

Welcome to the May 2019 edition of the **PRIVITI ENERGY EXAMINER**, the Newsletter from Priviti Capital Corporation.

WHAT'S NEW IN PRIVITI FUNDS

- Financial statements for the quarter ending March 31, 2019 will be available on May 27, 2019.

PRIVATE COMPANY UPDATES

Certarus Ltd. ("Certarus") – Quarterly Update

Certarus released its Q1/2019 financials recently, and the company continues its streak of increasing revenue, EBITDA and expanding its footprint into new operating regions and industries. Q1/2019 revenue and EBITDA increased by 61% and 58% from Q1/2018, respectively, and the company is projecting to have a total of 463 compressed natural gas ("CNG") trailers across North America by year-end (up 27% or 100 trailers from December 31, 2018).

Certarus also announced that it has entered into a long term CNG supply agreement with a Multi-National European Energy Supermajor for the implementation of bulk compressed natural gas to service its electric hydraulic fracturing operations in West Texas. Under the terms of the agreement, Certarus will provide enough Compressed Natural Gas ("CNG") to displace a minimum of 8 million gallons of diesel fuel (with an option to expand to 35 million gallons) over the next two years. This agreement underpins the company's rapid expansion into the Permian Basin in West Texas, supplying CNG and displacing diesel to existing customers such as Shell, Apache and EOG.

Priviti holds an interest in Certarus through POGO LP 2013.

Broadview Energy Ltd. ("Broadview") – New Management Team

Broadview recently announced a change to its senior management, with John Festival arriving as President/CEO and Don Cook as CFO. Both held similar positions in their previous venture BlackPearl Resources, which successfully sold to International Petroleum Corp in 2018 for \$715 million. We view

this transition as positive, as new management has significant experience building Steam-Assisted Gravity Drainage (“SAGD”) facilities in West Central Saskatchewan, and has a track record of successfully building and selling oil companies. Broadview has two SAGD projects in West Central Saskatchewan (Reford and Kelfield) and new management is actively seeking partners to develop these long life, low cost and low risk projects.

Priviti holds an interest in Broadview through POGO LP 2011, Priviti Energy LP 2011 & 2012

Osum Oil Sands Corp. (“OSUM”) – Operations Update

OSUM announced the successful completion of its Phase 2BC expansion at Orion (near Cold Lake, Alberta), which is now producing approximately 17,000 boe/day. The company had been impacted by Alberta production curtailments earlier this year, but also benefited materially from increased netbacks due to narrowed differentials, leading to a strong Q1/2019 funds flow. Going forward, as curtailments continue to decrease and debottlenecking and other enhancements proceed at Orion, OSUM plans to continue increasing production above current levels.

At March 31, 2019, OSUM had working capital of approximately \$71 million, an increase of \$15 million since December 31, 2018. The company is currently actively pursuing options to extend, replace or otherwise refinance its US\$200 million term loan, which is set to mature on July 31, 2020.

Priviti holds an interest in OSUM through Priviti Energy LP 2011 and 2012.

PRIVITI CAPITAL CORPORATION

Priviti is a Calgary, Alberta based private equity firm that specializes in the Canadian energy market. We manage a number of investment funds that invest in quality energy corporations. Priviti is a leading buyer of private oil & gas shares in the secondary market. Since our inception in 2007, we have raised over \$360 million in nine separate funds. For further information, please visit our website at www.priviticapital.com.

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