DEAL CAPTURE AT A FRACTION OF HISTORICAL AVERAGE

In light of recent world and sector events, i3 has captured the assets of Toscana and Gain on excellent metrics. The 10 most recent WCSB transactions up to April 2020 had average metrics of US$26,572/bopd and US$9,441/boepd for oil-weighted and gas-weighted deals, respectively, putting a total market valuation on i3’s Toscana and Gain acquisitions at US$175MM (US$16,518/boepd) - 6.1x i3’s acquisition price of US$28.6MM (US$2,702/boepd).
**i3 CREATING AN ALL-WEATHER PORTFOLIO**

**acquire**
- i3 targeting long-life and low-cost PDP assets with robust PUD inventories, with a focus on distressed, overleveraged or non-core asset packages of high API/STU production streams with low sustaining capex and decom exposure
- Newly acquired portfolios will be rationalized to extract value from non-synergistic assets for redeployment into strategic consolidation at i3's core plays.

**dividend + reinvest**
- Begin issuing annual dividend between 20% and 30% of free cash flow (increasing to 40% alongside growth), reinvesting residual in PDP assets or low-cost PUD reserves development
- Optimize and streamline field operations to increase efficiency and improve per boe netbacks; actively participate in non-operated partnerships to influence value preservation

**maximize market**
- acquisitive
- Take advantage of market conditions to acquire low-cost PDP reserves while shifting 2-year payout PUD inventory
- Value Maximization
- Acquire PDP @ <3.0x NOI, getting PUD/2P reserves at very low cost + Cycle-top Drilling
  - Drill commodity-driven PUD/2P inventory; hedge or sell fresh production into strength
  - All-weather portfolio management that maximizes cycle and inventory to create shareholder value

**produce**
- drill-bit
- maximize inventory