

## Executive Summary

- Current KPI trends for the first solvent injection well 101-10 continue to exceed expected performance.
- Well 101-10 solvent returns are increasing, and the instantaneous estimated solvent recovery is ~25-30% based on volumes measured in the secondary separator and produced emulsion. Cumulative solvent recovery trend is shown in this report below.
- Aligned internally and with partner on solvent injection startup for the second well, 101-08, with steady state solvent injection targeted by 5 June.
- With at least several more months of operating data from 101-10, as well as data from well 101-08 once started, sufficient field pilot data will be available to begin updating the commercial value proposition for the technology. This effort will comprise developing an updated view on optimal solvent, concentration and duration of solvent injection, and configuring and estimating costs of facilities related to solvent injection, recovery and recycle. The results of the updated commercial assessment will inform a decision on next steps toward commercialization of the technology.

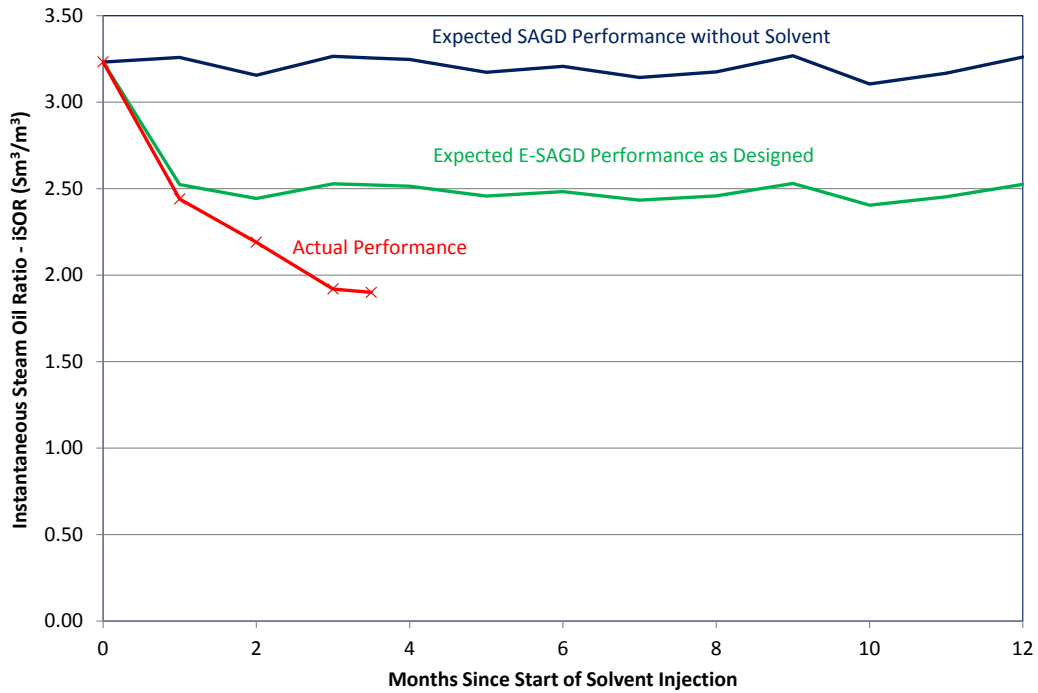
**Table 1: Summary of key performance indicators for well 101-10**

Performance Indicator	Expected Performance <sup>(1)</sup>	Current E-SAGD Performance (Last Month average rate relative to SAGD baseline)	Cumulative Average E-SAGD Performance <sup>(2)</sup>
Bitumen Uplift (i.e., Production Acceleration)	20%	65%	51%
iSOR Reduction	23%	38%	36%
Water Cut Reduction (Absolute)	5%	11%	8%
Emulsion Uplift	-10%	21%	15%
Current Cumulative Solvent Recovery	10%	22%	

<sup>(1)</sup> Relative to baseline. Solvent used is NGL mixture; solvent concentration: 20%solvent/(solvent+steam) by volume

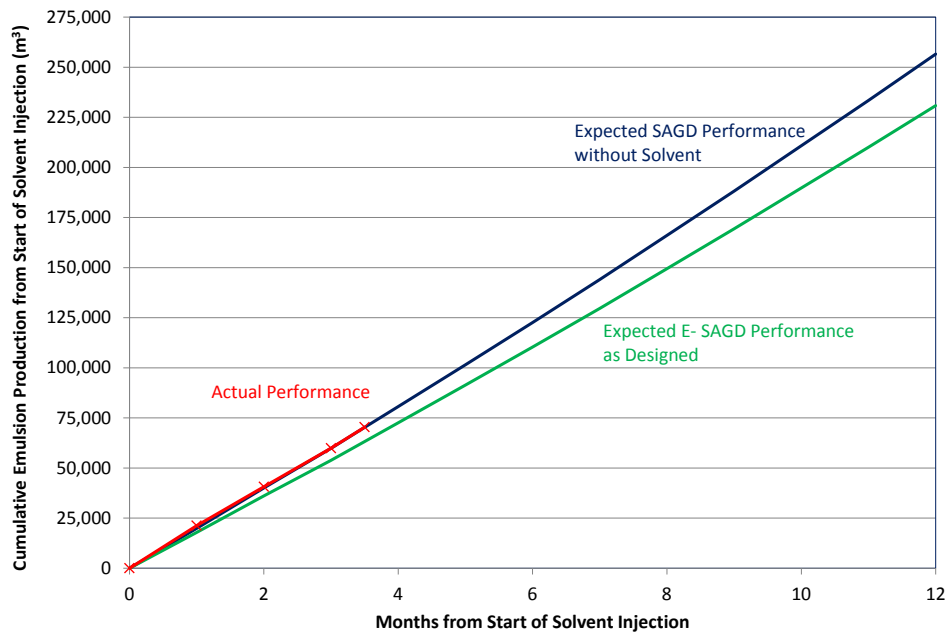
<sup>(2)</sup> Performance reported until April 11 2013

E-SAGD Pilot iSOR Against Expectations (Well 101-10)

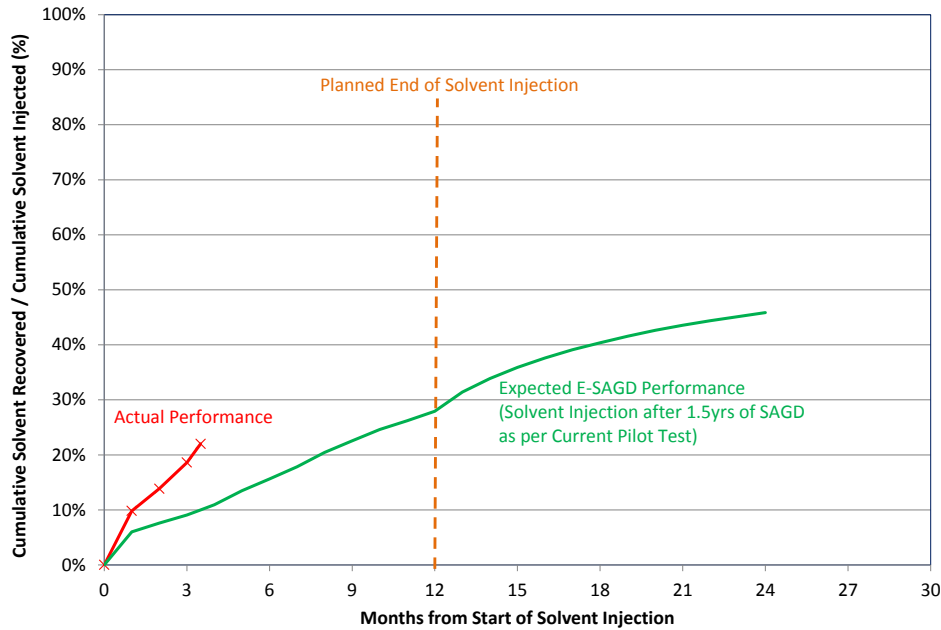


**Note:** Solvent injection during March was ~60% of full injection capacity due to facility challenges.

E-SAGD Pilot Emulsion Production Against Expectations (Well 101-10)



E-SAGD Pilot Solvent Recovery Against Expectations (Well 101-10)



Note: There is a discrepancy between actual performance and expected solvent recovery from simulations. Physically, when solvent injection starts after SAGD operations for a certain time period, the existing larger chamber after SAGD results in slower solvent recovery compared to solvent injection from Day 1 for instance. Proper solvent injection strategy (i.e. choice of solvent, timing, duration of injection, injected concentration/profile) will significantly improve solvent recovery. Note that simulations to the end of well pair life are not represented.