HOULIHAN LOKEY

OPPORTUNITY OVERVIEW

Connacher

Connacher Oil and Gas Limited

All Figures in C$ Unless Otherwise Noted

MARCH 27TH, 2018

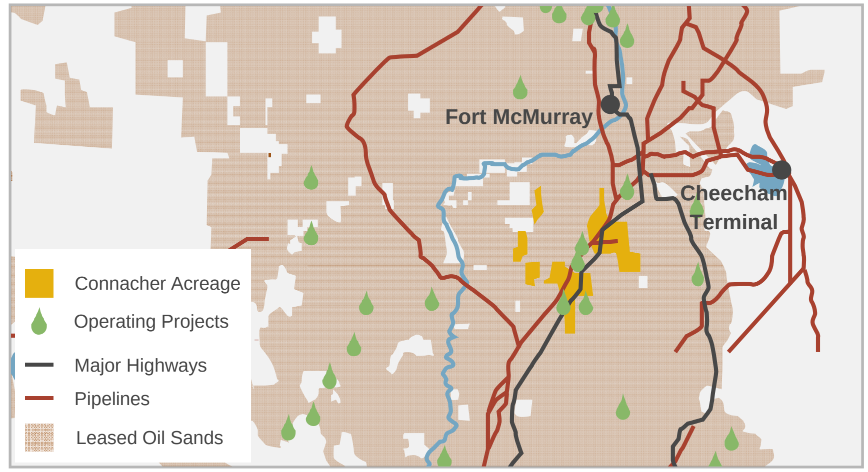
Executive Summary:
Canadian Oil Sands Platform Opportunity

Connacher Oil and Gas Limited ("Connacher" or the "Company") is offering for sale all of its Western Canadian operations and related assets

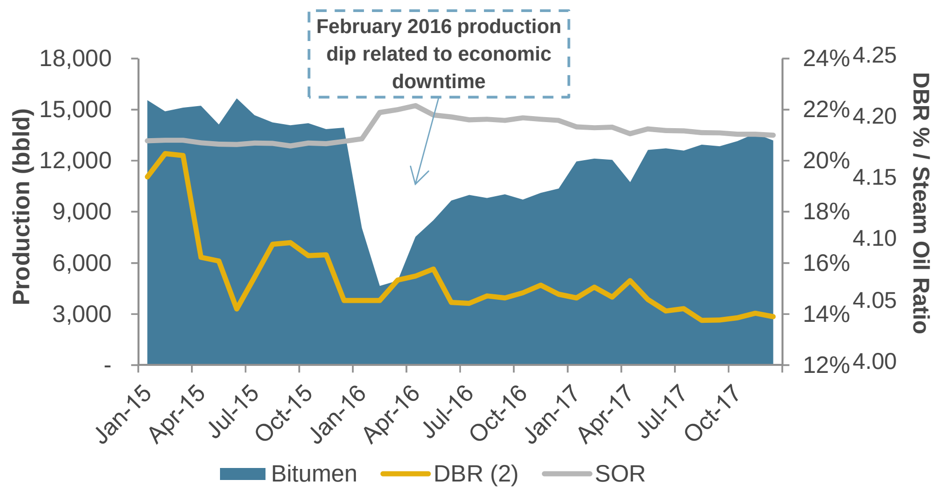
Asset Overview

- Current production of ~12,800 bbld bitumen as of March 2018
- 100% working interest 87,000 oil sands acres
- 41 producing SAGD well pairs and 13 producing infill wells
- Two collocated production facilities with 57,000 bbld of steam capacity
  - Capability to expand steam capacity to ~145,000 bbld with the Great Divide Expansion project
- 17 near-term current-pad well pair and infill locations
- 259 new-pad well pair and infill development locations
- 2P PV-10 of ~$1.5 billion as of December 31, 2016 (1)
- Tax pools of ~$1.3 billion

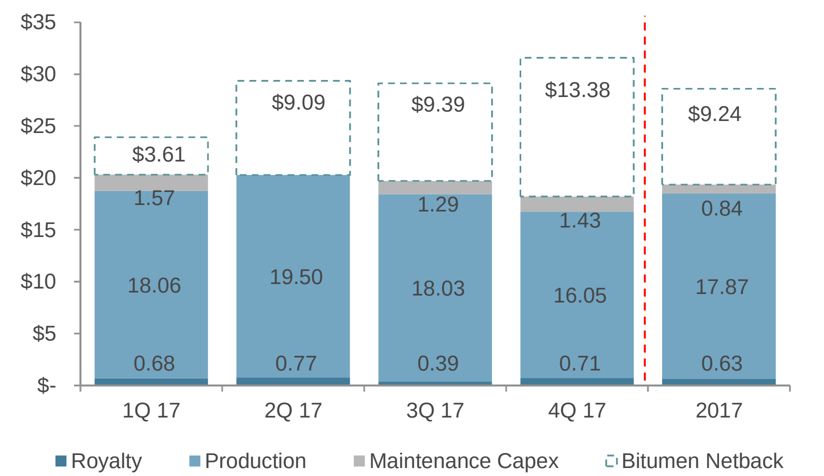
Acreage Overview



Historical Production



FY 2017 Netback Summary (3) ($ / bbl)



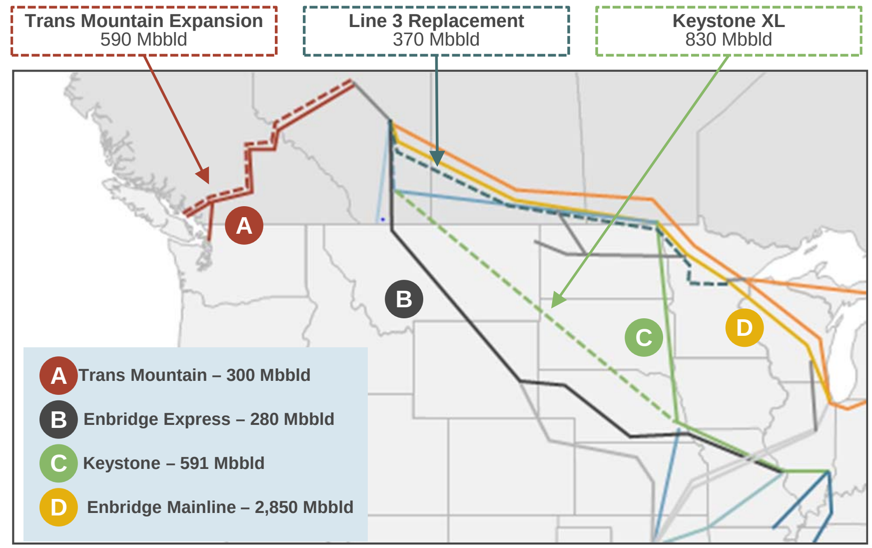
(1) GLJ Year End Report dated December 31, 2016
(2) Diluent Blend Ratio; reflects the amount of diluent in a barrel of dilbit after bitumen has been blended with diluent
(3) Netback based on net bitumen realized pricing (dilbit sales – diluent expense – transportation & marketing) less production expense, royalty expense, and maintenance capex

Western Canadian Crude Transportation Relief Forthcoming

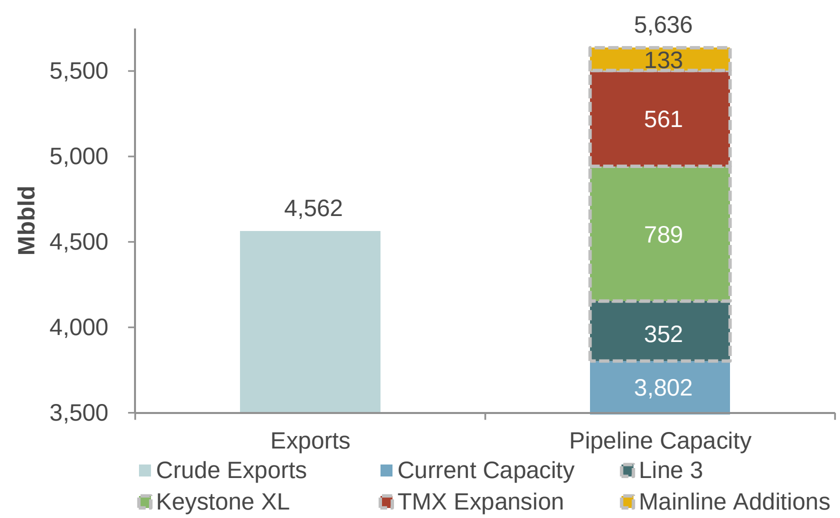
Commentary

- Current takeaway constraints limit crude oil exports from Alberta to key refining markets on the West Coast of Canada (tidewater markets) and the Midwest and Gulf Coast regions of the United States
- Additional capacity via new pipelines will likely reduce differentials for and increase dependence on Western Canada oil. These factors, along with additional local capacity, are expected to greatly improve realized bitumen pricing for oil sands operators
- Several planned pipeline projects are expected to significantly increase Western Canada takeaway capacity in the near-term including:
  - Line 3 Replacement (370 Mbbld) – 2H 2019
  - Keystone XL (830 Mbbld) – 2H 2020 – 1H 2021
  - TMX Expansion (590 Mbbld) – 2021
  - Additional Canadian Mainline projects (275 Mbbld)
  - North West Redwater Partnership's Sturgeon Refinery is currently receiving small volumes of crude and expects to operate at full capacity in 2018. The facility will be capable of processing ~50 Mbbld of bitumen

Western Canada Pipeline Overview



2021E Exports and Potential Takeaway Capacity (1)



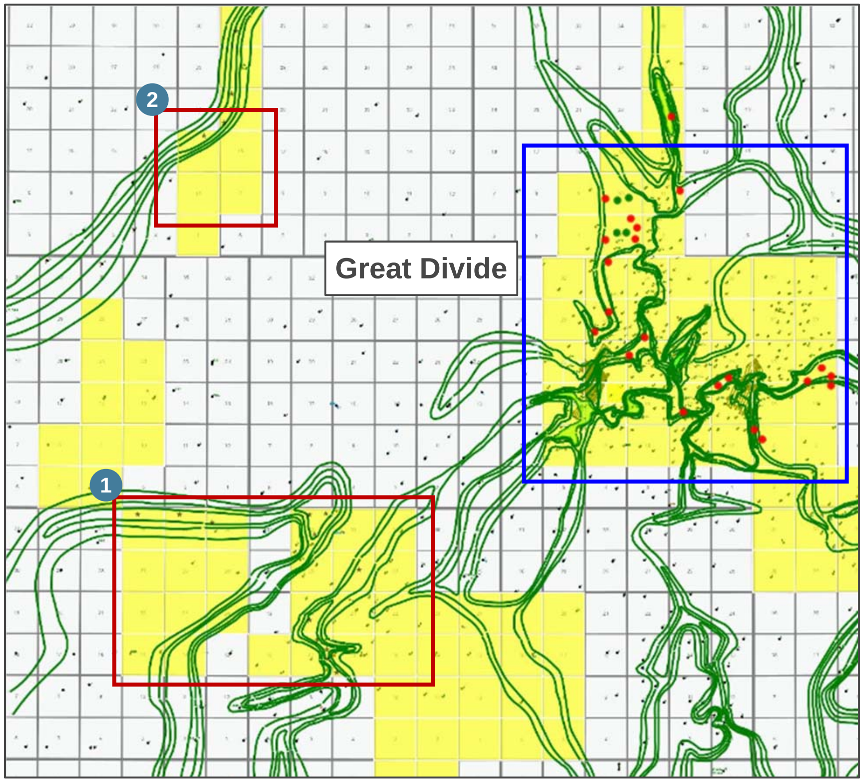
Source: NEB, CAPP, FERC, Company filings, Wall Street Research

(1) Export pipeline capacities run at estimated 95% utilization rate to account for downtime and maintenance

Additional Assets Supporting Long-Term Value

Additional Undeveloped Acreage

- Connacher could potentially add millions of barrels in reserves and resources on existing leases through a modest core-hole program in the Thornbury and Quigley areas



1 Thornbury – 18 locations 2 Quigley – 2 locations

Tax Pools Overview ($MM)

- Connacher's assets also include substantial tax pools related to past operating losses, which could potentially be used by a buyer or successor entity to offset future operating profits
  - Aggregate tax pools owned by the Company are estimated to be ~$1.3 billion

Key Process Items

Connacher Oil and Gas Limited is seeking the sale of its stock or all or substantially all of its assets through a Court-approved Sale and Investment Solicitation Process (the "SISP"). Potential buyers may submit bids for the following (i) all of Connacher's assets through an acquisition of the Company's stock or through an acquisition of only the assets themselves (ii) Great Divide assets (Pod One and Algar properties), (iii) other undeveloped lands (Thornbury and Quigley lands), and (iv) tax assets via an alternative transaction structure.

The SISP is supported by a majority of Connacher's first lien lenders (the "Consenting First Lien Lenders") who have submitted a **static** "stalking-horse" credit bid (the "Credit Bid Transaction") to be implemented in the event that the SISP does not result in a transaction that provides cash consideration (exclusive of cash on hand) of at least **C$90 million plus the payment in full of all claims that rank pari passu or in priority to the first lien obligations (the "Priority Claims") *(1)* (collectively, the "Minimum Consideration Threshold")**. For the avoidance of doubt, **the SISP procedures prohibit the Consenting First Lien Lenders from modifying their Credit Bid Transaction to compete with qualified bidders in the SISP**, and in the event a qualified, binding offer (Qualified Phase II Bid) is received and is the Successful Bid, in accordance with the SISP, the Consenting First Lien Lenders are bound by a Support Agreement and Court Order approving the Support Agreement to support the approval of such a bid. Subject to the requirements of meeting the Minimum Consideration Threshold, **the Company will contemplate all forms of consideration in the evaluation of Qualified Phase II Bids (e.g. cash, cash equivalents, securities traded on major exchanges, etc.). The Company reserves its right to determine the value of any such consideration in its sole discretion.**

Further information on the Company and its assets, in the form of a Confidential Information Memorandum ("CIM") and Virtual Data Room ("VDR"), will be made available to interested parties who execute a confidentiality agreement and SISP acknowledgement.

Contact Justin Zammit (JZammit@HL.com) to proceed with executing a confidentiality agreement and SISP acknowledgement. All of the relevant Court filings, information on the SISP, and Connacher's CCAA proceedings may be found on the Monitor's website at: www.ey.com/ca/connacheroilandgas

(1) The ultimate amount owed and payable under the assumed liabilities is subject to each prospective buyer's own diligence and will not be warranted by the Company or its representatives including but not limited to Houlihan Lokey

April – 2018

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May – 2018

Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June – 2018

Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July – 2018

Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August – 2018

Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

SISP Launch · Phase I Deadline · Phase II Deadline · Sale Hearing · Closing

Item	Note*(2)*	Date
Sale Process Launch	▪ Financial Advisor sends teasers to potential buyers	4/3
Phase I Deadline	▪ Deadline to submit a letter of intent to Financial Advisor	5/23 at 12:00 PM (Mountain Time)
Phase II Deadline	▪ Deadline to submit bid to Financial Advisor	6/20 at 12:00 PM (Mountain Time)
Sale Hearing	▪ Court approval of Purchase and Sale Agreement	7/17
Closing	▪ Closing of Sale Transaction	8/17

(2): Please refer to the Sales and Investment Solicitation Process filed with the Court for defined terms. Priority Claims to be conclusively determined pursuant to a Court-approved claims process.

Houlihan Lokey Capital, Inc., acting through itself and its affiliates has been authorized to act as the exclusive agent of the Company with respect to the Transaction. All communications or inquires relating to a transaction and the Company should be directed to Houlihan Lokey.

J.P. Hanson	***Brett Lowrey***	***Justin Zammit***	***Jay Vise***	***Michael Marsh***
Managing Director / Head of E&P	Managing Director	Vice President	Financial Analyst	Financial Analyst
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Disclaimer

Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) has been retained by Connacher Oil and Gas Limited (“Connacher” or the “Company”) to serve as its financial advisor in connection with the proposed sale of the Company’s assets (the “Transaction”).

This Information Memorandum (this “Teaser”) has been prepared for discussion purposes only. It is being delivered to specified parties solely to assist them in deciding whether to proceed with their investigation of the Company in accordance with procedures established by the Company. This Teaser does not purport to contain all of the information that may be required or relevant to a recipient’s evaluation of any Transaction and recipients will be responsible for conducting their own investigations and analysis.

Houlihan Lokey has not independently verified any of the information contained herein. Neither the Company or any of its affiliates or representatives nor Houlihan Lokey or any of its affiliates or representatives makes any representation, warranty or guaranty of any kind, express or implied, as to the accuracy, completeness or reasonableness of the information contained herein or any other written or oral communication transmitted or made available to any recipient. The Company and Houlihan Lokey and their respective affiliates and representatives expressly disclaim any and all liability based on or arising from, in whole or in part, such information, errors therein or omissions therefrom.

In addition, this Teaser includes certain projections and forward-looking statements provided by the Company with respect to the anticipated future performance of the Company. Such projections and forward-looking statements reflect various assumptions of management concerning the future performance of the Company, and are subject to significant business, economic and competitive risks, uncertainties and contingencies, many of which are beyond the control of the Company. Accordingly, there can be no assurances or guarantees that such projections or forward-looking statements will be realized. Actual results may vary from anticipated results and such variations may be material. Past performance is not a guarantee of future results. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections or forward-looking statements based thereon.

Only those representations and warranties that are made in a definitive written agreement relating to a Transaction, when and if executed, and subject to any limitations and restrictions as may be specified in such definitive agreement, shall have any legal effect. Each recipient should make an independent assessment of the merits of pursuing a Transaction and should consult its own professional advisors.

Houlihan Lokey may from time to time assist interested parties with financing matters, which may, in some cases, be related to the Transaction.

This Teaser speaks as of various dates in the past. The delivery of this Teaser does not create any implication that there has been no change in the business and affairs of the Company since such dates. Neither the Company nor Houlihan Lokey or their respective affiliates or representatives undertakes any obligation to update any of the information contained herein.

Subject to direction by the Court, the Company and Houlihan Lokey are free to conduct the process for the Transaction as they determine in their sole discretion (including, without limitation, terminating further participation in the process by any party, rejecting any proposals or indications of interest, negotiating with prospective buyers and entering into an agreement with respect to a Transaction without prior notice to you or any other person) and any procedures relating to such Transaction may be changed at any time without prior notice to you or any other person.

All communications or inquiries relating to the Company or this Teaser should be directed to the representatives of Houlihan Lokey listed on the previous page.

No personnel of the Company should be contacted directly under any circumstances unless expressly permitted by Houlihan Lokey.