This summary aims to give you an overview of the information contained in this Prospectus. Since this is a summary, it does not contain all of the information that may be important to you. You should read the whole Prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Our Company is based in Alberta, Canada and is principally engaged in natural gas and crude oil exploration and production, with a focus on natural gas. Our Company commenced operations in March 2005 with the long-term objective of building a successful Canadian natural gas and crude oil exploration, development and production company. We acquired our first 6,400 net acres of land in WCSB in January 2007 known as the Alberta Foothills and drilled and commercially produced liquids-rich natural gas from our first deep well in this area in December 2008. Since then, our natural gas and oil production rate has organically grown and reached approximately 3,363 Boe/d of average production in the first nine months of 2016. The exit production of 2016 is 4,500 Boe/d. As at the Latest Practicable Date, we held 114,528 net acres of land in WCSB which we intend to explore through drilling in locations listed in our Company's multi-year inventory.

Our Company's long-term business strategy is to increase our shareholder value by continuing to exploit and develop our natural gas and oil asset base in the three core exploration and production areas to increase our reserves, production and cash flow.

KEY ASSETS

Our Company's major assets and operations are concentrated in Western Canada with three core areas: (1) Alberta Foothills liquids-rich natural gas properties; (2) Deep Basin Devonian natural gas properties; and (3) the Peace River light oil properties.

The Alberta Foothills

The Alberta Foothills assets consist of lands with PNG rights covering 67,008 net acres as at the Latest Practicable Date. There are five liquids-rich natural gas wells in production in Basing with an average production rate of approximately 20.0 MMcf/d and approximately 184 Bbls/d of condensate and NGLs in the first nine months of 2016, and there is one other producing well that was voluntarily and temporarily shut-in due to economic limit considerations. As at September 30, 2016, the gross Proved Reserves, Proved plus Probable Reserves and Proved plus Probable plus Possible Reserves had been estimated to be 12,030 Mboe, 17,567 Mboe and 22,427 Mboe respectively. There are 71 potential drilling locations targeting a multi-zone stacked sandstone reservoir in the Wilrich and Mountain Park formations of Spirit River Group as estimated by GLJ. Other than the Stolberg JV and the Viking JV, we own a 100% working interest in the PNG Licences and Crown Leases covering the Alberta Foothills area.

Our Three Core Areas for Growth

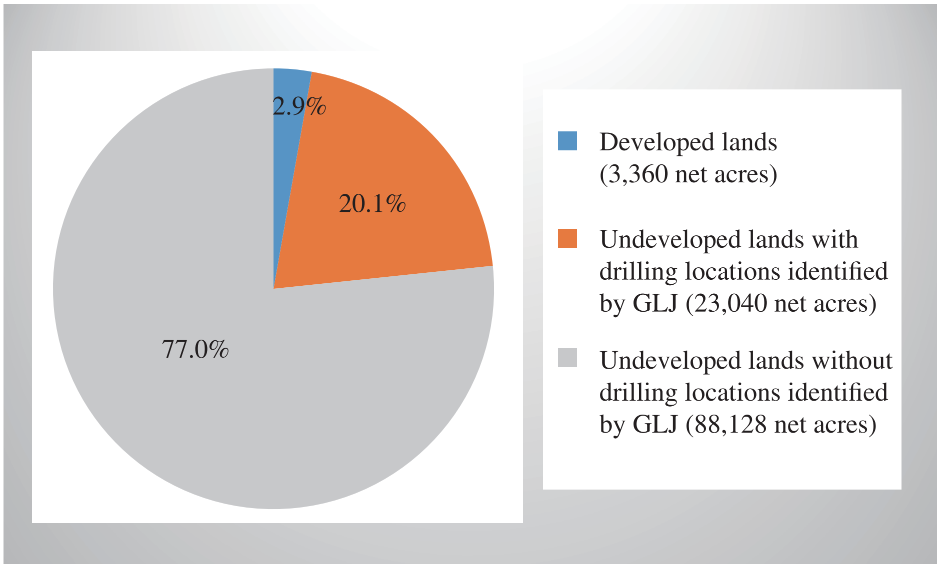
Deep Basin Devonian

The Deep Basin Devonian natural gas assets consist of approximately 44,320 net acres of land with PNG rights in an area known as Hanlan-Peco. Although GLJ has not assigned any Reserves or Resources to Hanlan-Peco and the area is undeveloped, our management team identified two natural gas targets based on seismic interpretation and information gathered from nearby producing wells. We own a 100% working interest in our PNG Licences and Crown Leases in this area.

Peace River

As at the Latest Practicable Date, the Peace River light oil assets consist of approximately 3,200 net acres of land with PNG rights. There are two light oil wells in production in Dawson with a production rate of 126 Bbls/d as at September 30, 2016. There is one other producing well which was voluntarily and temporarily shut-in due to economic limit considerations. As at September 30, 2016, the gross Proved Reserves, Proved plus Probable Reserves and Proved plus Probable plus Possible Reserves are estimated to be approximately 69,000 Bbl, 99,000 Bbl and 135,000 Bbl respectively. There are 6 drilling locations with an estimated 899 Mbbls of gross Best Estimate Unrisked Prospective Resources identified by 3D seismic data as estimated by GLJ.

Our Land Position as at the Latest Practicable Date



The table below summarizes the net acres of land and the drilling locations held by our Company as at the Latest Practicable Date.

	As at the Latest Practicable Date
Land held by our Company	
Total gross acres of land	approximately 116,320
Total net acres of land	approximately 114,528
With net acres of developed land	approximately 3,360
With net acres of undeveloped land	approximately 111,168
Average working interest	approximately 98.5%
Undeveloped land percentage	approximately 97.1%
Estimated drilling locations	
Drilling locations assigned to Proved Reserves	4
Drilling locations assigned to Probable and Possible Reserves only	1
Drilling locations assigned to Contingent Resources	8
Drilling locations assigned to Prospective Resources	64
Total drilling locations	77

The table below shows the data of our Reserves and Resources as at September 30, 2016, based on GLJ's price forecast effective on October 1, 2016:

	Total		Producing Wells			Drilling Locations			
Reserves Data	**Gross**	**Net**	**No. of Producing Wells**	**Gross**	**Net**	**No. of Drilling Locations Inventory*** **	**Gross**	**Net**	**Post-tax NPV 10%***
	(Mboe)	**(Mboe)**		**(Mboe)**	**(Mboe)**	**(as at Latest Practicable Date)**	**(Mboe)**	**(Mboe)**	**(C$ Millions)**
Proved (1P)**	12,099	10,294	7	5,333	4,419	4	6,766	5,875	87.4
Proved + Probable (2P)**	17,666	14,680	7	7,444	6,073	5	10,222	8,607	119.4
Proved + Probable + Possible (3P)**	22,562	18,430	7	9,581	7,727	5	12,981	10,703	
Contingent Resources** (Unrisked Best Estimate)	10,396	9,061				8	10,396	9,061	
Prospective Resources** (Unrisked Best Estimate)	67,526****	58,486****				64****	67,526****	58,486****	

* This represents future net revenue, after additions for cost recovery and deductions for value-added taxes, royalties, future capital costs and operating expenses have been made. Future net revenue is presented after deduction of income taxes and has been discounted at an annual rate of 10% (which is shown to indicate the effect of time on the value of money) to determine its net present value. Future net revenue presented in this Prospectus should not be construed as being the fair market value of our Company's properties. The expected capital is accounted for in determining the post-tax NPV10% in two ways. Firstly, the capital is included as an expense which is discounted annually and reduces the net cash flow accordingly. Secondly, the development capital increases the unused tax deduction for our Company. For further information on the bases and assumptions used in determining future net revenue and post-tax NPV 10%, please see page IV-71 of the Competent Person's Report in Appendix IV to this Prospectus. For risks associated with the net present values, please see the section headed "Risk Factors — The reserves and resources data, volumes and present value calculations presented in this Prospectus are only estimates and actual results may differ" in this Prospectus.

** As at September 30, 2016, GLJ estimated our Company holds gross Proved Reserves of 12,099 Mboe (approximately 5.4% of which is crude oil, condensate and other NGLs with the remaining 94.6% being natural gas), gross Proved plus Probable Reserves of 17,666 Mboe (approximately 5.4% of which is crude oil, condensate and other NGLs, with the remaining 94.6% being natural gas), gross Proved plus Probable plus Possible Reserves of 22,562 Mboe (approximately 5.4% of which is crude oil, condensate and other NGLs, with the remaining 94.6% being natural gas), gross Best Estimate Unrisked Contingent Resources of 10,396 Mboe (approximately 4.9% of which is condensate and other NGLs, with the remaining 95.1% being natural gas), and gross Best Estimate Unrisked Prospective Resources of 67,526 Mboe (approximately 7.0% of which is crude oil, condensate and other NGLs, with the remaining 93.0% being natural gas). Please refer to the Competent Person's Report as set out in Appendix IV to this Prospectus for more information.

*** As at the Latest Practicable Date, a total of 77 drilling locations are held by our Company. 5 drilling locations have been assigned to Proved, Probable and Possible Reserves (which include 4 locations assigned to Proved Reserves and 1 location assigned to Probable and Possible Reserves only). 8 drilling locations have been assigned to Contingent Resources. 64 drilling locations have been assigned to Prospective Resources.

**** 1 Crown Lease in Dawson has expired in November 2016 (with 4 prospective drilling locations and 599 Mbbls of gross Best Estimated Unrisked Prospective Resources assigned by GLJ as at September 30, 2016). Our Company directly wrote off C$100,000 of E&E assets as a result of the aforesaid Crown Lease expiry for the nine months ended 30 September 2016 because they were considered not to have further prospective value. Therefore its expiration will not have further financial impact on our Company.

The table below shows the well number, production date, initial flow rate, flow rate and accumulated production as at September 30, 2016, reserve life, well status and recovery method of our wells:

UWID	Production date	Initial flow rate	Flow rate on September 30, 2016	Accumulated production as at September 30, 2016	Remaining 2P reserve life (Years) as at September 30, 2016 *(Note 1)*	Well status as at September 30, 2016	Recovery method
Basing							
100/07-21-047-19W5/03	December 2008	3.5 MMcf/d	3.5 MMcf/d	12.5 Bcf of sweet natural gas and 106,625 Bbls of condensate and NGLs	24.4	Producing	Drilling
100/05-29-047-19W5/00	December 2009	5.2 MMcf/d	4.1 MMcf/d	10.7 Bcf of natural gas and 91,271 Bbls of condensate and NGLs	38.5	Producing	Drilling
100/10-36-047-20W5/04	December 2010	7.1 MMcf/d	0.9 MMcf/d	3.3 Bcf of natural gas and 28,149 Bbls of condensate and NGLs	20.2	Producing	Drilling
100/16-29-047-19W5/00 *(Note 2)*	January 2012	0.6 MMcf/d	0	0.02 Bcf of natural gas	N/A	Shut-in	Drilling
102/08-36-047-20W5/02	November 2013	6.0 MMcf/d	8.8 MMcf/d	4.6 Bcf of natural gas and 39,238 Bbls of condensate and NGLs	16.2	Producing	Drilling
103/05-02-048-20W5/02	September 2014	8.1 MMcf/d	7.4 MMcf/d	3.3 Bcf of natural gas and 28,149 Bbls of condensate and NGLs	25.5	Producing	Drilling
Dawson							
100/16-22-080-17W5/03 *(Note 3)*	April 2011	438 Bbls/d	49 Bbls/d	47,250 Bbl of light oil	11.7	Producing	Drilling
100/01-27-080-17W5/02 *(Note 4)*	October 2011	375 Bbls/d	0	34,425 Bbl of light oil	N/A	Shut-in	Drilling
100/02-35-080-17W5/00	September 2012	305 Bbls/d	77 Bbls/d	119,740 Bbl of light oil	16.5	Producing	Drilling

Note 1: Reserves life is based on GLJ's current economic forecast utilizing Proved plus Probable Reserves. Please refer to pages IV-133, IV-134 and IV-248 of the Competent Person's Report in Appendix IV to this Prospectus for more information.

Note 2: GLJ has not assigned any Reserves to this well due to economic limit considerations.

Note 3: According to GLJ, this well resumed production in September 2016 at higher forecast future oil prices with a remaining 2P reserve life.

Note 4: According to GLJ, this well has not been assigned any Reserves as it is considered to be uneconomic to resume production due to economic limit considerations as resuming production will result in negative cumulative before tax cash flow.

KEY STRENGTHS

We believe that the following strengths will contribute to our growth and differentiate us from our competitors:

- economics and quality of resources base;
- size of resources within our Company's acreage land position;
- location of resources and market access;
- holding sole operating control and land ownership; and
- an experienced management and technical team with a strong industry track record.

COMPETITIVE LANDSCAPE

According to the Industry Consultant, Alberta has one of the largest natural gas and oil reserves in Canada. The province provides ample opportunities for companies involved in the extraction and processing of natural gas and oil resources and leading companies in the Canadian natural gas and oil sector have a strong presence in Alberta.

Based on the classification of the Industry Consultant, our Company, with a quarterly production averaging between 500 Boe/d and 10,000 Boe/d, can be classified as a junior natural gas and oil company. For junior companies, it is important to focus on costs and efficiencies, especially during periods of low natural gas and oil prices. Minimizing operating costs for extracting resources is necessary.

Junior or intermediate natural gas producers such as our Company that have access to high-quality conventional resources and low costs of production may be able to compete with large producers and remain profitable.

The natural gas and oil industry is a cyclical industry and follows boom and bust cycles. Weaker natural gas and oil prices drive the need for producers to be efficient and cut production costs to tide over the duration of lower selling prices. Natural gas from conventional sources is cheaper to be produced as compared to unconventional sources as there is no need for special equipment or techniques for natural gas extraction.

For the nine months ended September 30, 2016, our Company's production portfolio was 98.2% natural gas (including NGLs and condensate) and 1.8% light oil. Companies such as our Company producing more natural gas from high-quality assets are expected to have the competitive advantage of lower production costs per Boe extracted.

PNG LICENCES AND CROWN LEASES

As at the Latest Practicable Date, our Company was the registered licensee or lessee of 62 PNG Licences and Crown Leases in Alberta, Canada, of which 36 PNG Licences and 5 Crown Leases related to the Alberta Foothills and 17 Crown Leases related to Peace River and 4 PNG Licences related to Deep Basin Devonian.

Our PNG Licences have an initial term of either 4 years or 5 years, depending on the region in which the lands are located. Once a well has been drilled on an area covered by the relevant PNG Licence, we may validate the PNG Licence for an intermediate term of another 5 years. Our Crown Leases have an initial term of 5 years. When a PNG Licence or a Crown Lease reaches the end of its primary term, our Company can renew the PNG Licence or Crown Lease if we can show that the land to which the relevant PNG Licence or Crown Lease related is productive of natural gas and/or crude oil.

The table below shows the number of our Company's PNG Licences and Crown Leases for our existing wells, drilling locations assigned by GLJ and undeveloped land that will expire in 2017, 2018 and 2019 and thereafter respectively.

	PNG Licences and Crown Leases for Existing Wells		PNG Licences and Crown Leases for Drilling Locations Assigned by GLJ		PNG Licences and Crown Leases for Undeveloped Land Not Assigned any Drilling Locations by GLJ	
Year of Expiration	**PNG Licences**	**Crown Leases**	**PNG Licences**	**Crown Leases**	**PNG Licences**	**Crown Leases**
2017	0	2	1[1]	2	4[1]	5
2018	0	0	4[2]	2	3	3
2019 and thereafter (including indefinite term)	2	1	13[3]	0	13	7
Total	2	3	18	4	20	15

Notes:

1. Our Company submitted applications and obtained approvals to extend the terms of our Company's lease of these lands to March 31, 2017. None of these leases cover any of the 13 drilling locations under the three-year development plan. Our Company will be required to perform certain exploration and evaluation activities during the three months ending March 31, 2017.

2. 3 of these PNG Licences cover 5 of our drilling locations in 2019 under our three-year development plan. We will submit the renewal application package within three months before expiry date. Our Canadian Legal Advisers have advised us that there will be no material legal impediment for us in renewing our PNG Licences.

3. 2 of these PNG Licences cover 5 of our drilling locations in 2017 & 2018 and 3 of our drilling locations in 2019 under our three-year development plan, which have indefinite terms until the related well becomes non-productive. The indefinite term relates to the aforesaid 2 PNG Licences covering a total 8 of our drilling locations in 2017, 2018 and 2019 which had initially expired on January 11, 2017 and were renewed with an indefinite expiry date.

For more information about our PNG Licences and Crown Leases, please refer to the section headed "Business — Properties — Licences and Permits" in this Prospectus.

TRANSPORTATION

The Alberta Foothills and Deep Basin Devonian are located in the service area of the NGTL System. The NGTL System consists of more than 32,000 km of natural gas pipeline, associated compressors and other facilities located in Alberta and Northeastern British Columbia. Due to the ongoing maintenance and repairs of pipelines and other facilities of the NGTL System, there may be outage plans on the NGTL System. These outage plans did not have a material adverse impact on our operations and financial conditions. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any other shortage of transportation capacity of our natural gas, crude oil, NGLs and condensate.

OUR STRATEGIES

Our Company will maintain our competitiveness and growth and increase shareholder value by implementing the following strategies:

- enhancing the value of our natural gas and oil assets through increased operational efficiency, effective well placement and field development;
- upgrading our Reserves by drilling and developing our undeveloped land position;
- improving our drilling and completion techniques;
- pursuing potential acquisition opportunities with significant value appreciation; and
- exploration drilling for new pool discoveries.

OUR PRODUCTS

Our main products sold during the Track Record Period and as at the Latest Practicable Date were: (i) natural gas; (ii) crude oil; (iii) NGLs and (iv) condensate. Our products do not have a product life cycle nor are they subject to seasonality. There was no significant change in our product mix during the Track Record Period. For more details of our products, please refer to the section headed "Business — Our Products" in this Prospectus.

IMPACTS OF DEMAND AND PRICE OF NATURAL GAS AND CRUDE OIL ON OUR OPERATIONS

Our operations and revenue depend largely on the demand for and price of natural gas and crude oil in Canada. Our revenue and results of operations are substantially dependent on the prevailing prices of natural gas and oil which are unstable and subject to fluctuation. Natural gas prices are influenced primarily by factors within North America, including, amongst others, North American supply and demand, economic performance and weather conditions. Crude oil prices are mainly driven by a few factors which include the supply from the Organization of Petroleum Exporting Countries (OPEC) and the supply from outside the OPEC, global crude oil demand and crude oil inventories. Furthermore, crude oil prices also react to a variety of geopolitical and economic events as well. In addition, the marketability of the production depends upon the availability, capacity and destinations of gathering systems, pipelines, and other transportation infrastructure, approval and regulation of federal and provincial infrastructure projects, effect of federal and provincial regulation on such production and general economic conditions. All of these factors are beyond our control. Adverse changes in general economic and market conditions could also negatively impact demand for natural gas and oil, production cost, results of financing efforts, fluctuations in interest rates, market competition, labor market supplies, timing and extent of capital expenditures or credit risk and counterparty risk.

Decrease in natural gas and oil prices may change the economics of producing from some wells resulting in a reduction in the volume of our Company's production. Our Company has temporarily shut-in two producing oil wells in 2015 due to economic limit considerations. All of these factors could result in a material decrease in our net production revenue, cash flows and profitability and have a material adverse effect on our operations, financial condition and amount of our reserves.

Natural gas and oil prices are expected to remain volatile in the near future because of market uncertainties over the supply and demand of these commodities due to the current state of the world economies. Volatile natural gas and oil prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for natural gas and oil producing properties, as buyers and sellers have difficulty in agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

The table below shows the average market prices and average sales prices for our natural gas and crude oil and the average realized sales price and forward sales price for our natural gas during the Track Record Period.

	Year ended December 31			Nine months ended September 30
	2013	**2014**	**2015**	**2016**
Natural gas				
Average market price (C$ per Mcf)	3.23	4.57	2.74	2.01
Average realized price (C$ per Mcf)	3.53	5.02	2.43	1.70
Average forward sales price (C$ per Mcf)	3.73	4.07	3.95	3.10
Average sales price (C$ per Mcf)	3.62	4.70	3.61	2.45
Crude oil				
Average market price (C$ per Bbl)	100.88	102.71	62.29	41.34
Average sales price (C$ per Bbl)	91.92	93.50	49.09	47.14

For more details of impacts of demand and price of natural gas and crude oil on our operations, please refer to the section headed "Financial Information — Significant Factors Affecting our Results of Operations — Demand and Price of Natural Gas and Crude Oil in Canada" at pages 277–279 in this Prospectus.

OUR THREE-YEAR DEVELOPMENT PLAN

Our Company has established a three-year development plan during which a total of 13 drilling locations in Basing in the Alberta Foothills (with 3 drilling locations, 2 drilling locations and 8 drilling locations planned to be drilled in 2017, 2018 and 2019 respectively) will be drilled. These 13 drilling locations represent 100% of Proved plus Probable Reserves and Best Estimate Contingent Resources by GLJ.

For ease of reference, the table below summarizes the key information of our three-year development plan:

			2017	2018	2019	Total
Number of wells to be drilled			3	2	8	13
Workflow			2 rigs to be employed for drilling in Q1, followed by completion and tie-in in Q2	1 rig to be employed for drilling in Q1, followed by completion and tie-in in Q1	4 rigs to be employed for drilling in Q2, followed by completion and tie-in in Q3	
			(2P)	**(2P)**	**(2P)**	**2019 (Best Estimated Unrisked Contingency)**
Production Forecast By volume	Alberta Foothills	Natural Gas (MCf/d)	35,276	37,464	30,884	13,635
		Liquid (NGLs/ Condensate) (bbls/d)	301	319	263	116
	Peace River	Light Oil (Bbls/d)	65	49	37	
	Total Production (Boe/d)		6,245	6,612	5,448	2,389
Average Payout Period (years)			1.0	1.4	2.5	
Average 2P Reserves/ Resources Life (years)			37.5	35.3	30.5	

Production Forecast

Our Company intends to increase our current production from an average production of approximately 3,363 Boe/d in the first nine months of 2016 to approximately 5,448 Boe/d based on Proved plus Probable Reserves and an additional 2,389 Boe/d based on Best Estimate Unrisked Contingent Resources in 2019. The table below summarizes our Company's actual production volume during the years ended December 31, 2013, 2014, 2015 and 2016 and forecast production volume for 2017 to 2019:

Our Company's actual production volume during the years ended December 31, 2013, 2014, 2015 and 2016 and forecast production volume for 2017 to 2019*

		Year Ended December 31			Nine Months Ended September 30					
		2013	2014	2015	2016	Q4 2016	2017 (2P)	2018 (2P)	2019 (2P)	2019 (Best Estimate Unrisked Contingency)
Alberta Foothills	Natural Gas (Mcf/d)	11,515	15,610	10,380	18,917	23,967	35,276	37,464	30,884	13,635
	Liquid (NGLs/Condensate) (Bbls/d)	124	81	85	151	175	301	319	263	116
Peace River	Light Oil (Bbls/d)	138	102	54	59	76	65	49	37	
Total Production (boe/d)		2,181	2,785	1,869	3,363	4,245	6,245	6,612	5,448	2,389

* Key assumptions in determining the production forecasts by volume in the above are based on those adopted by GLJ. Please refer to page IV-127 – IV-129 and IV-246 of the Competent Person's Report in Appendix IV to this Prospectus for more information. The above production forecast includes the current producing wells.

** Production forecast of all new drilling locations in 2019 is based on Best Estimate Unrisked Contingent Resources as stated at page IV-142 of the Competent Person's Report. If based on Best Estimate Risked Contingent Resources to reflect a chance of development, a factor of 80% shall be applied to the production forecast.

Capital Expenditure

Our expected capital expenditure budget for our three-year development plan in 2017, 2018 and 2019 in Basing in the Alberta Foothills is set out in the table below:

Locations/Capital Expenditure	2017	2018	2019	Total
Total number of wells to be drilled	3	2	8	13
Drilling, completion and tie-ins costs	C$18.0 million	C$12.0 million	C$59.2 million	C$89.2 million
Land acquisition and geology & geophysics evaluation	C$1.5 million	—	C$2.0 million	C$3.5 million
Total capital expenditure	C$19.5 million	C$12.0 million	C$61.2 million	C$92.7 million

Notes:

(1) The above costs for drilling completion and tie-ins are based on individual well costs adopted by GLJ. Please refer to page IV-145 of the Competent Person's Report in Appendix IV to this Prospectus for more information.

(2) The total capital expenditure estimates of C$92.7 million for future development were provided to GLJ by our Company. The key factors in the projection of the expected capital expenditure are based on third parties quotes including rig costs, directional drilling costs, mud costs, cementing costs and optional fracturing costs for which vendor quotes were not provided. GLJ has considered that these estimates are reasonable based on the supporting vendor's cost estimates and GLJ's non-confidential files, which include publicly available data from third party programs including Geo Scout, AccuMap and geoLogic. These programs provide information such as drilling times, sand tonnage, number of fracturing stages, and occasionally drilling and completion costs for wells.

We intend to apply approximately 52.6% (which amounts to C$18 million) of the net proceeds of the Global Offering (assuming an Offer Price of HK$3.40 per Share, being mid-point of the estimated Offer Price range) and our existing working capital to fund the expected capital expenditure of approximately C$19.5 million for our development of 3 wells in 2017. We expect to finance the capital expenditure of approximately C$73.2 million for our development of 2 wells in 2018 and 8 wells in 2019 with the following sources of funding:

(i) approximately 38.4% of the net proceeds of the Global Offering of approximately C$13.0 million (assuming an Offer Price of HK$3.40 per Share, being the mid-point of the estimated Offer Price range).

(ii) net cash inflow generated from our operating activities of approximately C$56.3 million.

(iii) new bank borrowings which will be approximately C$8.0 million.

Operating Costs

A breakdown of our Company's historical and forecast cash operating costs during the Track Record Period and for our three-year development plan is set out as below:

Natural gas, NGL and condensate

	Actual					Forecast		
	2013	**2014**	**2015**	**Q1-Q3 2016**	**Q4 2016**	**2017**	**2018**	**2019**
	C$'000	*C$'000*	*C$'000*	*C$'000*	*C$'000* *(unaudited)*	*C$'000*	*C$'000*	*C$'000*
Total operating costs	3,606	4,913	3,345	4,276	1,773	10,715	11,379	13,246

Crude oil

	Actual					Forecast		
	2013	**2014**	**2015**	**Q1-Q3 2016**	**Q4 2016**	**2017**	**2018**	**2019**
	C$'000	*C$'000*	*C$'000*	*C$'000*	*C$'000* *(unaudited)*	*C$'000*	*C$'000*	*C$'000*
Total operating costs	1,450	643	291	192	89	360	271	205

Breakeven analysis regarding selling price and sales volume of natural gas

Sales of natural gas was the major business segment and accounted for the majority of our revenue, royalties and operating costs. The table below sets out our Company's illustration of the breakeven analysis of the average selling price and sales volume of natural gas with respect to our Company's net profit during the Track Record Period as well as the forecast period of 2017 to 2019 based on our three-year development plan.

Breakeven Selling Price and Breakeven Sales Volume for Illustration Only

Year		Actual or Forecast	Category of Resources	Volume (Mcf)	Actual or Forecast Average Selling Price (C$/Mcf)	Breakeven Selling Price (C$/Mcf)	Breakeven Sales Volume (Mcf)	Breakeven Sales Volume as a % of the Total Natural Gas Production Volume
Year Ended December 31	2013	Actual		4,202,855	3.62	3.77	4,383,411	104.3%
	2014	Actual		5,697,904	4.70	4.18	5,059,633	88.8%
	2015	Actual		3,788,831	3.61	4.27	4,476,859	118.2%
	2016 *(Note 2)*	Actual		7,388,374	2.70	3.03	8,284,372	112.1%
	2017	Forecast	2P	12,875,375	3.17 *(Note 1)*	2.10	8,538,264	66.3%
	2018	Forecast	2P	13,674,360	3.19 *(Note 1)*	2.01	8,628,254	63.1%
	2019	Forecast	2P plus Best Estimate Unrisked Contingency	16,249,800	3.46 *(Note 1)*	2.01	9,454,266	58.2%

Notes:

1. Based on GLJ report. For details, please refer to page IV-79 of Appendix IV to this Prospectus.

2. Based on audited figures from January to September 2016 and unaudited figures from October to December 2016.

For more information about the above breakeven analysis, please refer to the section headed "Business — Three-Year Development Plan" at pages 204 to 224 in this Prospectus.

The table below sets out the key information of our three-year development plan with page references of the Business section of and Appendix IV "Competent Person's Report" to this Prospectus.

Key Information	Page reference of the Business Section	Page reference of Appendix IV
Number and Location of the Drilling Locations	Page 205	IV-145
Time Line for Drilling, Completion and Tie-in for Commercial Production for each Drilling Location and Development Status	Pages 206 – 208	IV-145
Production Forecast By Volume	Pages 209 – 210	IV-138 – IV-143; IV-158 –IV-159; and IV-249
Average Payout Period	Page 210	—
Average 2P Reserves/Resources Life	Page 210	IV-133; IV-134 and IV-137
Amount of Capital Expenditure	Pages 211 – 212	IV-145
Production and Operating Costs	Pages 214 – 217	IV-156 and IV-252
Gas Processing Capacity, Transportation Support and Resources	Pages 220 – 224	—

COMPETENT PERSON'S REPORT

GLJ has completed an independent reserves and resource assessment and evaluation of certain oil and gas properties of our Company effective September 30, 2016, the Competent Person's Report. The evaluation has been prepared in accordance with resource and reserves definitions, standards and procedures contained in the PRMS.

In the course of the evaluation, GLJ has reviewed our Company's ownership of mineral rights to explore oil and gas in the areas to which GLJ has recognized reserves, contingent resources, and prospective resources, and also conducted site visits to our current producing properties, Basing and Dawson respectively. The evaluation was conducted on the basis of the GLJ October 1, 2016 price forecast which is summarized in the product price and market forecasts section of the Competent Person's Report. Gas price adjustments and sensitivity analyses incorporate all physical sales agreements signed with Macquarie Energy prior to the effective date of the Competent Person's Report.

In preparing the Competent Person's Report, GLJ adopted royalty regulations as of its effective date. Net present values of our Company and detailed property reports for our Company's most significant properties at Basing, Dawson, Dawson (Prospective) and Kaydee-Voyager (Prospective) are presented in the various sections of the report. Areas at Columbia, Stolberg, Cadotte and Hanlan-Peco were also reviewed, though no reserves or resources are assigned at the time of preparing the report.

Regarding our Company's three-year development plan, the schedules, production ramp-ups and assumptions of our three-year development plan for Basing in the Alberta Foothills core area have also been reviewed by GLJ, who has given its opinion as to the credibility and validity of these plans based on its industry experience.

For the assumptions used in our three-year development plan and the assessment and evaluation of our natural gas and oil reserves and resources, please refer to the Competent Person's Report in Appendix IV to this Prospectus.

OUR CUSTOMERS, SUPPLIERS AND CONTRACTORS

For the years ended December 31, 2013, 2014 and 2015 and the nine months ended September 30, 2016, our revenue contributed by our top five customers was approximately C$23.5 million, C$32.4 million, C$16.0 million and C$14.9 million respectively, representing approximately 99.9%, 100%, 99.2% and 98.4% of our total revenue respectively. All our top five customers are gas and oil trading companies or are involved in gas and oil trading. For the years ended December 31, 2013, 2014 and 2015 and the nine months ended September 30, 2016, our revenue contributed by our largest customer was approximately C$14.5 million, C$26.7 million, C$11.6 million and C$8.6 million respectively, representing approximately 61.7%, 82.5%, 72.2% and 56.9% of our total revenue respectively. As natural gas, crude oil, NGLs and condensate are fungible products with well-established markets and numerous purchasers, should any of our top five customers terminate their business relationship with us, we are of the view that we would be able to identify alternative customers on a timely basis and enter into sale and purchase agreements with them on commercially reasonable terms without significantly affecting our business operations.

Since 2015, we have entered into natural gas forward sales agreements with Macquarie Energy in order to protect against downward movements in the price of natural gas. Each sales agreement establishes a fixed selling price against a fixed daily production volume for a certain time interval. For the year ended December 31, 2015 and the nine months ended September 30, 2016, the sales volume under the sales arrangements with Macquarie Energy were 9,260 GJ/d and 11,659 GJ/d, respectively, and the sales value under the sales arrangements with Macquarie Energy amounted to

C$11.6 million and C$8.6 million, respectively, which amounted to approximately 72.2% and 56.9% of our total revenue, respectively. Please refer to the section headed "Business — Sales and Marketing — Natural Gas Sales Arrangement" in this Prospectus for details.

During the Track Record Period, we have engaged a number of Independent Third Party suppliers and contractors. These have primarily included suppliers and contractors of drilling and well completion consulting, seismic data, geological and geophysics consulting, engineering and design, regulation and environmental consulting, inspection and maintenance, pressure vessel integrity management, supplies of packaged equipment and facilities operation. During the years ended December 31, 2013, 2014 and 2015 and nine months ended September 30, 2016, we engaged a total of 210, 194, 105 and 77 contractors respectively. For the years ended December 31, 2013, 2014 and 2015 and the nine months ended September 30, 2016, the aggregate purchases from our largest five suppliers amounted to approximately C$6.1 million, C$6.8 million, C$4.1 million and C$3.7 million respectively, representing approximately 40.0%, 33.7%, 56.1% and 49.6% of our total purchases respectively. Purchases from our largest supplier accounted for approximately 11.4%, 9.7%, 28.2% and 25.5% respectively of our total purchases for the same periods. For more information about our customers, suppliers and contractors, please refer to the sections headed "Business — Sales and Marketing — Customers" and "Business — Our Suppliers and Contractors" in this Prospectus.

HISTORICAL FINANCING

We have entered into the Macquarie Bank Credit Agreement pursuant to which Macquarie Bank granted a revolving facility in a maximum sum of the lesser of C$100,000,000 and the then effective borrowing base under the Macquarie Bank Credit Agreement (determined by Macquarie Bank based on its assessment of the lending value of the hydrocarbon reserves of our Company) and a term credit facility of C$90,000,000 for funding of our Company's drilling and development program relating to gas and oil mineral interests with committed amounts in each case as set forth herein. The credit facility granted under the Macquarie Bank Credit Agreement is secured, amongst others, by our Company further entering into a fixed charge against certain of our PNG Licences in favor of Macquarie Bank and by a limited recourse guarantee and a pledge provided by Aspen, one of our Controlling Shareholders, in respect of the Shares held by it, which was released prior to the Listing. For more information about the financing of our Company, please refer to sections headed "Business — Encumbrances in relation to our PNG Licences and Crown Leases" and "Financial Information — Indebtedness — Bank Loan" in this Prospectus.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following is a summary of our financial information as at December 31, 2013, 2014 and 2015 and September 30, 2016 and for the years ended December 31, 2013, 2014 and 2015 and the nine months ended September 30, 2015 and 2016, extracted from our Company's financial statements which have been prepared and presented in accordance with IFRS and are set forth in the Accountants' Report set out in Appendix I to this Prospectus.

The summary of financial information should be read in conjunction with the financial information included in the Accountants' Report, including the notes thereto, the text of which is set out in Appendix I to this Prospectus.

Please refer to the section headed "Financial Information" in this Prospectus for details of our financial information during the Track Record Period.

Selective Information from Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31			Nine months ended September 30	
	2013	2014	2015	2015	2016
	C$'000	C$'000	C$'000	C$'000 (unaudited)	C$'000
Revenue	23,497	32,424	16,080	12,320	15,151
Operating costs	(5,056)	(5,556)	(3,636)	(2,752)	(4,468)
Profit/(loss) from operations	1,935	6,535	790	(336)	(1,256)
(Loss)/profit for the year/ period	(654)	3,002	(2,485)	(2,784)	(3,642)

Our revenue increased from approximately C$23.5 million for the year ended December 31, 2013 to C$32.4 million for the year ended December 31, 2014 mainly due to the increase in revenue from the sales of natural gas as a result of the increase in its average sales price and the increase in production volume following the commencement of production of the two new wells in November 2013 and September 2014. But our revenue decreased to C$16.1 million for the year ended December 31, 2015 due to the decrease of sales in both natural gas and crude oil as a result of the decrease in the average sales price of natural gas and crude oil and the decrease in our production volume following the shut-in and reduction of production volume of our wells. Our revenue increased from approximately C$12.3 million for the nine months ended September 30, 2015 to C$15.2 million for the nine months ended September 30, 2016 mainly due to the increase of sales in both natural gas and crude oil as a result of the increase in our production volume of natural gas and crude oil.

Due to the aforesaid changes in our revenue, we recorded a net loss of C$0.7 million for the year ended December 31, 2013 but a net profit of C$3.0 million for the year ended December 31, 2014, and a net loss of C$2.5 million for the year ended December 31, 2015 and a net loss of C$3.6 million for the nine months ended September 30, 2016.

Selective Information from Statements of Financial Position

	As at December 31			As at September 30
	2013	2014	2015	2016
	C$'000	C$'000	C$'000	C$'000
Non-current assets	89,283	94,864	91,377	85,080
Current assets	3,314	10,214	9,170	7,999
Current liabilities	117,193	5,700	2,247	2,727
Net current (liabilities)/assets	(113,879)	4,514	6,923	5,272

Summary of Statements of Cash Flows

	Year ended December 31			Nine months ended September 30	
	2013	2014	2015	2015	2016
	C$'000	C$'000	C$'000	C$'000 (unaudited)	C$'000
Net cash generated from operating activities	8,692	14,919	5,363	4,282	3,885
Net cash (used in)/generated from investing activities	(8,980)	(18,208)	(5,374)	(4,808)	245
Net cash generated from/(used in) financing activities	288	8,264	449	(1,565)	(6,328)
Net increase/(decrease) in cash and cash equivalents	—	4,975	438	(2,091)	(2,198)
Cash and cash equivalents at the beginning of the year/period	—	—	4,975	4,975	5,413
Cash and cash equivalents at the end of the year/period	—	4,975	5,413	2,884	3,215

Key Financial Ratios

The following table shows our key financial ratios during the Track Record Period:

	As at December 31			As at September 30
	2013	2014	2015	2016
Current ratio(1)	0.03x	1.79x	4.08x	2.93x
Quick ratio(2)	0.03x	1.79x	4.08x	2.93x
Return on assets(3)	–0.7%	2.9%	–2.5%	–3.9%
Return on equity(4)	2.5%	5.8%	–4.8%	–7.3%
Gearing ratio(5)	–427.1%	90.9%	87.9%	78.8%

(1) Current assets divided by current liabilities

(2) Current assets less inventories, divided by current liabilities

(3) (Loss)/profit and total comprehensive income for the year/period divided by total assets and multiplied by 100%

(4) (Loss)/profit and total comprehensive income for the year/period attributable to owners of the Company divided by total equity and multiplied by 100%

(5) Total debt which represents bank indebtedness, bank loan, shareholders' loan and other debts divided by total equity and multiplied by 100%

The improvement in our gearing ratio was due to the capitalization of the shareholders' loan and the employees' loans by the issuance of Class B and Class C non-voting Common Shares in the year ended December 31, 2014. The gearing ratio as at December 31, 2015 and September 30, 2016 slightly decreased due to proceeds from new share issuance which increased total equity and repayment of bank loan which decreased total debt.

For details, please refer to the section headed "Financial information — Key Financial Ratios"of this Prospectus.

Capital Expenditures

The capital expenditures were approximately C$11.0 million, C$15.7 million and C$4.1 million for the years ended December 31, 2013, 2014 and 2015, respectively, and C$1.1 million for the nine months ended September 30, 2016. The capital expenditures include the expenditures on new well sites, facilities and equipment, the purchase of land and unevaluated drilling and completion costs of our Company's exploration projects which were pending the determination of proven or probable reserves.

For details, please refer to the section headed "Financial Information — Liquidity and Capital Resources" for more information on capital expenditure.

DIVIDEND

Our Company did not declare or pay any dividends during the Track Record Period. We do not have a fixed dividend payout ratio. For more information about the determination of our future dividend, please refer to the section headed "Financial Information — Dividend" in this Prospectus.

CONTROLLING SHAREHOLDERS

Immediately upon completion of the Global Offering (without taking into account any Shares to be allocated and issued upon the exercise of the Over-Allotment Option), 164 Co, JLHY, Mr. Bo, Mr. Jing, Liyuan, Aspen and Ms. Hou (being the spouse of Mr. Bo) will become a group of our Controlling Shareholders acting in concert and will jointly hold approximately 67.30% of the total number of issued Shares of our Company. For details regarding the shareholding interest of our Controlling Shareholders, please refer to the section headed "Substantial Shareholders" in this Prospectus.

LISTING EXPENSES

Legal, professional and other fees, together with the SFC transaction levy and Stock Exchange trading fee were incurred with respect to the Listing. Based on the midpoint of the indicative price range set out in the Prospectus, the total listing fee borne by us amounted to approximately C$6.4 million, of which approximately C$2.4 million is expected to be capitalized after the Listing in 2017. The remaining amount includes approximately C$4.0 million, of which approximately C$0.5 million was charged to profit and loss in 2015, approximately C$2.3 million was charged to profit and loss for the nine months ended September 30, 2016, C$0.7 million was estimated to be charged to profit and loss for the three months ended December 31, 2016 and C$0.5 million will be charged to profit and loss for the year ending December 31, 2017.

LOSS ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2016

Our Directors estimate that, on the bases set out in Appendix III to this Prospectus, and in the absence of unforeseen circumstances, the estimated loss attributable to owners of our Company for the year ended December 31, 2016 as follows:

Estimated loss attributable to owners of our Company	not more than C$2.5 million
Unaudited pro forma estimated loss per Share of our Company	not more than C$0.009

Note: For the bases and calculation method, please refer to the section headed "Financial Information — Loss estimate for the year ended December 31, 2016" in this Prospectus.

STATISTICS OF THE GLOBAL OFFERING[1]

Number of Offer Shares:	69,580,000 Shares (subject to the Over-Allotment Option)	
Over-Allotment Option:	Up to an aggregate of 10,437,000 additional Offer Shares, representing 15% of the initial number of Offer Shares	
Offering structure:	Hong Kong Public Offering:	6,958,000 Shares, representing 10% of the Offer Shares (subject to reallocation)
	International Offering:	62,622,000 Shares, representing 90% of the Offer Shares (subject to reallocation)
Offer Price range:	HK$3.00 to HK$3.80 per Offer Share	
Board lot:	1,000 Shares	

	Based on minimum indicative Offer Price of HK$3.00	Based on maximum indicative Offer Price of HK$3.80
Market capitalization: (assuming no exercise of the Over-Allotment Option)	HK$834.9 million	HK$1,057.5 million
Unaudited pro forma adjusted net tangible assets per Share:(2)	HK$1.42	HK$1.62

Notes:

1. The statistics are based on an Offer Price of HK$3.40 per Offer Share (being the mid-point of the indicative Offer Price range) and do not take into account any Shares which may be issued pursuant to the exercise of the Over-Allotment Option.

2. For the assumptions and calculation method, please refer to the unaudited pro forma financial information set out in Appendix II to this Prospectus.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$197.2 million (assuming an Offer Price of HK$3.40 per Share, being the mid-point of the estimated Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering.

We intend to use the net proceeds from the Global Offering for the following purposes:

- approximately 91% of the net proceeds (approximately HK$179.5 million, assuming an Offer Price of HK$3.40 per Share, being the mid-point of the indicative Offer Price range) will be used for the development of our Alberta Foothills gas assets as follow:
  - drilling of 3 natural gas wells in Basing in 2017 . . . . approximately 52.6%;
  - drilling of 10 natural gas wells in Basing in 2018 and 2019 . approximately 38.4%;
- approximately 9% of the net proceeds (approximately HK$17.7 million, assuming an Offer Price of HK$3.40 per Share, being the mid-point of the indicative Offer Price range) will be used for working capital and general corporate purposes.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above they will be placed in short term demand deposits and/or money market instruments. For details, please refer to the section headed "Future Plans and Use of Proceeds" in this Prospectus.

RISK FACTORS

There are risks associated with an investment in the Offer Shares. These risks can be categorized into: (i) risks relating to our business; (ii) risks relating to the Alberta natural gas and oil industry; (iii) risks relating to Alberta and Canada; and (iv) risks relating to the Global Offering. Some of the key risks include:

- our exploration, development and operations involve uncertainties and risks, including those inherent in the natural gas and oil industry, such that our three-year development plan and the level of expected profitability may not be achieved;

- we may be exposed to risks in connection with our daily natural gas production committed sales arrangement with Macquarie Energy, including fluctuations in commodity pricing;

- our projects may be delayed or may not progress within budget or achieve commercial viability or the intended economic results;

- the Reserves and Resources data, volumes and present value calculations presented in this Prospectus are only estimates and actual results may differ; and

- we will need a significant amount of capital investment to accomplish our growth strategy including the exploration for and development of well sites and to maintain our operations. We may be unable to raise capital on terms favorable to us or at all, which could increase our financing costs, dilute your ownership interests, affect our business operations or force us to delay or abandon our growth strategy.

For more information relating to these and other risk factors relating to an investment in our Shares, please refer to the section headed "Risk Factors" in this Prospectus.

RECENT DEVELOPMENTS

The Government of Alberta finalized the new royalty framework in April 2016. Starting from January 2017, crude oil, natural gas liquids and natural gas production will have a flat royalty rate of 5%, until cumulative revenue from a well is equal to the Drilling and Completion Cost Allowance, based on average industry drilling and completion costs. After that pay-out, royalties will be energy price-sensitive and reflect expected returns over the life of the well. For wells drilled before 2017, the existing royalty rates will remain in effect until 2026. For more information of the new royalty structure and the royalty review report, please refer to the section headed "Laws and Regulations — Laws and Regulations Relating to the Canadian Natural Gas and Oil Industry — Royalties and Incentives" of this Prospectus.

Regarding the PNG Licences and Crown Leases, 3 PNG Licences in Cadotte covering approximately 48,640 net acres of land (with no Reserves or Resources assigned by GLJ) have expired in July 2016. 1 Crown Lease in Dawson covering approximately 640 net acres of land (with 4 prospective drilling locations and 599 Mbbls of gross Best Estimate Unrisked Prospective Resources assigned by GLJ as at September 30, 2016) has expired in November 2016. Our Company directly wrote off C$100,000 of E&E assets as a result of the aforesaid Crown Lease expiry for the nine months ended 30 September 2016 because they were considered not to have further prospective value. Therefore its expiration will not have further financial impact on our Company.

Since July 1, 2016, we entered into further forward sales agreements with Macquarie Energy against our daily production volume for various time intervals. As at December 31, 2016, we have existing arrangements with Macquarie Energy to deliver 45.4%, 38.2% and 19.7% of our total actual gas production/gas production forecast (based on 2P) in Q4 2016, 2017 and 2018 respectively. The revenue generated will amount to C$3.2 million, C$15.6 million and C$8.1 million for the three months ended December 31, 2016 and the years ending December 31, 2017 and 2018 respectively.

Save for the aforesaid, our Directors have confirmed that since September 30, 2016, being the date to which the latest audited financial statements of our Company were prepared, and up to the date of this Prospectus, including the three months ended December 31, 2016, there was no material adverse change in our financial, operational and trading positions or prospect or in the general regulatory, economic and market conditions in Canada or the industry in which we operate that materially and adversely affected our business, results of operations or financial condition.

WAIVERS GRANTED

We have applied for, and the Stock Exchange has granted us, a number of waivers from strict compliance with the Listing Rules.

Due to the fact that throughout the Track Record Period, we have been in a pre-production, exploration and/or development phase with regard to the large amount of Junior Assets we have acquired and accumulated and our production has been operating on a mere 2.9% of our net acreage of land on a small and limited scale, we are unable to satisfy the profit test in Rule 8.05(1) of the Listing Rules. As we believe that our executive Director and senior management, taken together, have sufficient experience that is specifically relevant to the exploration and/or extraction activity that we are pursuing, and we consider that we are able to demonstrate a clear path to commercial production with our three-year development plan, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the profit or other financial standard requirements under Rule 8.05(1)(a) of the Listing Rules in reliance on Rule 18.04 of the Listing Rules.

For more information about the waivers granted, please refer to the section headed "Waivers from Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance" of this Prospectus.

KEY CANADIAN LEGAL AND REGULATORY MATTERS

Our Company was incorporated as a corporation in Alberta, Canada with limited liability on March 11, 2005 under the ABCA and our entire business operation is conducted in Alberta. Our decision to apply for listing in Hong Kong rather than Canada is commercially driven and is largely based on our relationship with and the anticipated appetite for investment in our Shares from the Hong Kong/China investment community.

We are subject to the ABCA and other applicable laws and regulations in Alberta and Canada. The legal and regulatory regime in Hong Kong differs in certain material aspects from that in Alberta and Canada. Certain Canadian legal and regulatory provisions may significantly affect your rights and obligations as a Shareholder. Please refer to the sections headed "Key Canadian Legal and Regulatory Matters", "Laws and Regulations" of and "Appendix V — Summary of the Articles and By-Laws of Our Company and Alberta Corporation Laws" to this Prospectus for further information.