KARVE ENERGY INC

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2019 and SEPTEMBER 30, 2018

November 6, 2019

LETTER TO OUR SHAREHOLDERS

Dear Shareholder:

During the third quarter of 2019, Karve closed the strategic acquisition of High Ground Energy Inc. ("High Ground" or the "High Ground Acquisition"), representing Karve's first quarter incorporating results from the amalgamation on July 15, 2019. In connection with the Acquisition, Karve issued 3.2 million common shares of Karve at an estimated fair value of $2.75 per Karve share for total consideration of $8.8 million and assumed $32.0 million of net debt.

Karve produced an average of 9,426 BOE/d (67% liquids) in the third quarter of 2019, representing an 29% increase over production of 7,324 BOE/d in the third quarter 2018. The increase in volumes is a result of the High Ground Acquisition and bringing a total of 99 gross (95.0 net) horizontal wells on production from the period July 1, 2018 to September 30, 2019. Comparing third quarter operating expenses year over year, per BOE operating expenses have continued to decrease from $15.50 in the second quarter of 2018 to $13.97 in the third quarter of 2019 (10% reduction). Karve expects further operating cost reductions as it continues to optimize the High Ground Acquisition assets and execute on synergistic opportunities. Karve also has plans to leverage the High Ground Acquisition assets to advance the waterflood expansion at Monitor, with 4.0 additional horizontal water injectors to commence injection by year-end 2019. In total, Karve now has 30.0 sections of land under waterflood across the portfolio with encouraging preliminary results.

In the third quarter of 2019, Karve drilled a total of 21.0 gross (20.9 net) horizontal Viking wells and completed a total of 10.0 gross (10.0 net) horizontal Viking wells. Incorporating the 10.0 additional wells brought onstream, Karve has now drilled, completed and brought on a total of 203.0 gross (197.9 net) horizontal Viking oil wells on production since November 2016.

In this challenging commodity price environment, Karve continues to maintain its drilling, completion and facilities capital program within expected cash flow levels to ensure a strong balance sheet with financial flexibility. Karve had $55.3 million of net debt as at September 30, 2019 with a bank borrowing base of $100.0 million.

The 2019 capital program includes the drilling of 30 gross (29.9 net) and completing of 52 gross (44.4 net) horizontal Viking oil wells for $44.4 million. The remaining $35.6 million of capital will be spent as previously planned to advance Karve's waterflood, facility and abandonment initiatives.

You will find enclosed the Karve Energy Inc. unaudited condensed interim consolidated financial statements and MD&A for the three and nine months ended September 30, 2019. These financial statements have been prepared in accordance with International Financial Reporting Standards. If you would like to be added to our email distribution list to receive financial statements and MD&A by email, please send your request to info@karveenergy.com. We look forward to reporting our progress to you and thank all of our shareholders for their ongoing support.

On behalf of the Board of Directors,

Signed "Bob Chaisson"

Bob Chaisson
Chief Executive Officer
Karve Energy Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") is a review of Karve Energy Inc.'s ("Karve" or the "Company") results and management's analysis of its financial performance for the period from January 1, 2019 to September 30, 2019 ("nine months ended September 30, 2019"). It is dated November 6, 2019 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and the audited consolidated financial statements for the year ended December 31, 2018. Both statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The MD&A contains non-generally accepted accounting principles ("non-GAAP") measures and forward-looking statements and readers are cautioned that the MD&A should be read in conjunction with Karve's disclosure under "Non-GAAP Measurements" and "Forward-Looking Information and Statements" included at the end of this MD&A. All amounts are in Canadian dollars unless otherwise noted.

DESCRIPTION OF THE COMPANY

Karve is a growth-oriented, private oil and natural gas company whose principal business activities are the acquisition, exploration and development of oil and natural gas properties in Western Canada. The Company was incorporated under the laws of the Province of Alberta on January 30, 2014, under the name "1799380 Alberta Ltd.". On June 16, 2014, the Company changed its name to "Bruin Oil & Gas Inc." ("Bruin") and on September 15, 2016, the Company changed its name to "Karve Energy Inc.". On July 15, 2019, the Company amalgamated with High Ground Energy Inc. The consolidated financial information of the Company is comprised of Karve and its wholly owned subsidiary "DTC Energy Inc.".

OPERATIONAL AND FINANCIAL SUMMARY

	For the three months ended		For the nine months ended	
FINANCIAL *(Canadian $000, except per share and per boe amounts)*	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Net income	13,097	8,103	18,407	18,163
Per share - basic	0.09	0.06	0.13	0.13
Per share - diluted	0.09	0.06	0.12	0.13
Funds flow from operations (1)	20,300	20,690	58,865	62,756
Per share - basic (1)	0.15	0.15	0.42	0.46
Per share - diluted (1)	0.13	0.14	0.39	0.44
Adjusted funds flow from operations (1)	21,464	21,933	61,956	67,231
Per share - basic (1)	0.15	0.16	0.44	0.49
Per share - diluted (1)	0.14	0.15	0.41	0.47
Capital expenditures (before acquisitions and dispositions)	22,092	51,393	56,395	93,945
Net acquisitions (dispositions) (2)	1,109	369	1,228	(28,926)
Total net capital expenditures	23,201	51,762	57,623	65,019
Adjusted net debt (1)	(55,284)	3,103	(55,284)	3,103
Total assets	379,670	288,928	379,670	288,928
Shares outstanding, weighted average (000s)	138,199	137,224	139,990	137,254
Shares outstanding, end of period (000s)	140,530	137,269	140,530	137,629
OPERATIONAL				
Sales volumes				
Oil (bbl/d)	6,045	4,807	5,697	5,566
NGLs (bbl/d)	317	291	267	410
Natural gas (mcf/d)	18,386	13,359	15,553	20,006
Total (boe/d)	**9,426**	**7,325**	**8,556**	**9,310**
Average sales prices (excluding hedging gains and losses)				
Oil ($/bbl)	63.64	74.91	63.75	71.56
NGLs ($/bbl)	36.12	55.39	37.76	54.91
Natural gas ($/mcf)	1.23	1.29	1.58	1.69
Boe basis ($/boe)	**44.44**	**55.41**	**46.51**	**48.82**
Field netback ($/boe excluding hedging gains and losses)				
Sales price	44.44	55.41	46.51	48.82
Royalties	(3.51)	(4.77)	(3.66)	(3.19)
Operating expense	(13.97)	(15.50)	(14.24)	(15.78)
Transportation expense	(1.55)	(1.71)	(1.53)	(1.58)
Field netback (1)	**25.41**	**33.43**	**27.08**	**28.27**

(1) Non-GAAP measure, see page 16 for details.
(2) The corporate acquisition of High Ground Energy Inc. is not included in net acquisitions (dispositions).

SALES VOLUMES

Sales volumes averaged 9,426 boe/d during the three months ended September 30, 2019 compared to 7,325 boe/d for the three months ended September 30, 2018. The increase in sales volumes from the three months ended September 30, 2018 is due to the acquisition of High Ground Energy Inc. ("High Ground Acquisition") which closed on July 15, 2019 and bringing 99 gross (95.0 net) horizontal wells on production during the period from July 1, 2018 to September 30, 2019.

	For the three months ended		For the nine months ended	
	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Sales volumes				
Oil (bbl/d)	6,045	4,807	5,697	5,566
NGLs (bbl/d)	317	291	267	410
Natural gas (mcf/d)	18,386	13,359	15,553	20,006
Total (boe/d)	**9,426**	**7,325**	**8,556**	**9,310**

Average Company production is approximately 9,800 boe/d (64% liquids) for the first week of November 2019.

SALES PRICES AND REVENUE

For the three months ended September 30, 2019, the Company generated total revenue of $38.5 million (three months ended September 30, 2018 - $37.3 million) on average sales volumes of 9,426 boe/d. Revenue is recorded before transportation expenses. The average sales price per boe for the three months ended September 30, 2019 was $44.44 compared to $55.41 for the three months ended September 30, 2018. The decrease relates to the lower oil and NGL commodity prices in the third quarter of 2019 compared to 2018.

	For the three months ended		For the nine months ended	
KARVE AVERAGE REALIZED PRICE (1)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Revenue ($000s)	38,535	37,335	108,633	124,093
Oil ($/bbl)	63.64	74.91	63.75	71.56
NGLs ($/bbl)	36.12	55.39	37.76	54.91
Natural gas ($/mcf)	1.23	1.29	1.58	1.69
Karve realized price ($/boe)	**44.44**	**55.41**	**46.51**	**48.82**
AVERAGE BENCHMARK PRICES (2)				
Crude oil - WTI ($US/bbl)	56.47	69.46	57.04	66.74
Crude oil - Canadian light sweet ($CDN/bbl)	69.26	75.64	69.58	74.52
Natural gas - AECO-C spot ($CDN/mcf)	0.95	1.28	1.57	1.51
Exchange Rate - ($US/$CAD)	0.76	0.77	0.75	0.77

(1) Excludes hedging gains and losses.

(2) Average benchmark pricing obtained from U.S. Energy Information Administration and Sproule Associates Limited.

(3) Refer to Note 23 "Supplemental Information" in the financial statements.

DERIVATIVE CONTRACTS

From time to time, the Company may hedge a portion of its crude oil sales through the use of financial derivative contracts. In accordance with standard industry practice, financial derivative contracts are marked to market.

At September 30, 2019, the Company had the following commodity contracts in place:

Type	Term	Basis (1)	Volume (Bbl/d)	Swap Price ($CAD/Bbl) (1)	Current Asset ($000s)
Fixed price swap	Apr. 1/19 - Dec. 31/19	WTI	200	78.55	134
Fixed price swap	Oct. 1/19 - Dec. 31/19	WTI	375	83.62	427
TOTAL VOLUME AND WEIGHTED AVERAGE PRICE			**575**	**81.86**	**561**

(1) Nymex WTI monthly average in $CAD.

The components of the gain (loss) on financial derivative contracts is as follows:

	For the three months ended		For the nine months ended	
($000s)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Realized gain (loss) on financial derivative contracts	400	(1,389)	400	(3,372)
Unrealized gain (loss) on financial derivative contracts	30	1,327	30	(1,587)
GAIN (LOSS) ON FINANCIAL DERIVATIVE CONTRACTS	**430**	**(62)**	**430**	**(4,959)**

At September 30, 2019, the fair value of the financial derivative contract was a current asset position of $561,000 resulting in an unrealized gain of $30,000 for the nine months ended September 30,2019. The fair value, or mark-to-market value, of this contract is based on the estimated amount that would have been received or paid to settle the contract as at September 30, 2019 and may be different from what will eventually be realized. The Company recognized a realized loss of $400,000 for the three months ended September 30, 2019 (three months ended September 30, 2018 – $1.4 million realized loss).

The derivative asset as at November 5, 2019 (day prior to financial statement release) was $233,000.

ROYALTIES

	For the three months ended		For the nine months ended	
($000s, except per boe amounts)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Royalties	3,044	3,214	8,556	8,106
Royalties as a % of revenue	7.9%	8.6%	7.9%	6.5%
Per boe ($)	3.51	4.77	3.66	3.19

Royalties include Crown, freehold and gross overriding royalties. Royalty expense for the three months ended September 30, 2019 was $3.0 million ($3.51 per boe) compared to $3.2 million ($4.77 per boe) for the three months ended September 30, 2018. For the three months ended September 30, 2019, the Company's royalty rate was 7.9% of revenues (three months ended September 30, 2018 – 8.6%). The royalty rate remains relatively consistent in the three months ended September 30, 2019 compared to three months ended September 30, 2018. The Company expects its royalty rate to increase slowly over time as a number of low decline horizontal oil Viking wells that come off royalty holiday.

OPERATING EXPENSE

	For the three months ended		For the nine months ended	
($000s, except per boe amounts)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Operating expense	12,113	10,442	33,256	40,104
Per boe ($)	13.97	15.50	14.24	15.78

Operating expenses include activities in the field required to operate wells and facilities, lift to surface, gather, process and in-field trucking of the Company's production. Operating expenses were $12.1 million ($13.97 per boe) during the three months ended September 30, 2019 and $10.4 million ($15.50 per boe) during the three months ended September 30, 2018. The increase in operating expenses relates to the acquisition of High Ground Acquisition that closed on July 15, 2019. The operating expenses per boe decreased during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 from $15.50 per boe to $13.97 per boe due to operating efficiencies gained over the past year. In the future, as more horizontal oil wells come on production, the operating expense per boe is expected to continue to decrease due to the fixed nature of a considerable portion of the expenses which will be allocated over increasing production volumes and efficiencies in operating the assets over time.

TRANSPORTATION EXPENSE

	For the three months ended		For the nine months ended	
($000s, except per boe amounts)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Transportation expense	1,343	1,150	3,573	4,022
Per boe ($)	1.55	1.71	1.53	1.58

Transportation expense includes costs paid to third parties for transporting clean oil and sales gas to a third party pipeline or processing plant point of sale. Transportation expenses were $1.3 million ($1.55 per boe) during the three months ended September 30, 2019 and $1.2 million ($1.71 per boe) for the three months ended September 30, 2018. The decrease in transportation expense per boe during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 is due to lower oil trucking costs as the Company pipeline connects more of its production.

FIELD NETBACK

The components of field netbacks are summarized in the following table:

	For the three months ended Sept. 30, 2019		For the three months ended Sept. 30, 2018	
($000s, except per boe amounts)	$	$/boe	$	$/boe
Revenue	38,535	44.44	37,335	55.41
Royalties	(3,044)	(3.51)	(3,214)	(4.77)
Operating expense	(12,113)	(13.97)	(10,442)	(15.50)
Transportation expense	(1,343)	(1.55)	(1,150)	(1.71)
FIELD NETBACK ($) (1)	**22,035**	**25.41**	**22,529**	**33.43**

(1) Non-GAAP measure, see page 16 for details.

	For the nine months ended Sept. 30, 2019		For the nine months ended Sept. 30, 2018	
($000s, except per boe amounts)	$	$/boe	$	$/boe
Revenue	108,633	46.51	124,093	48.82
Royalties	(8,556)	(3.66)	(8,106)	(3.19)
Operating expense	(33,256)	(14.24)	(40,104)	(15.78)
Transportation expense	(3,573)	(1.53)	(4,022)	(1.58)
FIELD NETBACK ($) (1)	**63,248**	**27.08**	**71,861**	**28.27**

(1) Non-GAAP measure, see page 16 for details.

OTHER INCOME

	For the three months ended		For the nine months ended	
($000s, except per boe amounts)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Royalty income	1,092	1,440	3,482	3,034
Processing fee income	996	1,248	2,945	2,816
Other	26	13	145	522
Total other income	2,114	2,701	6,572	6,372
Per boe ($)	2.44	4.01	2.81	2.51

Other income for the three months ended September 30, 2019 was $2.1 million ($2.44 per boe) and $2.7 million ($4.01 per boe) for the three months ended September 30, 2018. The other income streams relate to processing fee income, royalty income, and other income.

Royalty income relates to freehold royalties, gross overriding royalties, royalties paid to the Company on fee title lands, and net profit interests which were acquired in the Provost Acquisition. The decrease in royalty income for the three months ended September 30, 2019 compared to three months ended September 30, 2018 is due to lower oil commodity pricing and a decrease in production royalty volumes in 2019 compared to 2018.

Processing fee income relates to the Company processing third party oil and gas volumes through Karve owned and operated facilities. The decrease in processing fee income for the three months ended September 30, 2019 compared to three months ended September 30, 2018 is due to lower third party throughput volumes being processed at operated facilities. The lower throughput volumes are a result of the Alliance Acquisition and High Ground Acquisition and declines in production of third party volumes.

Other income totalling $26,000 for the three months ended September 30, 2019 (three months ended September 30, 2018 - $13,000) relates to road use income, seismic licensing income, contract operating income and foreign exchange gains/losses.

GENERAL AND ADMINISTRATION EXPENSE ("G&A")

The following are the main components of G&A for the three months ended September 30, 2019 and September 30, 2018:

	For the three months ended		For the nine months ended	
($000s, except per boe amounts)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Staff and consulting costs	2,411	2,345	6,428	6,641
Professional fees	43	31	427	400
Office and rent costs	572	492	1,407	1,563
Other	309	463	859	1,029
General and administration expense (gross)	3,335	3,331	9,121	9,633
Capitalized G&A and overhead recovery	(658)	(1,370)	(1,677)	(2,547)
Lease liability reclassifciation	(130)	-	(356)	-
General and administration expense (net)	2,547	1,961	7,088	7,086
Per boe ($)	2.94	2.91	3.03	2.79

General and administrative expenses (net) for the three months ended September 30, 2019 were $2.5 million ($2.94 per boe) and $2.0 million ($2.91 per boe) for the three months ended September 30, 2018. Gross G&A during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 is relatively consistent. The increase in net G&A for the three months ended September 30, 2019 is due to a decrease in capitalized G&A and overhead recovery due to a decrease in capital spending for the three months ended September 30, 2019 compared to September 30, 2018.

OPERATING LOAN AND LONG TERM DEBT

On December 3, 2018 the Corporation secured bank credit facilities of $100.0 million comprised of $90.0 million syndicated committed facility ("Credit Facility") and a $10.0 million operating loan (previously a $25.0 million revolving operating demand facility). The Credit Facility is a committed 364 days + 1 year and extendible upon agreement annually. The Credit Facility and operating loan incur interest based on the applicable Canadian prime rate or Banker's Acceptance rate plus between 0.50 and 3.50 percent depending on the type of borrowing and the Corporation's debt to EBITDA ratio. The Corporation is also subject to a standby fee of 0.3375 percent to 0.7875 percent depending on the Corporation's debt to EBITDA ratio. The next annual review date is May 31, 2020.

As at September 30, 2019, $57.8 million (net of unamortized debt issue costs) was drawn on the Credit Facility and $nil was drawn on the operating loan.

Long term debt as at September 30, 2019 and December 31, 2018 is as follows:

	As at	As at
($000s)	Sept. 30, 2019	Dec. 31, 2018
Credit facility	58,000	15,000
Less: unamortized debt issue costs	(186)	(269)
LONG TERM DEBT	**57,814**	**14,731**
Operating loan	-	6,109
CARRYING VALUE OF BANK DEBT	**57,814**	**20,840**

The increase in long term debt relates to the High Ground acquisition that closed on July 15, 2019.

Financing expense for the three months ended September 30, 2019 and 2018 is comprised of the following:

	For the three months ended		For the nine months ended	
($000s)	Sept 30, 2019	Sept 30, 2018	Sept 30, 2019	Sept 30, 2018
Credit facility interest and charges	522	-	1,044	-
Operating loan interest and charges	28	-	153	-
Amortization of debt issue costs	75	-	181	-
Interest on lease liability	14	-	43	-
FINANCING EXPENSES	**639**	**-**	**1,421**	**-**

For the nine months ended September 30, 2019, the effective interest rate on the credit facility was 4.89 percent. Key covenants of the bank credit facilities include standard business operating covenants. As at September 30, 2019 the Company is in compliance with all covenants.

SHARE-BASED COMPENSATION EXPENSE

($000s, except per boe amounts)	For the three months ended Sept. 30, 2019	Sept. 30, 2018	For the nine months ended Sept. 30, 2019	Sept. 30, 2018
Share-based compensation - options	586	957	1,847	3,455
Share-based compensation - performance warrants	773	688	2,276	2,320
Share-based compensation expense	1,359	1,645	4,123	5,775
Per boe ($)	1.57	2.44	1.77	2.27

Share-based compensation ("SBC") is an estimate of the fair value of the share options and performance warrants granted by the Company using the Black-Scholes valuation methodology at the grant date. The Black-Scholes pricing model requires the Company to make assumptions including share volatility, a risk-free rate, and expected life of the options and performance warrants.

SBC expense related to stock options for the three months ended September 30, 2019 was $586,000 (three months ended September 30, 2018 - $957,000) and SBC expense related to performance warrants for the three months ended September 30, 2019 was $773,000 (three months ended September 30, 2018 - $688,000) using the graded vesting method.

As at September 30, 2019, 13,464,260 stock options and 32,354,500 performance warrants were outstanding. The weighted average exercise price of stock options and performance warrants outstanding was $1.58 per option and $2.88 per warrant. The weighted average fair value of stock options and performance warrants outstanding was $0.77 per option and $0.47 per warrant.

At September 30, 2019, 10,081,505 stock options and 6,460,000 performance warrants were exercisable.

DEPLETION, DEPRECIATION AND AMORTIZATION

Depletion, depreciation and amortization ("DD&A") are associated with Viking zone production assets in the Alberta Viking and also include the depreciation and amortization of corporate assets such as computer equipment and right of use assets. The net carrying value of production assets is depleted using the unit-of-production method by determining the ratio of production in the period to the related proved plus probable reserves and estimated future development costs necessary to bring those reserves into production.

During the three months ended September 30, 2019, depletion expense increased to $16.6 million (three months ended September 30, 2018 - $7.4 million) due to increases in net carrying value, and future development costs due to the High Ground Acquisition. Depletion expense per boe increased during the three months ended September 30, 2019, due to the significant increase in net carrying value and future development costs from higher weighted oil reserves.

($000s, except per boe amounts)	For the three months ended Sept. 30, 2019	Sept. 30, 2018	For the nine months ended Sept. 30, 2019	Sept. 30, 2018
Depletion	16,606	7,398	44,396	27,803
Depreciation and amortization	123	24	367	46
Total DD&A ($)	16,729	7,422	44,763	27,849
Per boe ($)	19.29	11.01	19.16	10.96

CAPITAL EXPENDITURES & ACQUISITIONS

Additions to property, plant and equipment for the three months ended September 30, 2019 consisted of the following:

($000s)	For the three months ended Sept. 30, 2019	Sept. 30, 2018	For the nine months ended Sept. 30, 2019	Sept. 30, 2018
Drilling	9,053	17,197	11,565	30,973
Completions	4,711	21,013	13,729	36,335
Facilities and well equipment	7,953	12,810	29,778	25,278
Geological and geophysical	-	31	55	55
Land	255	144	1,067	967
Acquistions	1,109	369	1,228	1,729
Dispositions	-	-	-	(30,655)
Office equipment	120	198	201	337
TOTAL NET CAPITAL EXPENDITURES AND ACQUISITIONS	**23,201**	**51,762**	**57,623**	**65,019**

During the three months ended September 30, 2019, the Company drilled 22 gross (21.9 net) wells and completed 10 gross (10.0 net) horizontal Viking oil wells. During the three months ended September 30, 2018, the Company drilled 52 gross (49.1 net) wells and completed 49 gross (46.1 net) horizontal Viking oil wells.

The following table outlines total gross and net wells drilled, completed and brought on production:

For the quarter ended	Sept. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018
Drilled - Gross (Net) [1]	22 (21.9)	0 (0.0)	5 (5.0)	21 (20.5)	52 (49.1)
Completed - Gross (Net)	10 (10.0)	14 (13.7)	12 (11.9)	9 (8.5)	49 (46.1)
On production - Gross (Net)	10 (10.0)	14 (13.7)	12 (11.9)	19 (18.3)	44 (41.2)

(1) Drilled wells for September 30, 2019 includes one water source well.

For the quarter ended	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017
Drilled - Gross (Net)	12 (11.5)	25 (25.0)	23 (22.1)	25 (24.8)	8 (7.9)
Completed - Gross (Net)	9 (8.9)	24 (23.8)	23 (22.4)	29 (28.8)	5 (5.0)
On production - Gross (Net)	4 (4.0)	24 (23.8)	23 (22.4)	29 (28.8)	5 (5.0)

Since November 2016, the Company drilled a total of 217 gross (211.8 net), completed 202 gross (196.9 net), and brought a total of 203.0 gross (197.9 net) horizontal Viking oil wells on production.

ACQUISITION OF OIL AND GAS ASSETS

High Ground Energy Inc. Acquisition

On July 15, 2019, the Company acquired all the issued and outstanding common shares of High Ground Energy Inc. for total consideration of $8.8 million and assumption of estimated net debt of $32.0 million, including all severance and transaction costs. The acquisition was financed by issuing 3.2 million shares of Karve with an estimated fair value of $2.75 per common share.

The Acquisition adds sweet, light oil-weighted Viking assets which are contiguous to Karve's existing core area at Monitor, including approximately 2,000 boe/d of production (52% liquids). The Acquisition increases Karve's dominant footprint in the Alberta Viking and enables near term expansion of the Company's waterflood project on acquired lands.

($000s)	
Property, plant and equipment	40,566
Cash	965
Derivative asset	531
Deferred tax asset	13,833
Net working capital deficiency	(1,856)
Bank debt	(31,150)
Decommissioning liabilities	(3,308)
FAIR VALUE OF NET ASSETS ACQUIRED	**19,581**
CONSIDERATION	
Issue of common shares	8,798
TOTAL PURCHASE PRICE	**8,798**
GAIN ON ACQUISITION	**(10,783)**

During the three months ended September 30, 2019, the Company incurred $291,000 of transaction costs for the High Ground Acquisition which were included in "Transaction costs" in the Company's consolidated statement of net income and comprehensive income.

The Company's 2019 third quarter consolidated statement of net income and comprehensive income includes the results of the operations for the period following closing of the High Ground Acquisition on July 15, 2019 to September 30, 2019 and includes $5.1 million of revenue and $3.7 million of net income loss relating to the High Ground Acquisition. If the acquisition had closed on January 1, 2019, the Company's pro-forma revenue and net income are estimated to have been $126.7 million and $20.4 million respectively for the nine months ended September 30, 2019. This pro-forma information is not necessarily indicative of the results of operations that would have occurred had the acquisition been in effect on the date indicated, or the results that may be obtained in the future.

Alliance Acquisition

On October 31, 2018, the Company acquired assets in the Alliance area of Alberta ("Alliance Acquisition") that complement Karve's existing asset base for a total purchase price of $10.8 million. At the time of acquisition, the assets were producing approximately 900 boe/d, and include future drilling locations in the Alliance area. The effective date of the acquisition was May 1, 2018.

($000s)	
Net working capital	1,251
Property, plant and equipment	37,241
Decommissioning liabilities	(5,544)
Deferred tax liabilities	(5,969)
FAIR VALUE OF NET ASSETS ACQUIRED	**26,979**
CONSIDERATION	
Cash	10,839
TOTAL PURCHASE PRICE	**10,839**
GAIN ON ACQUISITION	**(16,140)**

During the year ended December 31, 2018, the Company incurred $34,000 of transaction costs for the Alliance Acquisition which were included in "Transaction costs" in the Company's consolidated statement of net income and comprehensive income.

Other Miscellaneous Acquisitions

The Company acquired various working interests, land, light oil producing properties, royalty interest, and reserves. The following table summarizes the aggregate fair value of the net assets acquired and the preliminary allocation of the purchase price:

	For the nine months ended	
($000s)	Sept 30, 2019	Sept 30, 2018
Property, plant and equipment	1,360	1,432
Decommissioning liabilities	(21)	(22)
FAIR VALUE OF NET ASSETS ACQUIRED	**1,339**	**1,410**
CONSIDERATION		
Common share issuance	111	1,410
Cash	1,228	-
TOTAL PURCHASE PRICE	**1,339**	**1,410**

DISPOSITION

On June 14, 2018, the Company closed a divesture of its non-core shallow Viking natural gas and Mannville oil assets in the Provost Area of Alberta for cash proceeds of $30.7 million. The disposition was effective March 1, 2018. The disposition includes the majority of the non-core and non-Viking oil assets acquired in the Provost Acquisition.

The carrying value of assets and associated decommissioning liabilities disposed during the year ended December 31, 2018 are summarized below:

($000s)	
Property, plant and equipment (NOTE 12)	40,855
Exploration and evaluation assets (NOTE 13)	228
Decommissioning liabilities (NOTE 15)	(13,284)
Net working capital	2,856
CARRYING VALUE OF NET ASSETS DISPOSED	**30,655**
CASH PROCEEDS, AFTER CLOSING ADJUSTMENTS	**30,655**

As a result of the disposition, the Company's tax pools have been reduced by 80% Canadian Oil and Gas Property Expense (COGPE) and 20% - Class 41 of the proceeds received.

OTHER LONG-TERM ASSET

On June 14, 2018 the Company acquired a 41% shareholding in a privately held oil and gas company ("PrivateCo") for $3.0 million in conjunction with a non-core asset disposition. As the Company had significant influence over PrivateCo's operations, it had accounted for the investment using the equity method.

($000s)	As at Sept. 30, 2019	As at Dec. 31, 2018
Balance, beginning of period	2,565	-
Investment in PrivateCo	-	3,000
Equity share of loss	(2,565)	(435)
BALANCE, END OF PERIOD	**-**	**2,565**

The net loss of PrivateCo for the period from January 1, 2019 to July 18, 2019 was $8.3 million. The investment in PrivateCo was previously valued at nil. On July 18, 2019, the investment in PrivateCo was disposed of for total cash proceeds of $1.0 million. As such, the Company realized a gain on investment of $1.0 million.

DECOMMISSIONING LIABILITY

At September 30, 2019, the Company estimated a decommissioning liability of $13.8 million for the future abandonment and reclamation of Karve's properties (September 30, 2018 – $8.0 million). $1.7 million is presented as a current liability as managements intends to decommission certain wells within the next 12 months and the remaining $12.1 million of estimated decommissioning liability is presented as a long-term liability.

The estimated decommissioning liability includes assumptions in respect of actual costs to abandon wells and reclaim the property, the time frame in which such costs will be incurred as well as annual inflation factors in order to calculate the discounted total future liability. The Company estimates its total undiscounted amount of cash flows required to settle its decommissioning liability is approximately $202.3 million, which will be incurred over the remaining life of the assets with the majority of costs to be incurred between 2036 and 2058. The estimated future cash flows have been discounted using a credit adjusted rate of 8% and an inflation rate of 2%.

SHARE CAPITAL

($000s except for share amounts)	Number	Amount
Common Shares		
Balance at December 31, 2017	137,199,270	216,061
Issued on exercise of options and performance warrants	70,000	113
Allocation of contributed surplus - exercise of options and performance warrants	-	34
BALANCE AT DECEMBER 31, 2018	**137,269,270**	**216,208**
Issued common shares	3,243,729	8,909
Issued on exercise of options	16,666	27
Allocation of contributed surplus - exercise of options	-	14
BALANCE AT SEPTEMBER 30, 2019	**140,529,665**	**225,158**

During the nine months ended September 30, 2019 the Company issued 3.2 million common shares at $2.75 per common share to fund the High Ground Acquisition (nine months ended September 30, 2018 – 70,000). During the nine months ended September 30,2019, 16,666 vested stock options were exercised at a weighted average price of $1.65 per share for gross and net proceeds of $27,000.

SUPPLEMENTARY QUARTERLY INFORMATION

For the quarter ended ($000s)	Sept. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2018
Petroleum and natural gas sales	38,535	35,450	34,648	25,807
Funds flow from operations (1)	20,300	19,696	18,869	7,058
Adjusted funds flow from operations (1)	21,464	21,162	19,330	8,384
AVERAGE SALES VOLUMES				
Oil (bbl/d)	6,045	5,316	5,727	6,278
Natural gas liquids (bbl/d)	317	277	205	268
Natural gas (Mcf/d)	18,386	15,247	12,966	13,194
TOTAL PRODUCTION (BOE/d)	**9,426**	**8,134**	**8,093**	**8,745**
AVERAGE BENCHMARK PRICES				
Crude oil - WTI ($US/bbl)	56.47	59.84	54.81	58.81
Crude oil - Canadian light sweet ($CDN/bbl)	69.26	72.55	66.92	48.27
Natural gas - AECO-C spot ($CDN/mcf)	0.95	1.05	2.62	1.62
Exchange Rate - ($US/$CAD)	0.76	0.75	0.75	0.76
FIELD NETBACK ($/BOE)				
Revenue	44.44	47.89	47.57	32.08
Royalties	(3.51)	(3.93)	(3.58)	(2.60)
Operating expense	(13.97)	(13.93)	(14.87)	(15.33)
Transportation expense	(1.55)	(1.10)	(1.95)	(3.89)
FIELD NETBACK ($/BOE) (1)	**25.41**	**28.93**	**27.17**	**10.26**
General and administration	(2.94)	(3.24)	(2.95)	(2.57)
Other income	2.43	3.34	2.73	2.67
Interest income (expense)	(0.61)	(0.44)	(0.41)	0.03
Realized hedging	0.46	-	-	(0.88)
CASHFLOW NETBACK ($/BOE) (1)	**24.75**	**28.59**	**26.54**	**9.51**

(1) Non-GAAP measure, see page 16 for details.

For the quarter ended ($000s)	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017
Petroleum and natural gas sales	37,335	44,283	42,475	38,464
Funds flow from operations (1)	20,690	19,698	22,368	19,022
Adjusted funds flow from operations (1)	21,933	21,812	23,486	19,896
AVERAGE SALES VOLUMES				
Oil (bbl/d)	4,807	5,697	6,210	5,700
Natural gas liquids (bbl/d)	291	523	419	412
Natural gas (Mcf/d)	13,359	24,032	22,729	23,792
TOTAL PRODUCTION (BOE/d)	**7,325**	**10,225**	**10,417**	**10,078**
AVERAGE BENCHMARK PRICES				
Crude oil - WTI ($US/bbl)	69.46	67.88	62.91	55.27
Crude oil - Canadian light sweet ($CDN/bbl)	75.64	77.82	70.09	65.68
Natural gas - AECO-C spot ($CDN/mcf)	1.28	1.20	2.06	1.72
Exchange Rate - ($US/$CAD)	0.77	0.77	0.79	0.79
FIELD NETBACK ($/BOE)				
Revenue	55.41	47.59	45.31	41.49
Royalties	(4.77)	(2.86)	(2.38)	(2.31)
Operating expense	(15.50)	(15.87)	(15.89)	(14.64)
Transportation expense	(1.71)	(1.87)	(1.21)	(1.30)
FIELD NETBACK ($/BOE) (1)	**33.43**	**26.99**	**25.83**	**23.24**
General and administration	(2.91)	(3.71)	(1.68)	(3.77)
Other income	4.01	2.24	1.69	1.97
Interest income	0.08	0.04	0.01	0.03
Realized hedging	(2.06)	(1.32)	(0.80)	-
CASHFLOW NETBACK ($/BOE) (1)	**32.55**	**24.24**	**25.05**	**21.47**

(1) Non-GAAP measure, see page 16 for details.

NET INCOME SUMMARY

($000s, except per boe amounts)	For the three months ended Sept. 30, 2019 $	$/boe	For the three months ended Sept. 30, 2018 $	$/boe
Petroleum and natural gas sales	38,535	44.44	37,335	55.41
Royalties	(3,044)	(3.51)	(3,214)	(4.77)
NET REVENUE	**35,491**	**40.93**	**34,121**	**50.64**
Other income	2,114	2.44	2,701	4.01
Gain (loss) on financial derivative contracts	430	0.50	(62)	(0.09)
Gain on acquisition	10,783	12.43	-	-
Gain (loss) on investment	1,000	1.15	(1,646)	(2.44)
Interest income	16	0.02	51	0.08
TOTAL REVENUE AND OTHER INCOME	**49,834**	**57.47**	**35,165**	**52.20**
Operating	12,113	13.97	10,442	15.50
Transportation	1,343	1.55	1,150	1.71
General and administration	2,547	2.94	1,961	2.91
Financing	639	0.74	-	-
Depletion, depreciation and amortization	16,729	19.29	7,422	11.01
Accretion	210	0.24	148	0.22
Share-based compensation	1,359	1.57	1,645	2.44
Exploration and evaluation - expiries	463	0.53	222	0.33
Transaction costs	291	0.34	20	0.03
INCOME FROM OPERATIONS BEFORE TAXES	**14,140**	**16.30**	**12,155**	**18.05**
Current income tax expense	-	-	-	-
Deferred income tax expense	1,043	1.20	4,052	6.01
NET INCOME AND COMPREHENSIVE INCOME	**13,097**	**15.10**	**8,103**	**12.04**

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Future minimum payments under operating leases and pipeline transportation agreements as at September 30, 2019 are as follows:

($000s)	2019	2020	2021	2022	Therafter	Total
Operating leases	24	48	-	-	-	72
Pipeline transportation	471	1,481	1,449	985	1,005	5,391
TOTAL ANNUAL COMMITMENTS	**495**	**1,529**	**1,449**	**985**	**1,005**	**5,463**

RELATED PARTY DISCLOSURES

On July 18, 2019, the investment in PrivateCo was disposed of for total cash proceeds of $1.0 million. For the period from January 1, 2019 to July 18, 2019, the Company received a total of $1.9 million of gas processing income and royalty income (nine months ended September 30, 2018 - $1.9 million) from PrivateCo. PrivateCo was a company with some common directors with Karve. Gas processing income and royalty income were based on standard third party agreements.

CAPITAL RESOURCES AND LIQUIDITY

EQUITY

The Company is authorized to issue an unlimited number of common shares and preferred shares. As at September 30, 2019, there were 140,529,665 common shares outstanding (September 30, 2018 - 137,269,270).

As at November 6, 2019, the date of this MD&A, there were 140,529,665 common shares, 13,464,260 stock options and 32,354,500 performance warrants outstanding.

LIQUIDITY

The Company relies on operating cash flows, debt, and equity issuances to fund its capital requirements and provide liquidity. From time to time, the Company may access capital markets to meets its capital programs. Future liquidity depends primarily on cash flow generated from operations, bank credit facilities and the ability to access equity markets.

SUBSEQUENT EVENTS

a) Minor Acquisitions

On November 1, 2019, the Company acquired certain oil and gas assets in the Company's core area for total cash consideration of $2.3 million, subject to customary closing adjustments. The effective date of the acquisition was January 1, 2019.

b) Stock Option Grant

Subsequent to September 30, 2019, 20,000 stock options were granted to certain employee/s of the Company at an exercise price of $2.25 per share under the Company's Stock Option Plan.

CHANGES IN ACCOUNTING POLICY

On January 1, 2019, the Company adopted the new accounting standard IFRS 16 Leases ("IFRS 16"). IFRS 16 replaces IAS 17 Leases ("IAS 17"), IFRIC 4 Determining Whether an Arrangement Contains a Lease ("IFRIC 4"), the accounting for onerous lease liabilities which were previously measured under IAS 37 Provisions ("IAS 37") and other related IFRS interpretations. IFRS 16 prescribes a single recognition and measurement model for lease contracts and requires the recognition of a right of use asset and corresponding lease liability for most leases, including subleases.

The Company elected to adopt IFRS 16 using the prescribed modified retrospective approach (simplified method) by recognizing an opening balance sheet adjustment for the Company's discounted right of use assets and corresponding lease liabilities as at January 1, 2019. Accordingly, there was no opening adjustment to retained earnings and the comparative 2018 consolidated statements of comprehensive income and cash flows have not been restated to reflect the accounting presentation prescribed under IFRS 16.

At the date of transition, the Company recognized a lease liability of $1.1 million in respect of long-term minimum commitments associated with corporate office lease arrangements under IFRS 16. The net balance sheet impact on transition was $738,000 due to the derecognition of a $416,000 deferred lease liability previously recognized on the balance sheet under IAS 37, now recognized under IFRS 16. The previously recognized deferred lease liability is netted against the right of use asset. Under previous IFRS standards, office lease arrangements were recognized as general and administrative expenses as incurred. Karve is the lessee for substantially all in-scope office lease arrangements. At January 1, 2019, the provision for onerous contracts previously recognized was applied to the value of the associated right of use asset. In this case, no impairment assessment was performed under IAS 36 Impairment of Assets.

The following table summarizes the opening balance sheet adjustment for the adoption of IFRS 16 as at December 31, 2018:

Opening Balance Sheet	Dec. 31, 2018 (previous IFRS)	Adoption of IFRS 16	Jan. 1, 2019 (new IFRS)
Right of use asset	-	738	738
Lease liability	-	1,154	1,154
Deferred lease liability	416	(416)	-

Certain of the Company's performance measures including funds flow from operations, adjusted funds flow from operations, and adjusted positive working capital (net debt) are impacted by the adoption of IFRS 16. Where lease payments made for certain operating items were previously included in G&A, these payments are now reflected as payments of interest and lease liabilities, which increases total funds flow from operations, adjusted funds flow from operations, and adjusted positive working capital (net debt). As IFRS 16 was adopted using a modified retrospective approach, prior period comparatives have not been restated and may not be comparable. For more information on funds flow from operations, adjusted funds flow from operations, and adjusted positive working capital (net debt) refer to the section entitled "Non-GAAP Measurements" contained within this MD&A.

OFF BALANCE SHEET ARRANGEMENTS

Karve has certain lease agreements that were entered into in the normal course of operations, all of which are included in the "Contractual Obligations and Commitments" section above.

All leases have been treated as operating leases whereby the lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease. No asset or liability value has been assigned to these leases on the consolidated statement of financial position as at September 30, 2019.

FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain information in this MD&A is forward-looking and is subject to important risks and uncertainties. The results or events predicted in this information may differ materially from actual results or events. Factors which could cause actual results or events to differ materially from current expectations include the ability of the Company to implement its strategic initiatives, the availability and price of energy commodities, government and regulatory decisions, plant availability, competitive factors in the oil and gas industry and prevailing economic conditions in the regions the Company operates. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. The Company believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. These forward-looking statements are as of the date of this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required pursuant to applicable securities laws.

Forward-looking statements concerning expected operating and economic conditions are based upon prior year results as well as assumptions that increases in market activity and growth will be consistent with industry activity in Canada. Forward-looking statements concerning the availability of funding for future operations are based upon the assumption that the sources of funding which the Company has relied upon in the past will continue to be available to the Company on terms favorable to the Company and that future economic and operating conditions will not limit the Company's access to debt and equity markets. Forward-looking statements in respect of the costs anticipated being associated with the acquisition of oil and gas properties are based upon assumptions that future acquisition costs will not significantly increase from past acquisitions. Many of these factors, expectations and assumptions are based on management's knowledge and experience in the industry and on public disclosure of industry participants and analysts related to anticipated exploration and development programs, the effect of changes to regulatory, taxation and royalty regimes. The Company believes that the material factors, expectations and assumptions reflected in the forward-looking statements and information are reasonable; however, no assurances can be given that these factors, expectations and assumptions will prove to be correct.

Forward-looking statements involving significant risks and uncertainties should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements. The Company cannot assure investors that actual results will be consistent with the forward-looking statements and readers are cautioned not to place undue reliance on them.

The Company's actual results could differ materially from those anticipated in such forward-looking statements as a result of the risk factors set forth below and elsewhere in this document; general economic conditions in Canada; changes in the level of capital expenditures, volatility in market prices for oil and natural gas, risks inherent in the Company's ability to acquire any economic interest in certain oil and gas assets and then to generate sufficient cash flow from operations to meet its current and future obligations, the Company's ability to access external sources of debt and equity capital, changes in legislation and the regulatory environment, including uncertainties with respect to uncertainties in weather and temperature affecting the duration of the oilfield drilling activities, competition, sourcing, pricing and availability of oil field services, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel, liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations, credit risk to which the Company is exposed in the conduct of its business, and changes to the royalty regimes applicable to entities.

Although forward-looking statements contained in this MD&A are based upon what the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this MD&A are expressly qualified by this cautionary statement. Unless otherwise required by law, Karve does not intend, or assume any obligation, to update these forward-looking statements.

BARRELS OF OIL EQUIVALENT

The term referred to herein in respect of barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet to one boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this MD&A are derived from converting gas to oil in the ratio of six thousand cubic feet to one barrel of oil. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

NON-GAAP MEASUREMENTS

The MD&A contains the term funds flow from operations which should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The reconciliation between cash flow from operating activities and funds flow from operations can be found in the statement of cash flows in the annual financial statements and is presented before the change in non-cash operating working capital.

The Company reconciles funds flow from (used for) operations and adjusted funds flow from operations to cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS, as follows:

	For the three months ended		For the nine months ended	
($000s)	Sept. 30, 2019	Sept. 30, 2018	Sept. 30, 2019	Sept. 30, 2018
Cash flow from continuing operations	20,299	24,566	55,729	65,744
Change in non-cash working capital from operating activities	1	(3,876)	3,136	(2,988)
FUNDS FLOW FROM OPERATIONS	**20,300**	**20,690**	**58,865**	**62,756**
Transaction costs	291	20	299	356
Decommissioning expenditures	873	1,223	2,792	4,119
ADJUSTED FUNDS FLOW FROM OPERATIONS	**21,464**	**21,933**	**61,956**	**67,231**

The Company presents funds flow from operations per share whereby per share amounts are calculated consistent with the calculation of earnings per share. The MD&A contains other terms such as field netback and adjusted positive working capital (net debt) which are not recognized measures under IFRS. Management believes these measures are useful supplemental information. Field netback is the amount of revenues received on a per unit of production basis after the royalties, operating costs, and transportation costs are deducted and used to assess profitability on a per boe basis. Adjusted positive working capital represents current assets less current liabilities (excluding derivative assets (liabilities), current portion of decommissioning liability and current portion of lease liability and is used to assess efficiency, liquidity and the general financial strength of the Company. Net debt is defined as long term debt plus any net working capital deficiency excluding derivative contract asset/liability and current portion of decommissioning liability. Adjusted funds flow from operations represents funds flow from (used for operations) excluding transaction costs and decommissioning expenditures and is used to assess cash flows adjusted for non-routine, discretionary expenditures. Readers are cautioned however, that these measures should not be construed as an alternative to other terms such as current and long-term debt or net earnings in accordance with IFRS as measures of performance. The Company's method of calculating these measures may differ from other companies, and accordingly, such measures may not be comparable to measures used by other companies.

CORPORATE INFORMATION

HEAD OFFICE
Karve Energy Inc.
1700, 205 5th Avenue SW
Calgary, Alberta T2P 2V7
(587) 393-8301

BANKER
ATB Financial
600, 444 7 AVE SW
Calgary, Alberta T2P 0X8

Candian Imperial Bank of Commerce
9th Floor, Bankers Hall East Tower, 855-2nd Street SW
Calgary, Alberta T2P 4J7

Scotiabank
Suite 1700, 225 6th Ave SW
Calgary, Alberta T2P 1N2

RESERVE ENGINEERS
Sproule Associates Limited
900, 140 4 AVE SW
Calgary, Alberta T2P 3N3

LEGAL COUNSEL
Stikeman Elliot LLP
888, 3 Street SW
Calgary, Alberta T2P 5C5

AUDITORS
PricewaterhouseCoopers LLP
3100, 111 5 AVE SW
Calgary, Alberta T2P 5L3

TRANSFER AGENT
Computershare Trust Company of Canada
600, 530 8 AVE SW
Calgary, Alberta T2P 3S8

DIRECTORS
Donald Engle[A C]
Chairman, Independent Businessman

Bob Chaisson
Karve Energy Inc.

Howard Crone[A R]
Independent Businessman

James (Pep) Lough[A C]
Independent Businessman

Steven Smith[A]
Independent Businessman

Daryl Gilbert[R]
JOG Capital Corp.

Dave Pearce[R C]
Azimuth Capital Management

Mitch Putnam[R C]
32 Degrees Capital

OFFICERS
Bob Chaisson
Chief Executive Officer

Derek Kreba
President

Ken McNeill
Executive Vice President, Corporate Development

Shane Helwer
Vice President, Finance & Chief Financial Officer

Silas Ehlers
Vice President, Exploration

Justin Crawford
Vice President, Operations

Clifford Brown
Vice President, Engineering

Sony Gill
Corporate Secretary

[A] Denotes member of the Audit Committee.
[R] Denotes member of the Reserves Committee.
[C] Denotes member of the Compensation Committee.

FOR MORE INFORMATION, PLEASE CONTACT:

Bob Chaisson
Chief Executive Officer
587-393-8308
bob.chaisson@karveenergy.com

Shane Helwer
Vice President, Finance & Chief Financial Officer
587-393-8302
shane.helwer@karveenergy.com