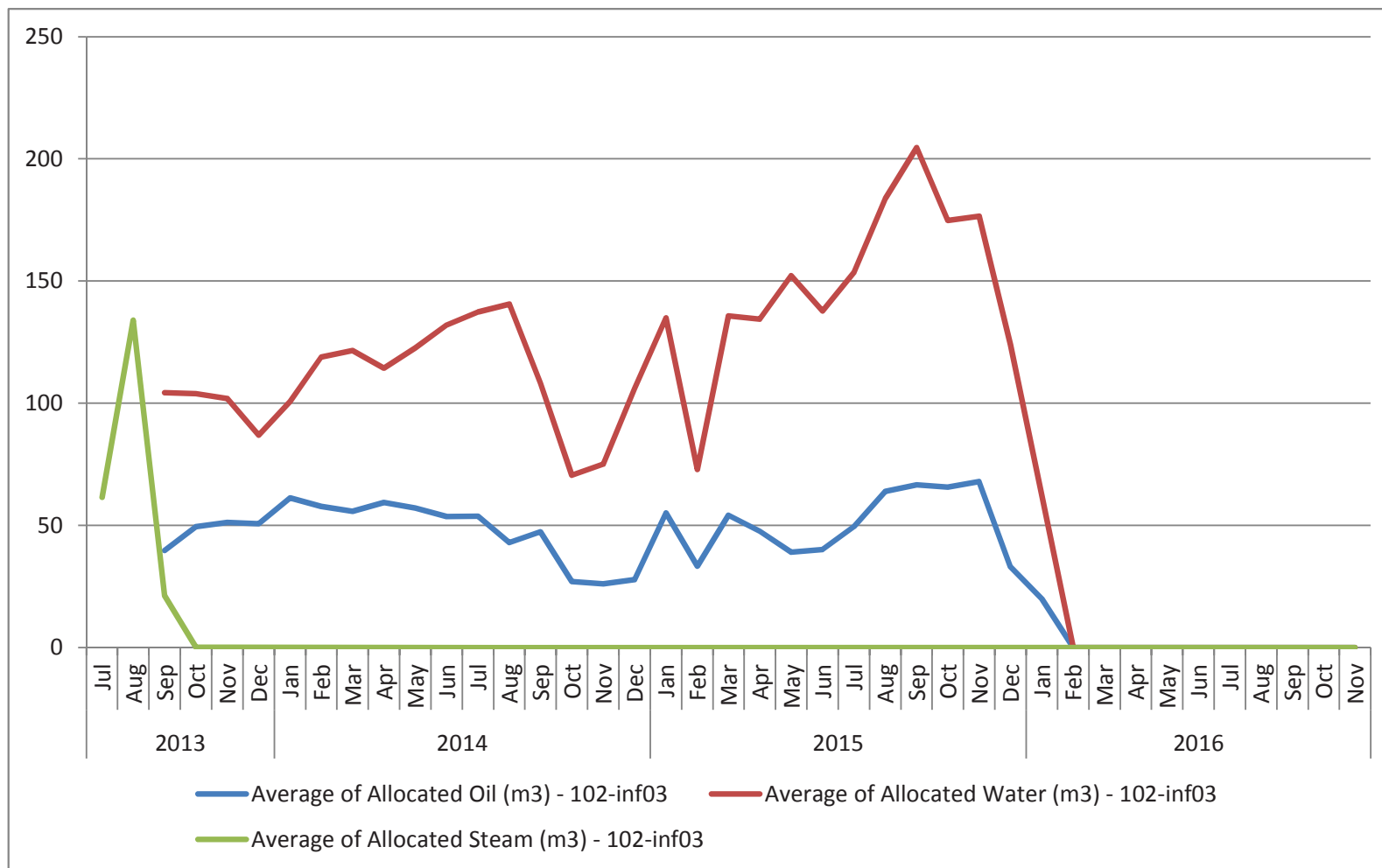


Pod One Pad 102W - 102-05

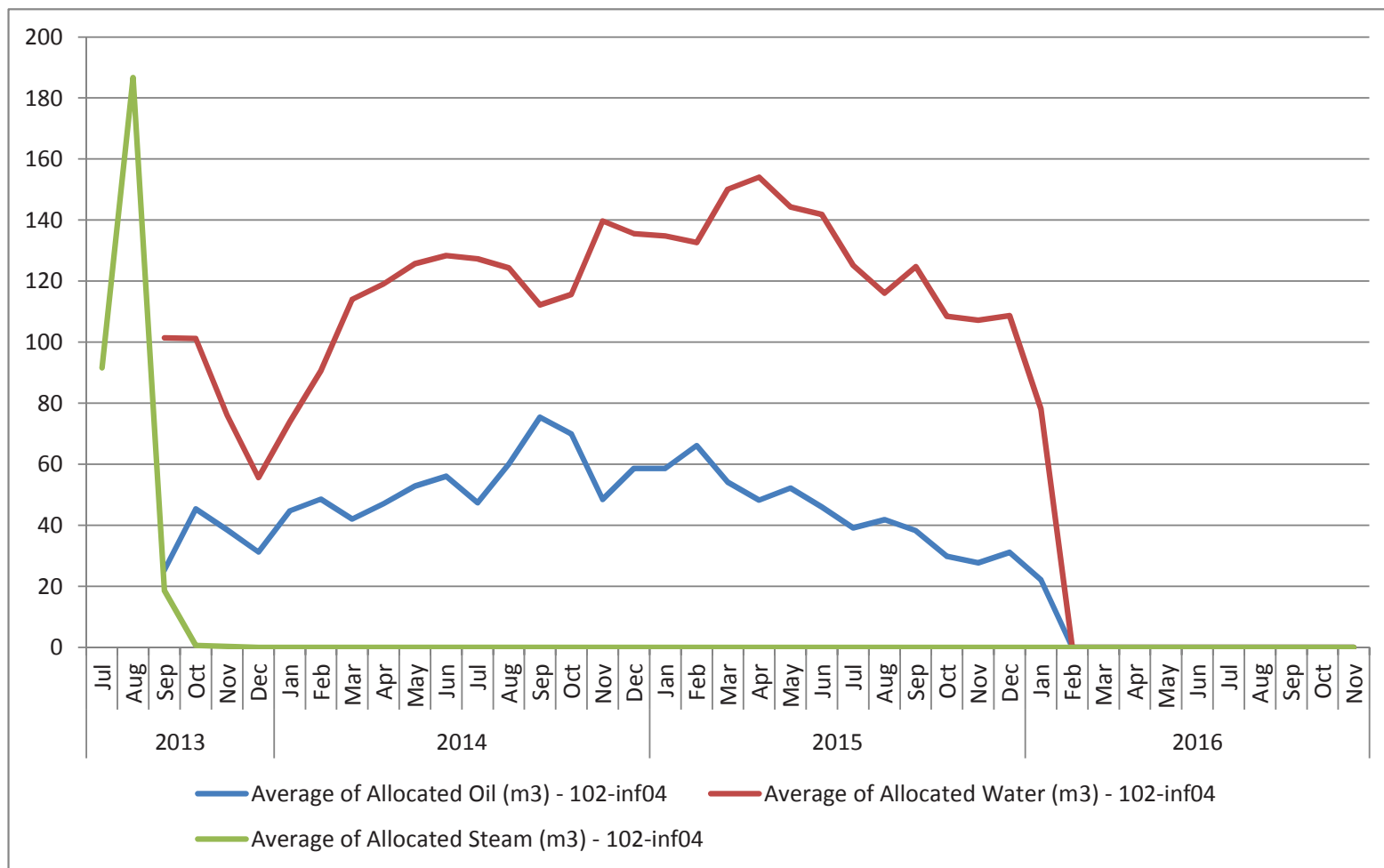




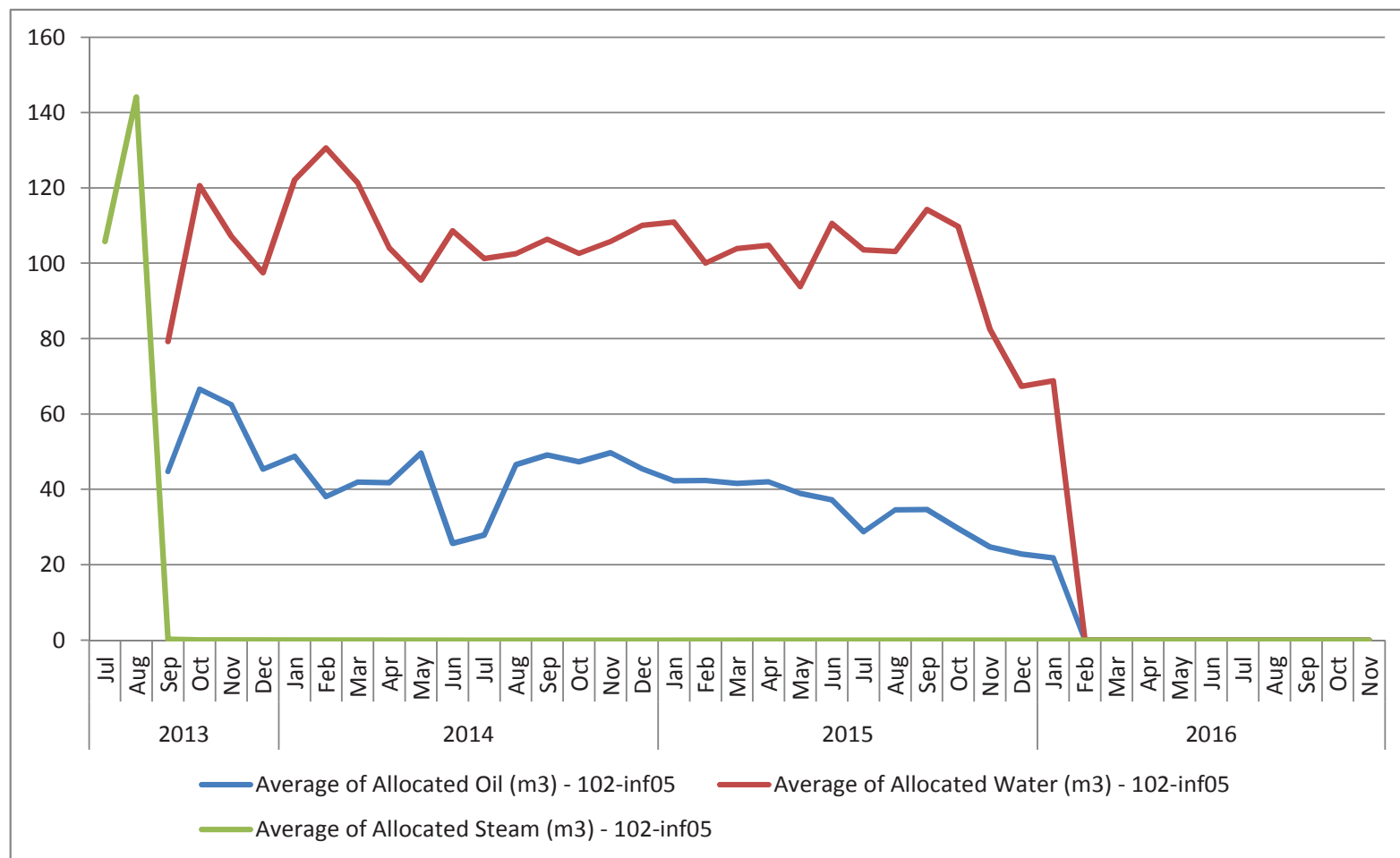
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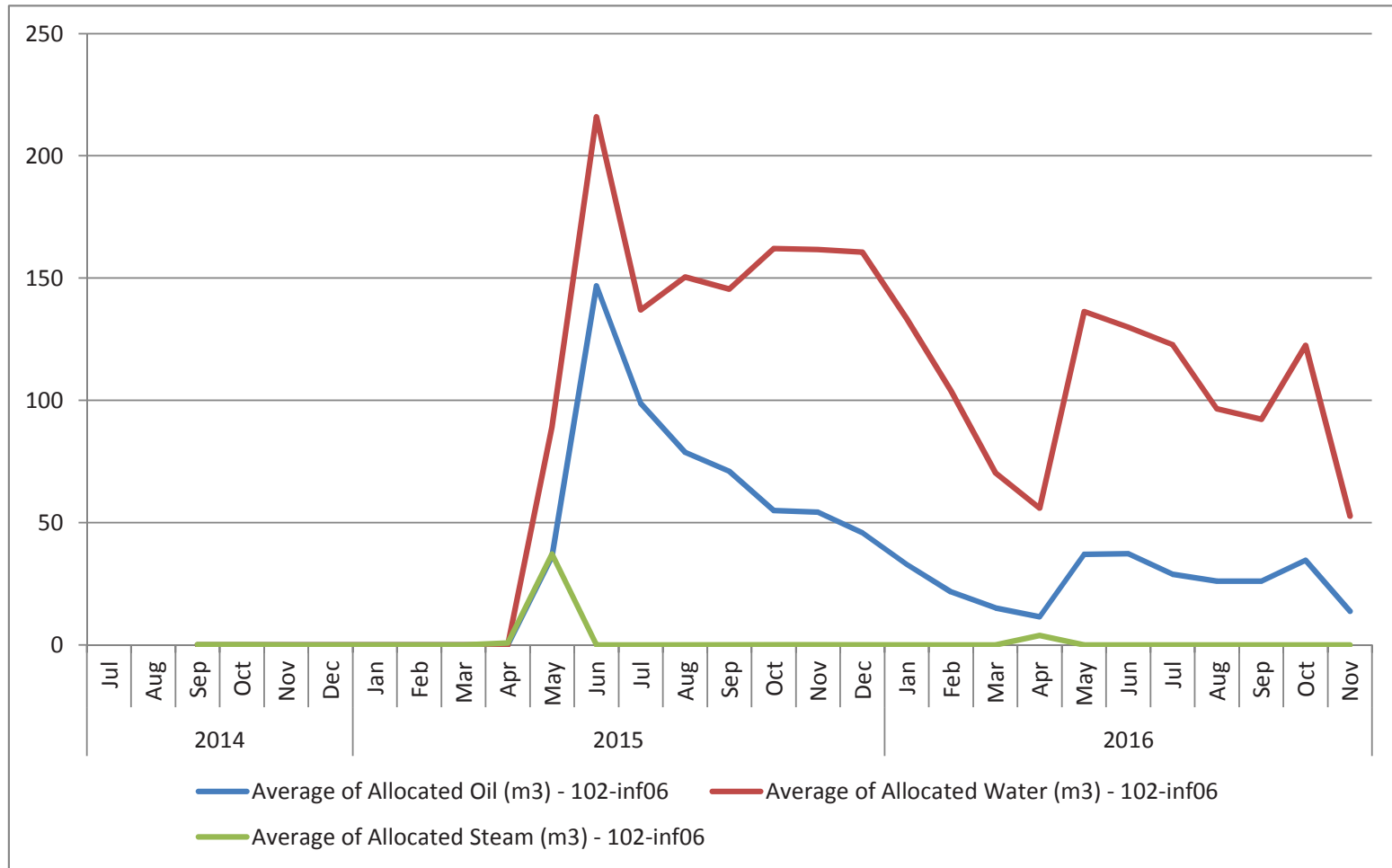


Pod One Pad 102W - 102-F04

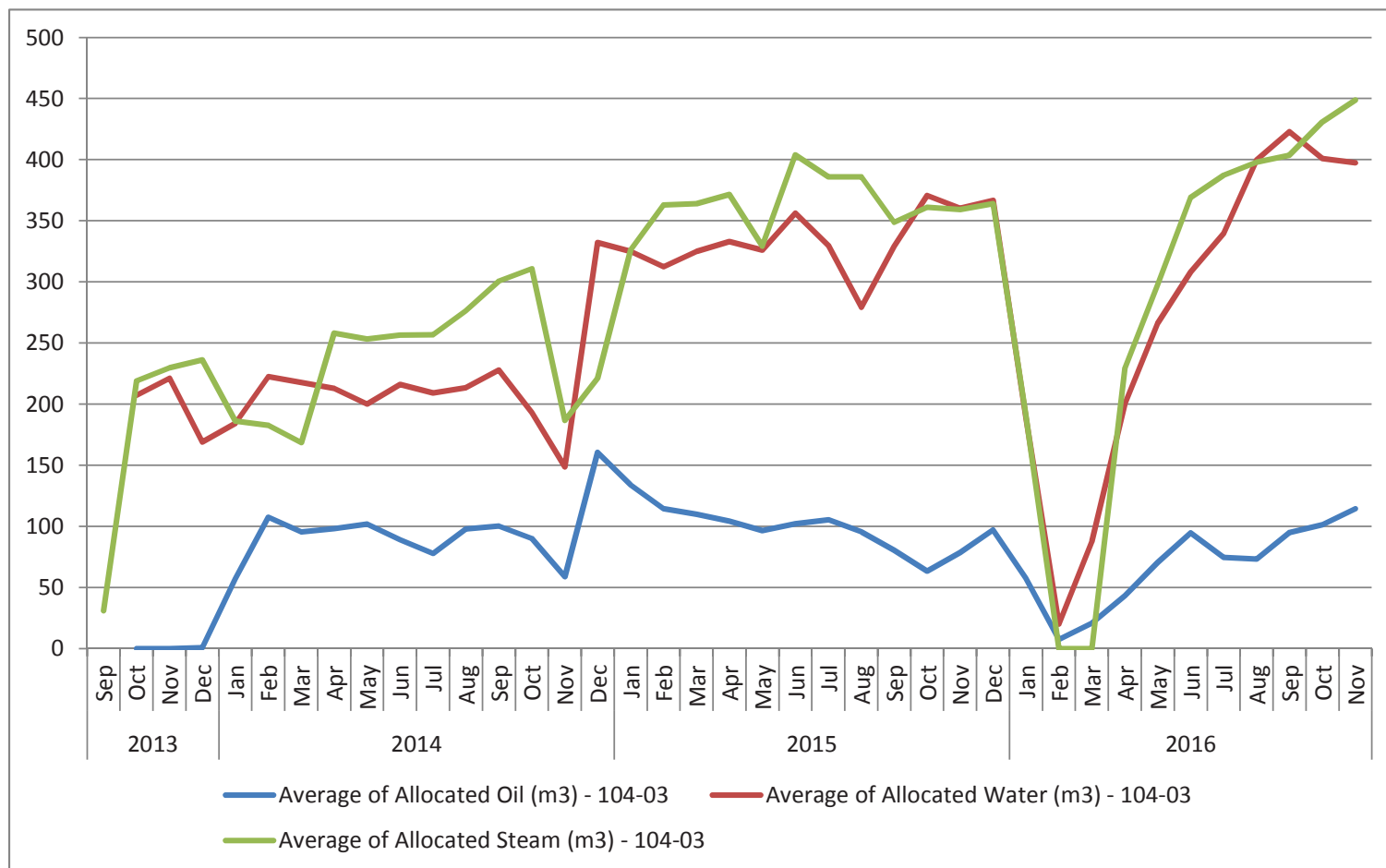


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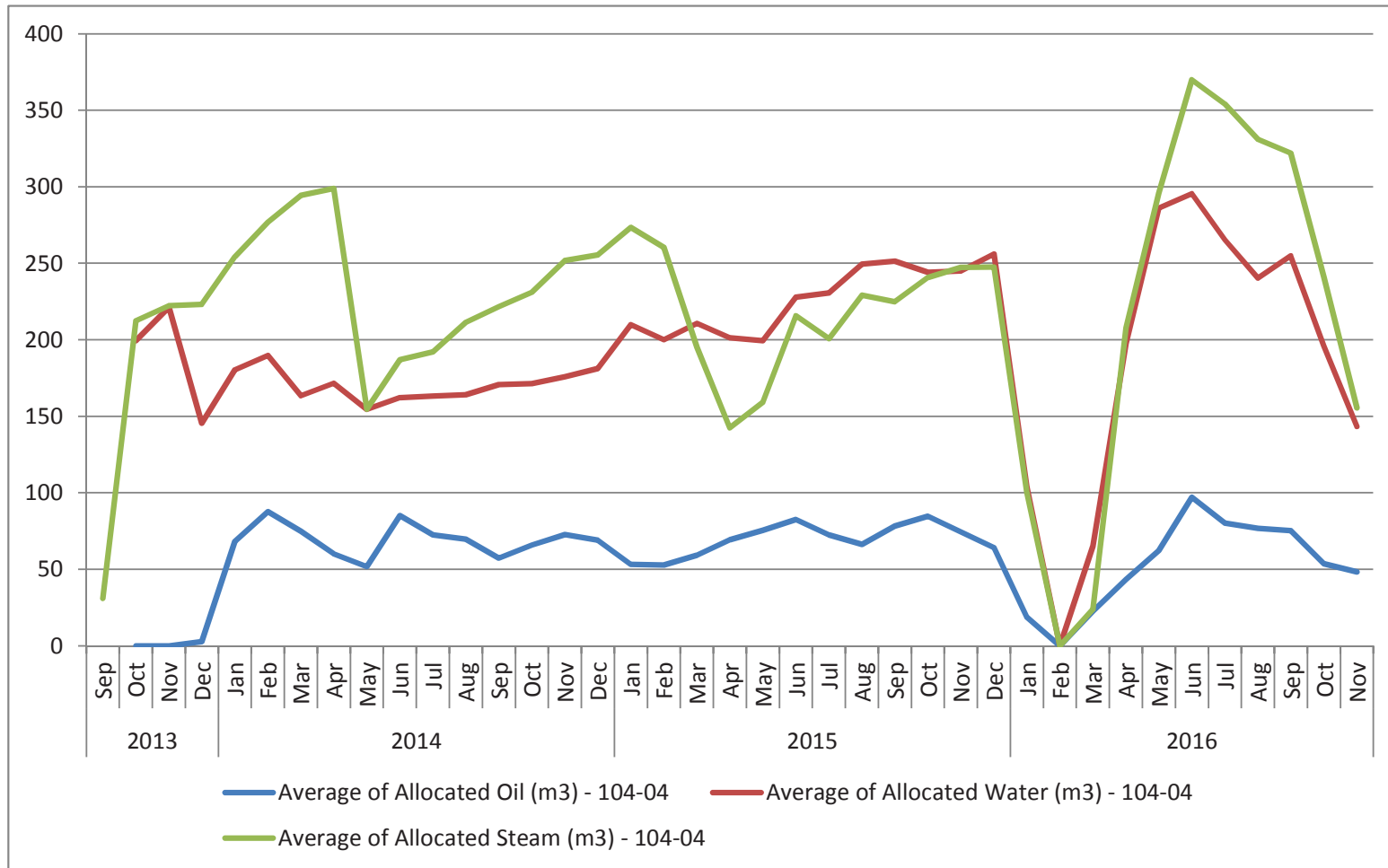




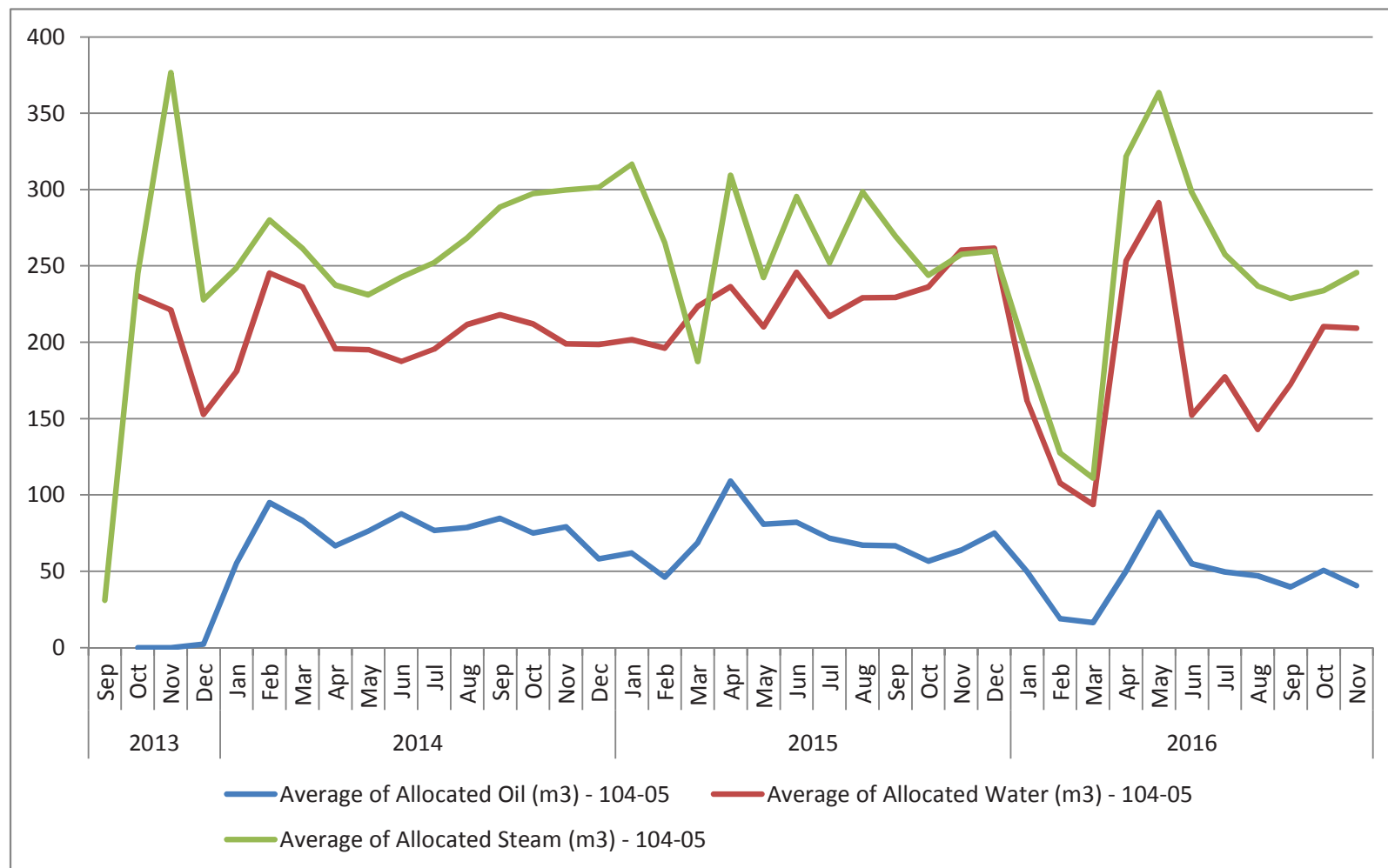
Pod One Pad 104 - 104-03



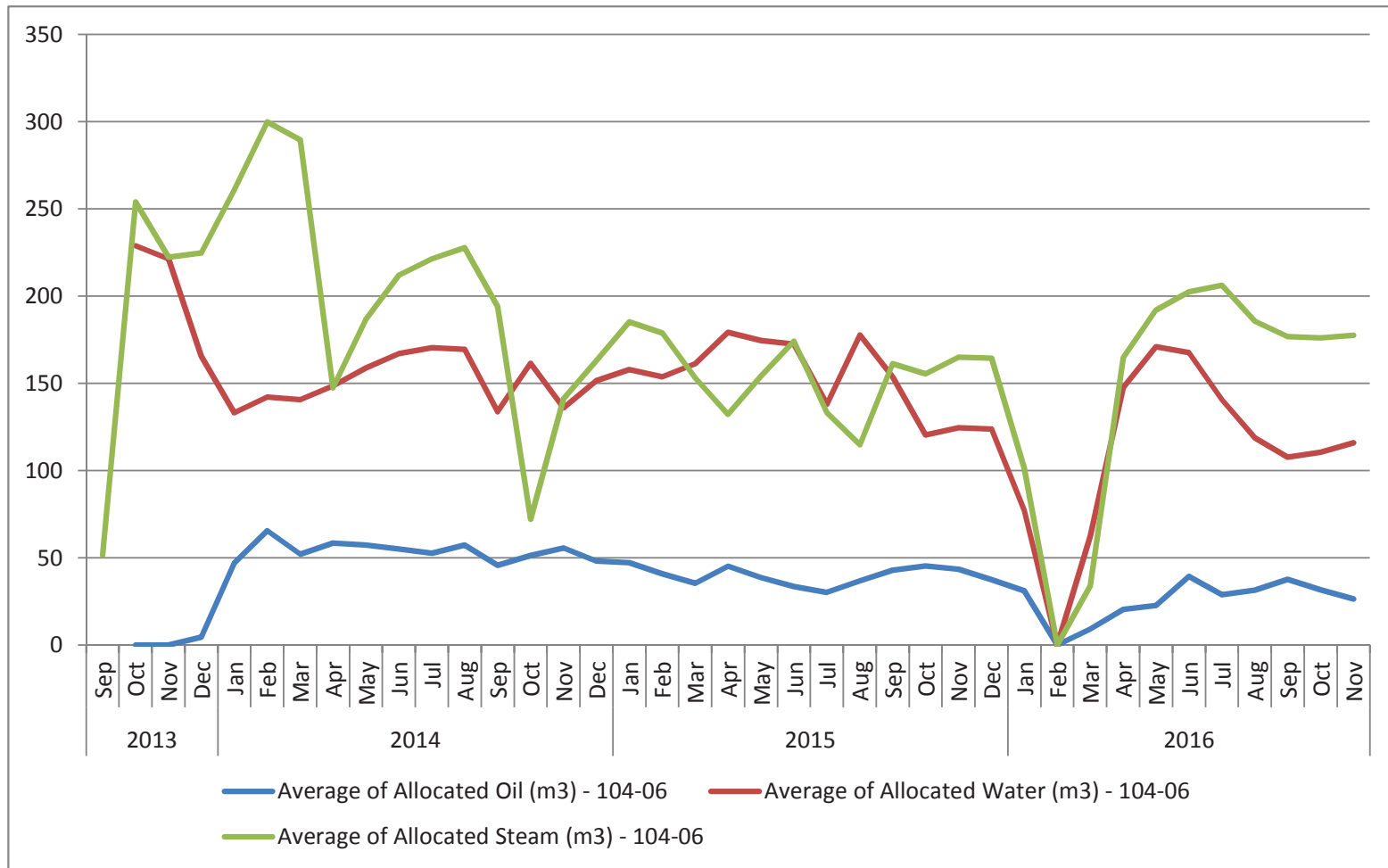
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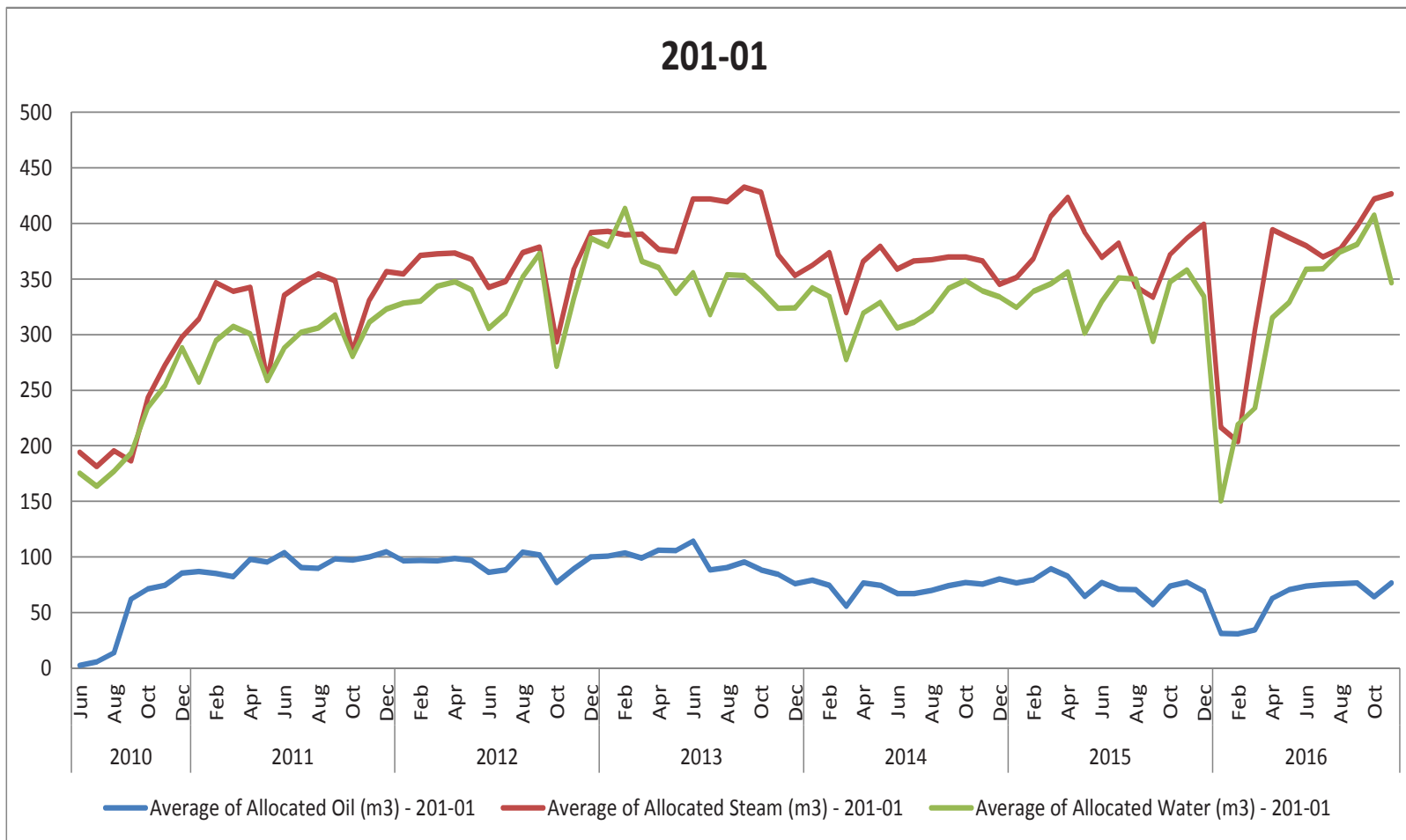
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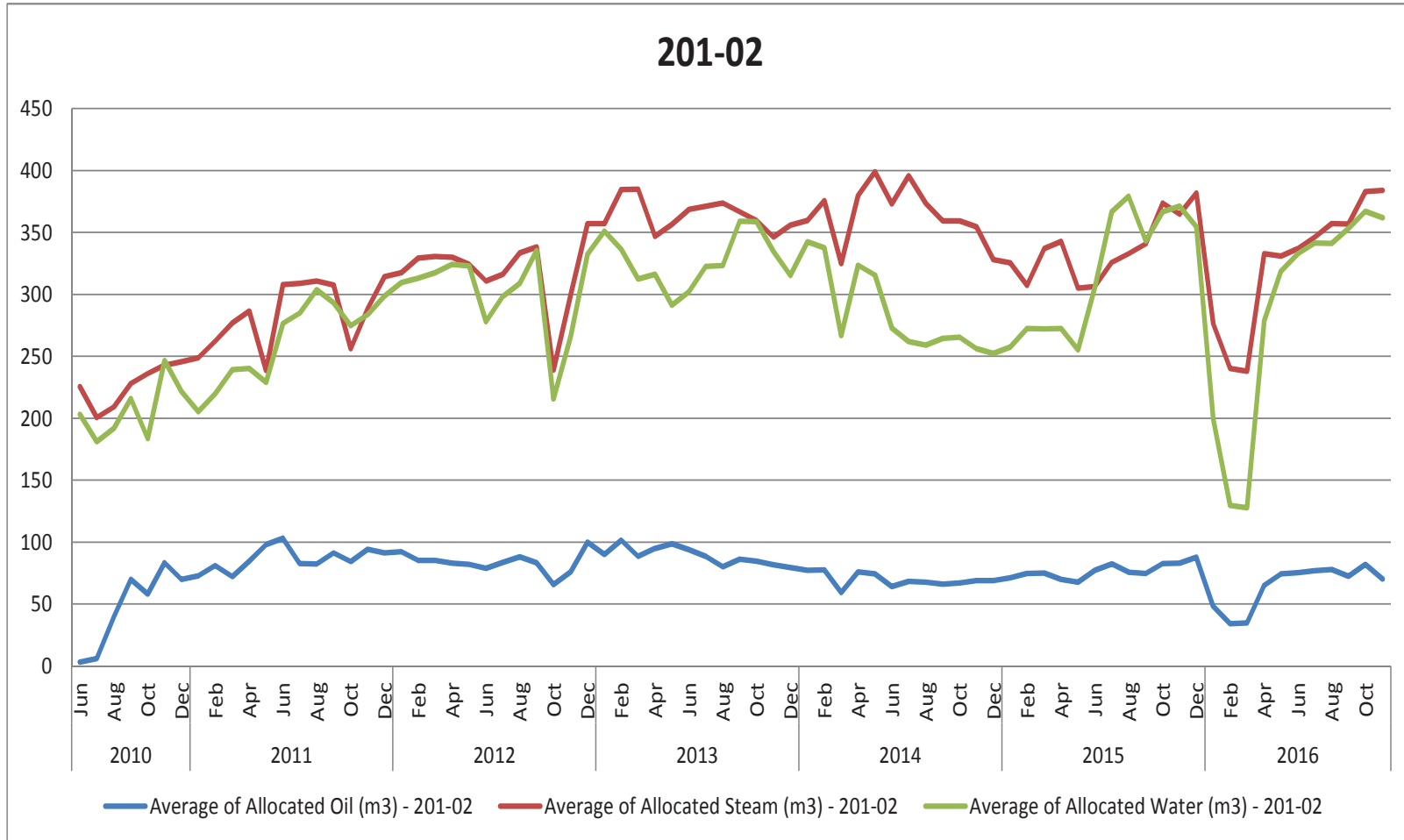


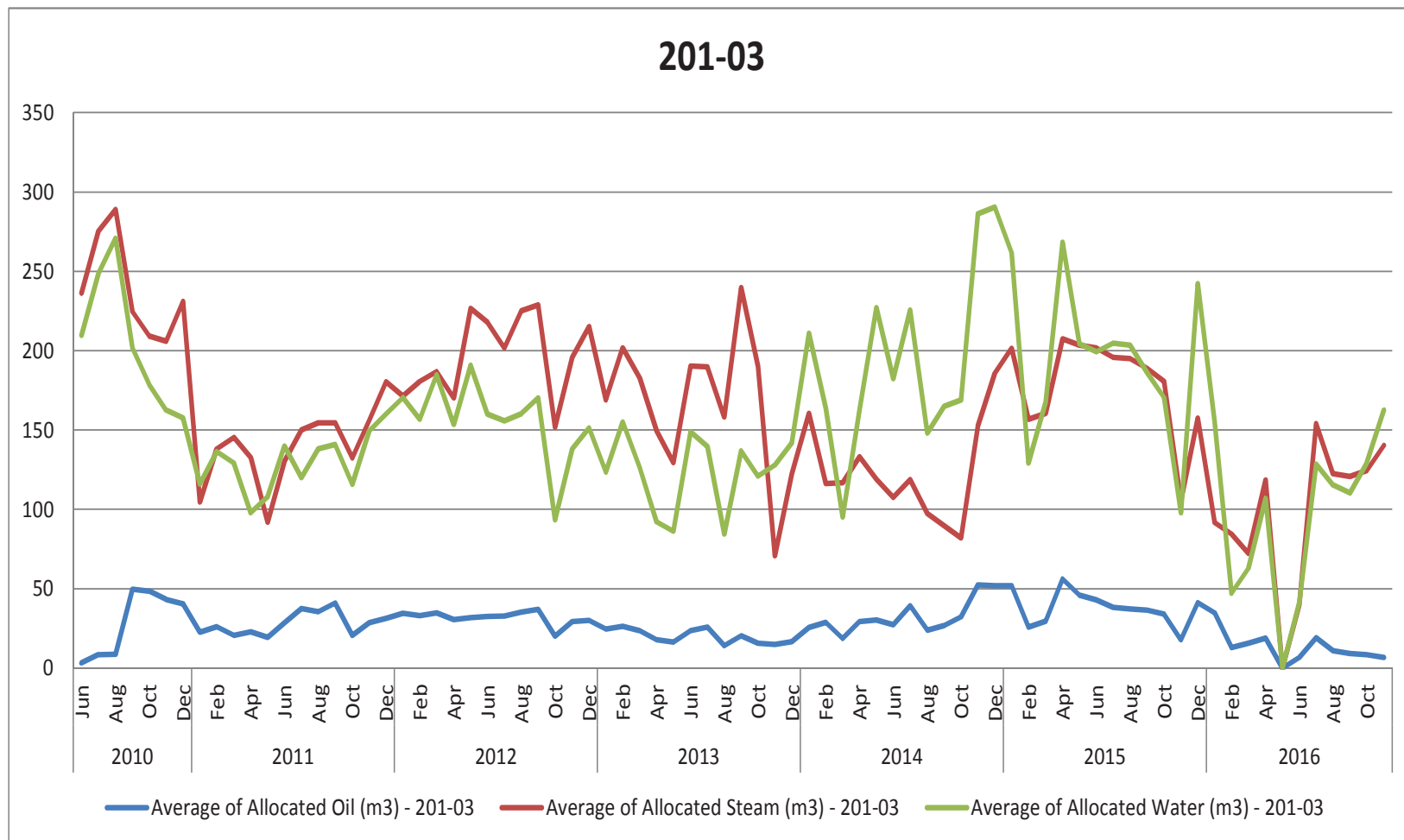
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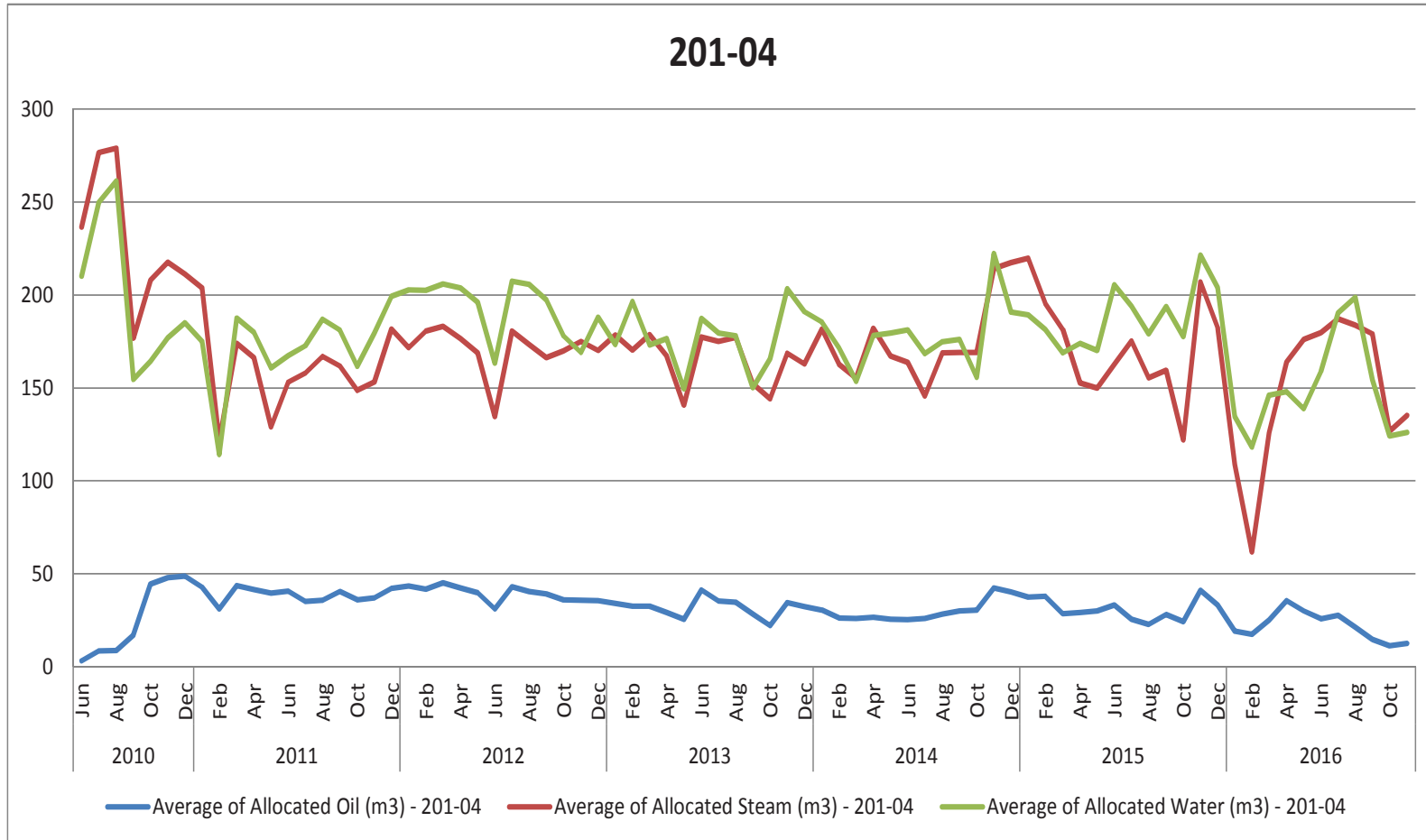


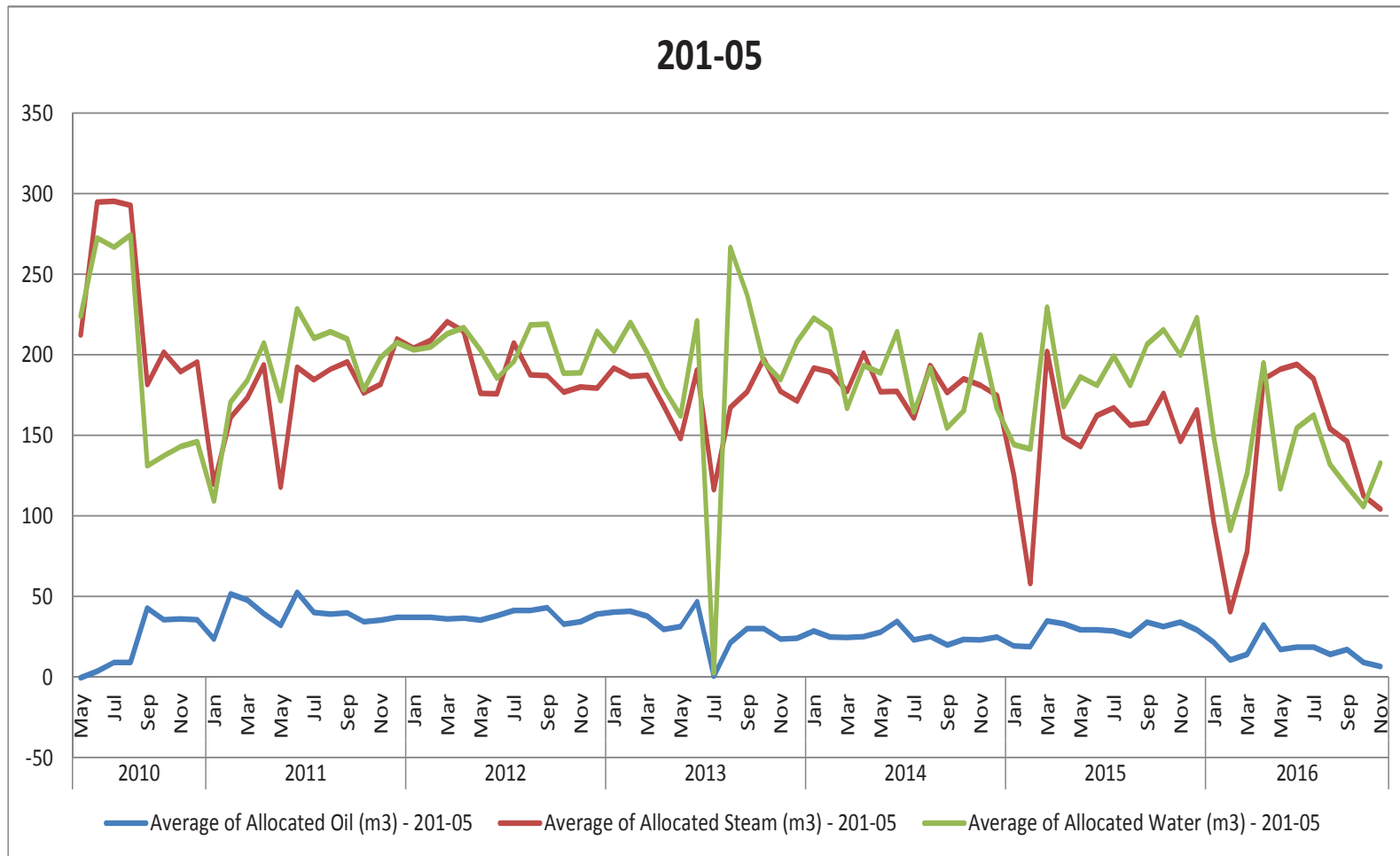
201-01











202-01

