

PETROLYMPIC

Gaspe Peninsula (Conventional Natural Gas and Light Oil Plays)

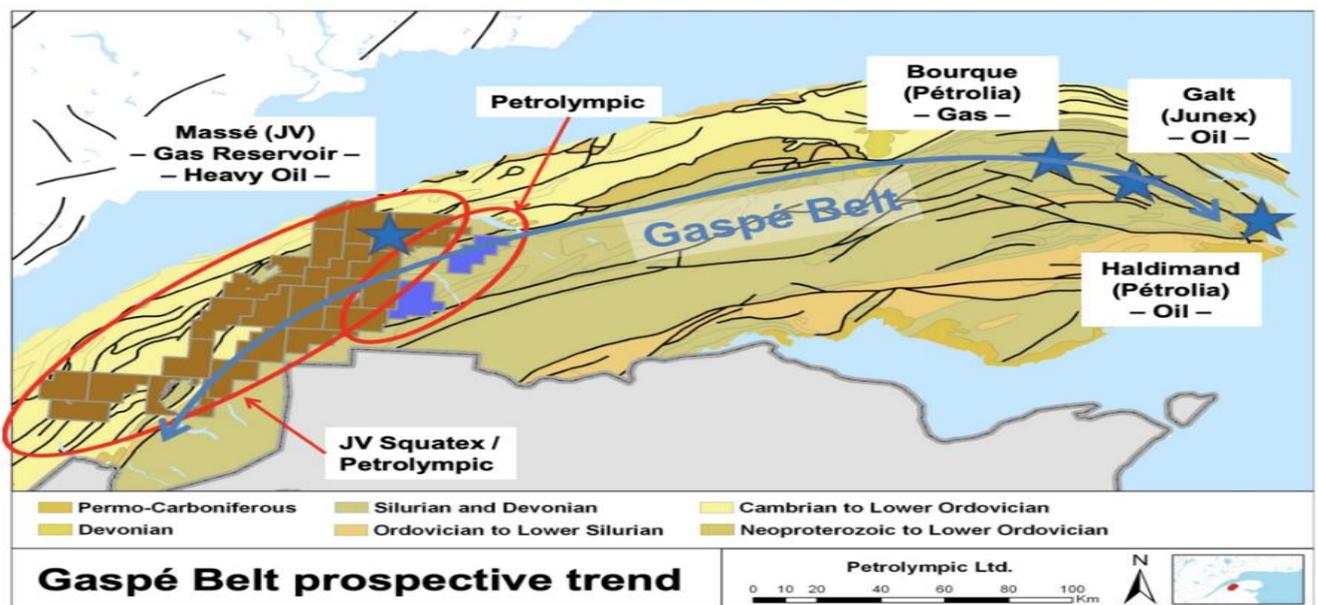
Targets: Hydrothermal dolomite and naturally fractured **conventional oil and natural gas**

Total Land Package: 1,165,957 acres (471,848 hectares)

1. Petrolympic owns **100%** of 100,542 acres (40,688 hectares) between Rimouski and Matane
2. Petrolympic owns **30%** of 1,065,415 acres (431,160 hectares) with Squatex (70%) between Rimouski and Riviere-du-Loup

Highlights:

- Major position in previously under-explored western part of the Gaspe Appalachian basin
- Conventional natural gas and oil plays
- One natural gas reservoir discovered and independently evaluation by Sproule in 2014 in the Masse structure
- Heavy oil and condensates also documented in the same structure
- Several successive exploration campaigns consisting of field mapping, proprietary seismic surveys and reprocessing of vintage seismic, shallow and deep coreholes
- Results indicate a 500+ km² area is prospective following the same proven exploration strategy
- Good acreage position close to local end-users and regional industries with a strong need for natural gas



Market:

The area is located close to local end-users markets such as manufactures and trucking, and close to regional industries with a strong need for natural gas such as a new aluminum plant in Cap-Chat (Orbit Aluminae) and a new cement factory (Ciment McInnis) with opening expected end of 2016. Numerous heavy industries located across the St. Lawrence River also require natural gas and an LNG plant for overseas exports is being built in Grande-Anse (GNL Québec) with opening expected in 2019. New governmental Energy plan includes provisions for conversion to natural gas for trucking and ferries (link to the North Coast). Although the area lacks delivery infrastructures, a good road network exists and delivery by pipelines, LNG and CNG are possible.

Technical Information:

100% owned Matapedia and Mitis Properties

Petrolympic holds a 100% interest over 100,542 acres (40,688 hectares) in two exploration permits located on the south shore of the St. Lawrence River between Rimouski and Matane. The first permit, referred to as the Matapedia Property, was initially granted by the Quebec government in 2003 to Prospection 2000 Inc. who transferred the ownership in 2004 to Petrolympic. The second permit, referred to as the Mitis Property, was granted by the government to Petrolympic in 2006. Both properties are included in the Lower St. Lawrence administrative region (not to be confused with the St. Lawrence Lowlands between Quebec City and Montreal !) but geologically they belong to the Gaspé Belt and they are in continuity with the proven petroleum systems that are actively developed in the Gaspé Peninsula (Bourque and Galt fields).

The area is prospective for hydrothermally dolomitized and/or naturally fractured conventional plays in the Val-Brillant Formation sandstones and the Sayabec, Forillon and Indian Cove formations limestones. A series of shallow wells drilled for gold in the early 2000ies have confirmed the presence of light oil and gas in the area and hydrothermally dolomitized Sayabec Formation showing high porosity with large vugs and pyrobitumen (degraded oil) was recently documented on outcrop north of the Properties. Governmental and proprietary seismic lines have been reprocessed and reinterpreted in 2015 and have highlighted several deep and shallow drilling targets in both properties



CORE SAMPLE (click to enlarge)



Dark brown (D8) oil with 19.85 API and less than 1% sulfur. Sample collected at surface (Massé No 2)