



**Donnybrook**  
energy inc.

# Forward-Looking Statements

Certain information and statements contained in this presentation contain forward-looking information or statements (“forward-looking statements”) within the meaning of applicable securities laws. In particular and without limiting the foregoing, there are statements regarding Donnybrook Energy Inc.’s (“Donnybrook” or the “Corporation”) reserves, growth potential, production, exploration, development, and drilling opportunities and the number of drilling locations and potential zones for drilling on the corporations lands. All forward-looking statements contained herein that are not clearly historical in nature constitute forward-looking statements, and the words “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “propose”, “predict”, “potential”, “continue”, or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or event to differ materially from those anticipated in such forward-looking statements. Forward-looking statements include, but are not limited to, references to oil and natural gas production levels; capital expenditure programs; the quantity and composition of oil and natural gas reserves; projections or commodity prices and costs; supply and demand for oil and natural gas; expectations regarding the Corporation’s ability to raise capital and to continually add reserves through acquisition, exploration and development and treatment under governmental regulatory regimes and tax laws. Although the Corporation believes that the expectations reflected in any forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate and the Corporation’s actual results could differ materially from those anticipated in these forward-looking statements. These factors are based on currently available information and include, but are not limited to: volatility in the market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems; fluctuations in foreign exchange or interest rates; health, safety and environmental risks; stock market volatility; global economic events or conditions; and other factors, many of which are beyond the control of the Corporation. The Corporation has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which the Corporation has an interest to operate the field in a safe, efficient and effective manner; the ability of the Corporation to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Corporation to secure adequate product transportation; future oil and natural gas prices; currency exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully market its oil and natural gas products. As such, readers are cautioned not to place undue reliance on forward-looking statements as no assurance can be provided as to future results, levels of activity or achievements. This risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available under the Corporation’s profile at [www.sedar.com](http://www.sedar.com).

Statements relating to reserves are by their nature, forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves can be profitably produced in the future. It should not be assumed that the estimated future net cash flow shown herein is representative of the fair market value of the Corporation’s properties. There is no assurance that such price and natural gas liquids (“NGLs”) and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGLs and natural gas reserves may be greater than or less than the estimates provided herein.

Past performance of the Corporation or any other entity referred to in this presentation is shown for illustrative purposes only, does not guarantee future results of the Corporation and is not meant to forecast, imply or guarantee the future performance of the Corporation, which will vary.

Readers are cautioned that the foregoing list of factors affecting forward-looking statements is not exhaustive. Furthermore, the forward-looking information and statements are made as of the date of this presentation, and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

A boe conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency for the individual products at the wellhead. Such disclosure of boe’s may be misleading, particularly if used in isolation. 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 on a 6:1 basis may be misleading as an indication of value.

# Corporate Highlights

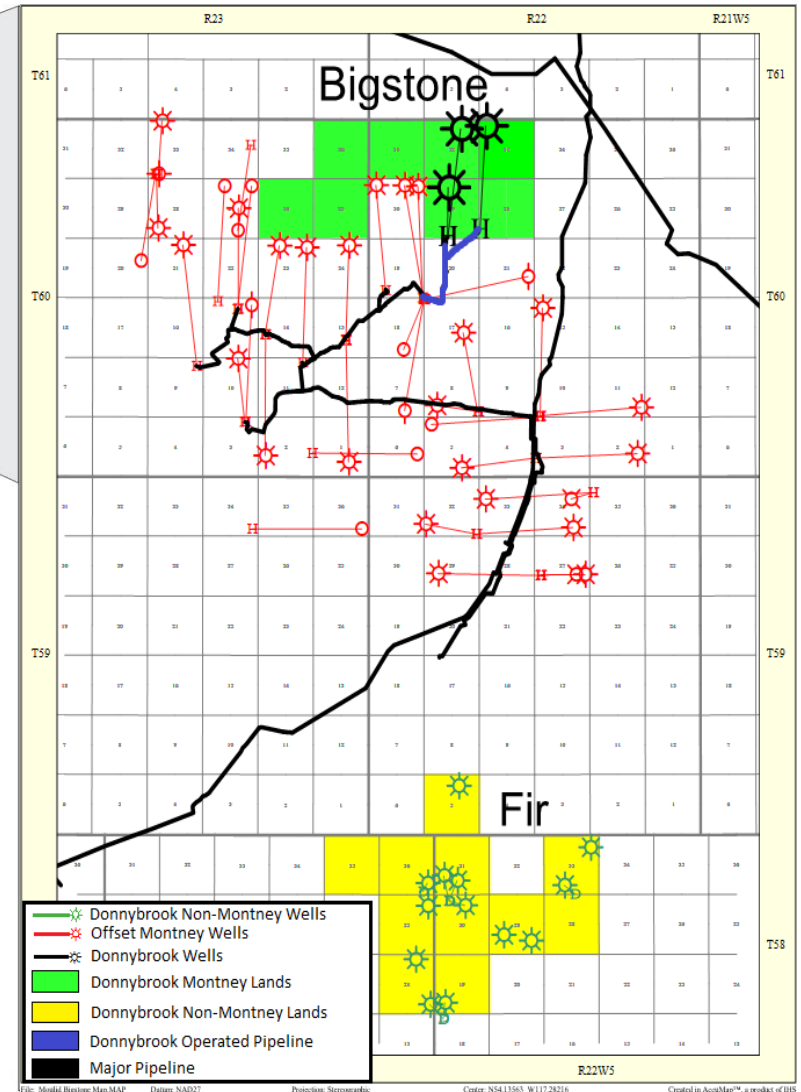
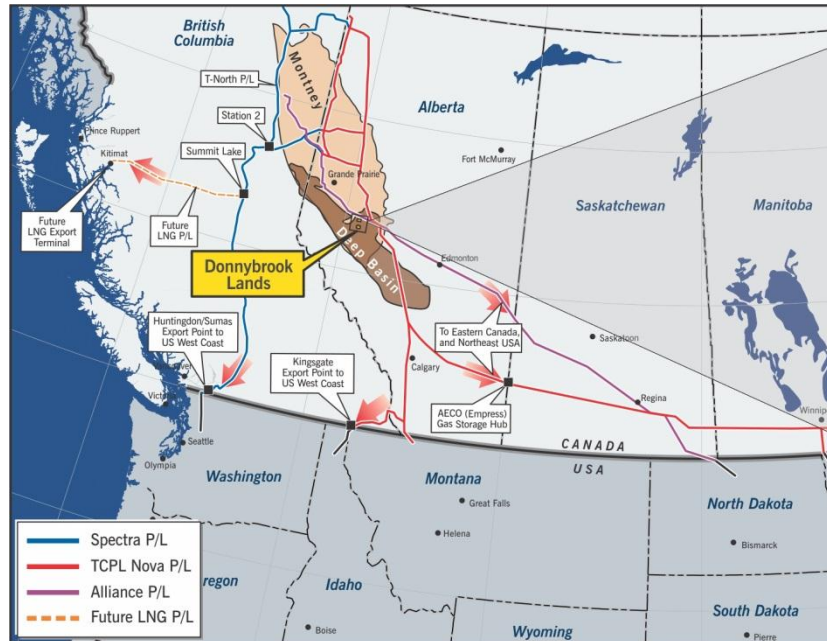
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- Centralized asset base at Fir and Bigstone, Alberta
- High-quality Montney land position at Bigstone
  - 8 gross (3.5 net) sections in the liquids-rich Montney natural gas fairway in Alberta's Deep Basin, one of the most geologically favourable Montney positions in the WCSB
  - Offsetting drilling by industry partners has resulted in a number of successful wells being reported
  - **Reserves Life Index: TP = 7.8 years; 2P = 34.9 years NPV<sub>10</sub>; TP - \$2.4 mm, P+P - \$16.7 mm<sup>(1)</sup>**
- Low decline gas production at Fir
  - 13 gross (4.1 net) sections of multi-zone Cretaceous production
  - Horizontal drilling potential in the Falher and Gething formations
  - **Reserves Life Index: TP = 9.7 years; 2P = 13.9 years NPV<sub>10</sub>; TP - \$5.4 mm, P+P - \$6.9 mm<sup>(1)</sup>**
- Growth in production and cash flow potential
  - Donnybrook owned infrastructure plus extensive infrastructure in immediate area positions Donnybrook's assets well for growth in production and cash flow through the drill bit
- **Corporate Total Proved plus Probable Reserves of ~13.1 bcf natural gas and ~747 mbbbl of natural gas liquids<sup>(1)</sup>**
- Positive cash flow from operations
- Zero debt and approximately \$3.2 mm <sup>(2)</sup> in working capital

(1) GLJ Petroleum Consultants Ltd. Reserves Assessment effective December 31, 2013

(2) As of March 31 2014

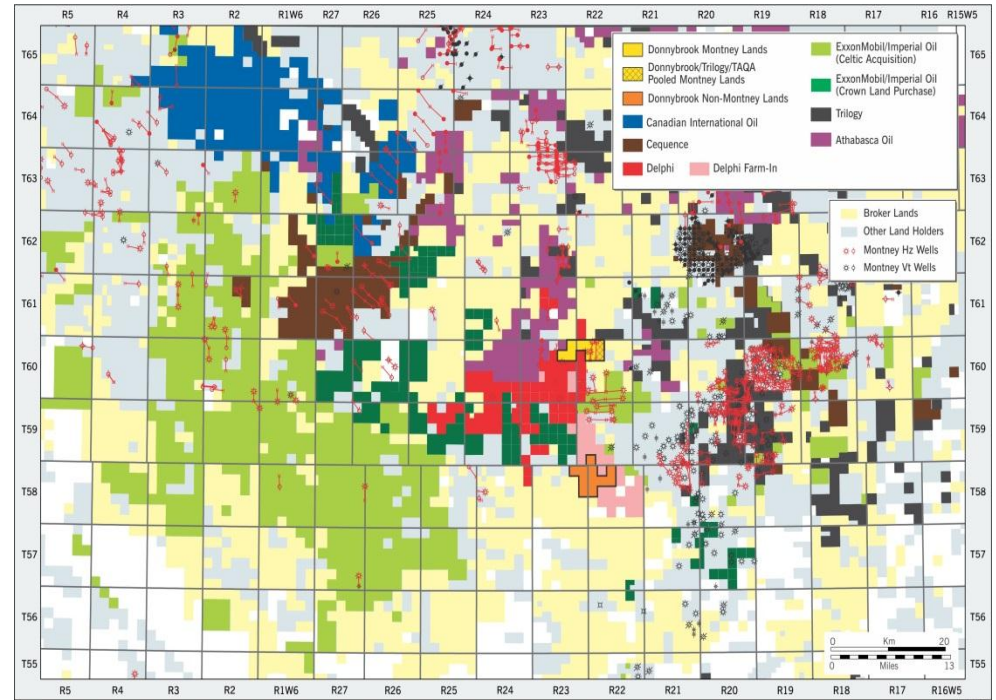
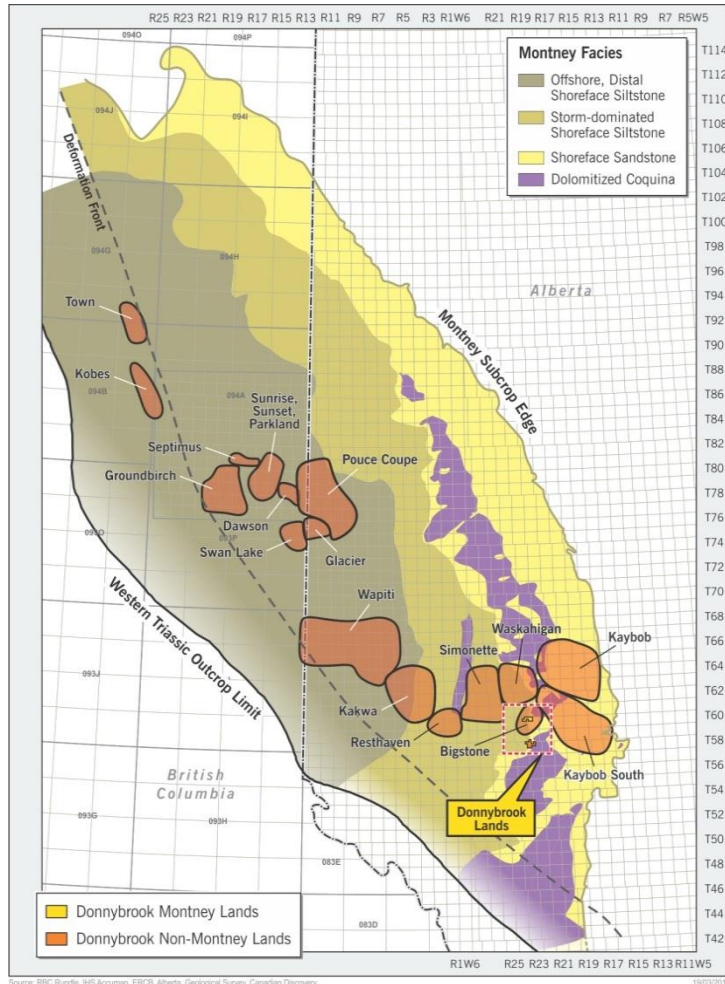
# Regional Overview



File: Montney Bigstone Map.MAP Date: NAD27 Projection: Stereographic Center: NS413563 W117.28216 Created in AcoMap™, a product of GIS

- **Montney Position at Bigstone:**
  - 3.5 net sections (2,240 net acres)
- **Multi-Zone Cretaceous Production at Fir:**
  - 4.1 net sections (2,624 net acres)
  - Long life, low decline, natural gas production

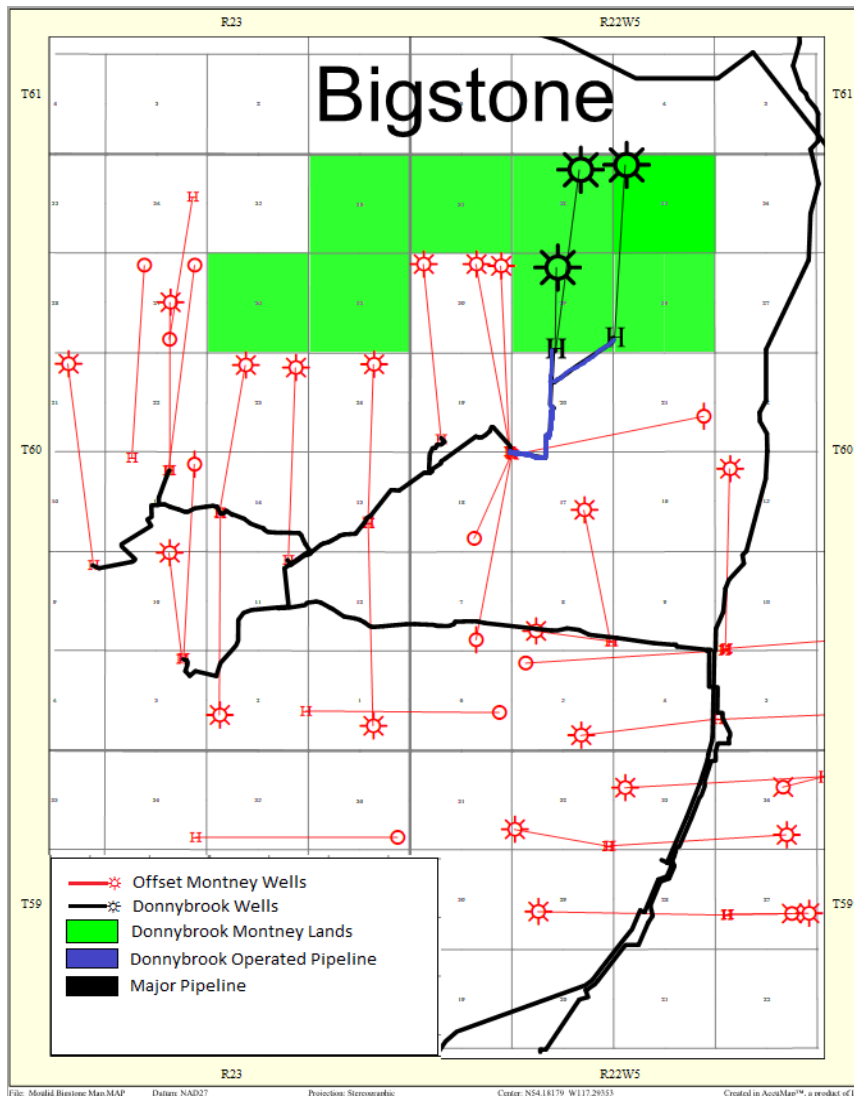
# Bigstone/Fir Ownership Overview



Donnybrook's Bigstone Montney land is located in an area of increasing industry activity

Source: Accupap, Canadian Discovery, Alberta Geological Survey

# Bigstone - Overview



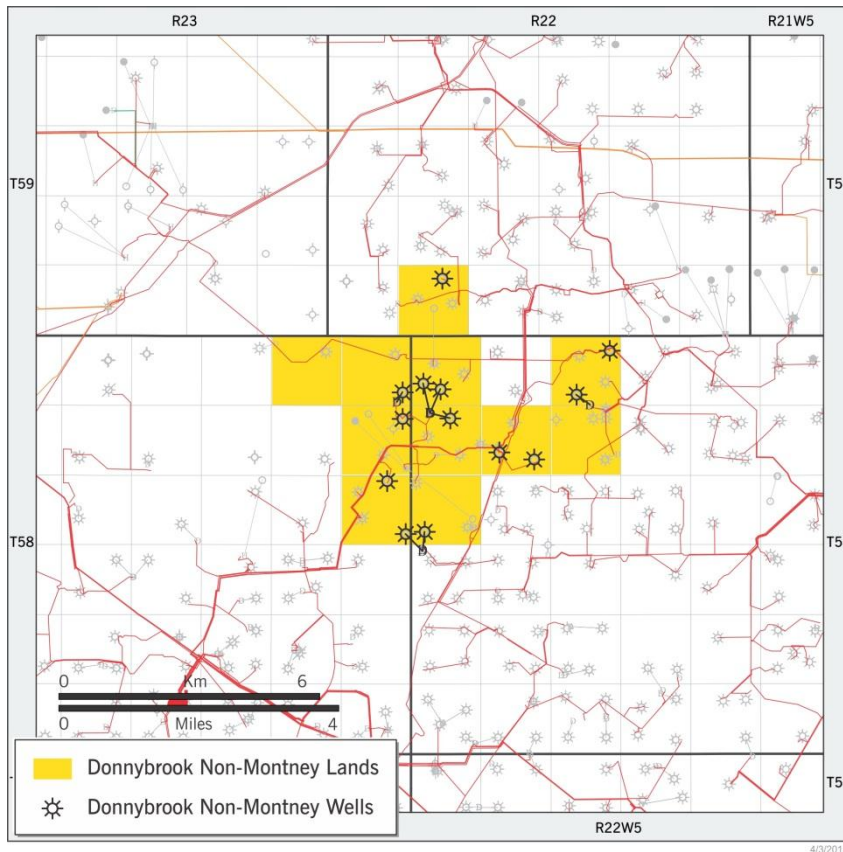
## Key Attributes

- 2,240 net acres
  - Operated, 50% WI in six gross sections
  - Two pooled sections with 25% WI
- **Current net production<sup>(1)</sup> of ~15 boe/d**
- **Total Proved plus Probable Reserves of 2,176 mboe (31% natural gas liquids)<sup>(2)</sup>**
- Opportunity to drill 13 gross (5.75 net) extended reach horizontal wells
  - Reduces well density by 50%, increases cost efficiency, and reduces surface environmental footprint
- Attractive royalty incentives
  - Wells qualify for both Alberta New Well Royalty Rate and Natural Gas Deep Drilling Program
- Extensive infrastructure surrounding land, including Donnybrook operated surface facilities at 03-29 and 04-28

(1) Q1 2014 average production

(2) GLJ Petroleum Consultants Ltd. Reserves Assessment effective December 31, 2013

# Fir - Overview



## Key Attributes

- 2,624 net acres located approximately 35 km from Donnybrook's Bigstone Montney property
- Operated by Shell Canada Energy (average DEI WI of ~30%)
- Low decline production from Cretaceous stack
  - Producing zones include Dunvegan, Viking, Falher, Gething, and Cadomin
- **Current net production<sup>(1)</sup> of ~210 boe/d from 14 gross (4.24 net) wells**
- **Total Proved plus Probable Reserves of 1,047 Mboe (6% liquids)<sup>(2)</sup>**
- Potential opportunities for multi-zone, commingled development
- Reasonable operating and processing costs leading to above average natural gas netbacks

(1) Q1 2014 average production

(2) GLJ Petroleum Consultants Ltd. Reserves Assessment effective December 31, 2013

# Experienced Management Team

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## Experienced Management Team

- **Malcolm Todd, President, CEO & Director**
  - Over 25 years of experience in senior positions with private and publicly traded oil and gas companies
- **Murray Scalf, COO & Director**
  - Experience in building oil and gas exploration and production companies over the past 25 years; many of which were ultimately acquired by intermediate producers, including Dorado Energy, Denim Exploration Corp., and Dorchester Energy Inc.
- **Terry Skilnick, Consulting Geologist**
  - Geologist with over 12 years experience of successfully identifying economic resource opportunities; three junior oil and gas companies built on his qualified recommendations and insight, including Denim Exploration Corp., which was ultimately sold in 2005
- **Robert Todd, CFO**
  - Over 25 years of experience in senior positions with private and publicly traded natural resource companies

## Strong Board of Directors

- **Randy Kwasnicia, Director**
  - Director of Total Energy Services Inc.
- **Ken Stephenson, Director**
  - Director of Calvalley Petroleum Inc.
- **Colin Watt, Director**
  - President and CEO of Lynden Energy Corp.
- **Malcolm Todd, President, CEO & Director**
- **Murray Scalf, COO & Director**



# Conclusion

## Share Structure (TSX-V:DEI)<sup>(1)</sup>

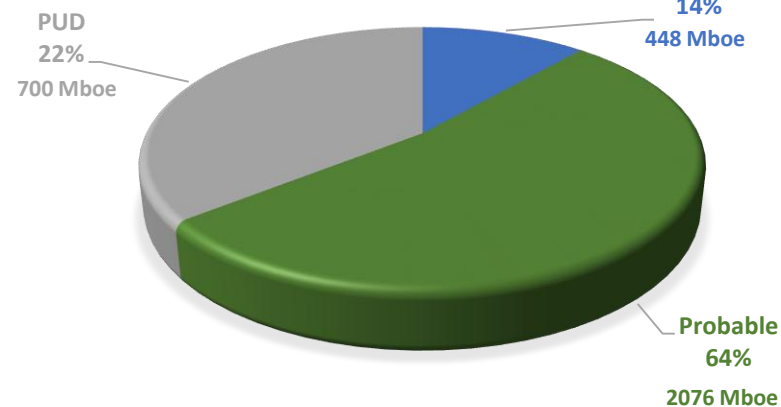
Basic	<u>195.4</u>
FD Shares Outstanding	195.4

(Millions unless otherwise stated)

## Summary

- Concentrated asset base in the Alberta Deep Basin
- Low decline Cretaceous production with multi-zone development upside
- Debt free company ~ \$3.2 mm <sup>(2)</sup> working capital

Total 2P Reserves = 3,224 Mboe<sup>(3)</sup>



(1) As at July 28, 2014

(2) As of March 31, 2014

(3) GLJ Petroleum Consultants Ltd. Reserves Assessment effective December 31, 2013

# Corporate Information

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**Bank:** ATB Financial (Calgary, Alberta)  
**Legal:** Borden Ladner Gervais LLP (Calgary, Alberta)  
**Engineering:** GLJ Petroleum Consultants Ltd. (Calgary, Alberta)  
**Transfer Agent:** Computershare Trust Company of Canada

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