STORM RESOURCES LTD. LOW CARBON FOOTPRINT DEVELOPMENT PROGRAM

Prepared For: Storm Resources Ltd.

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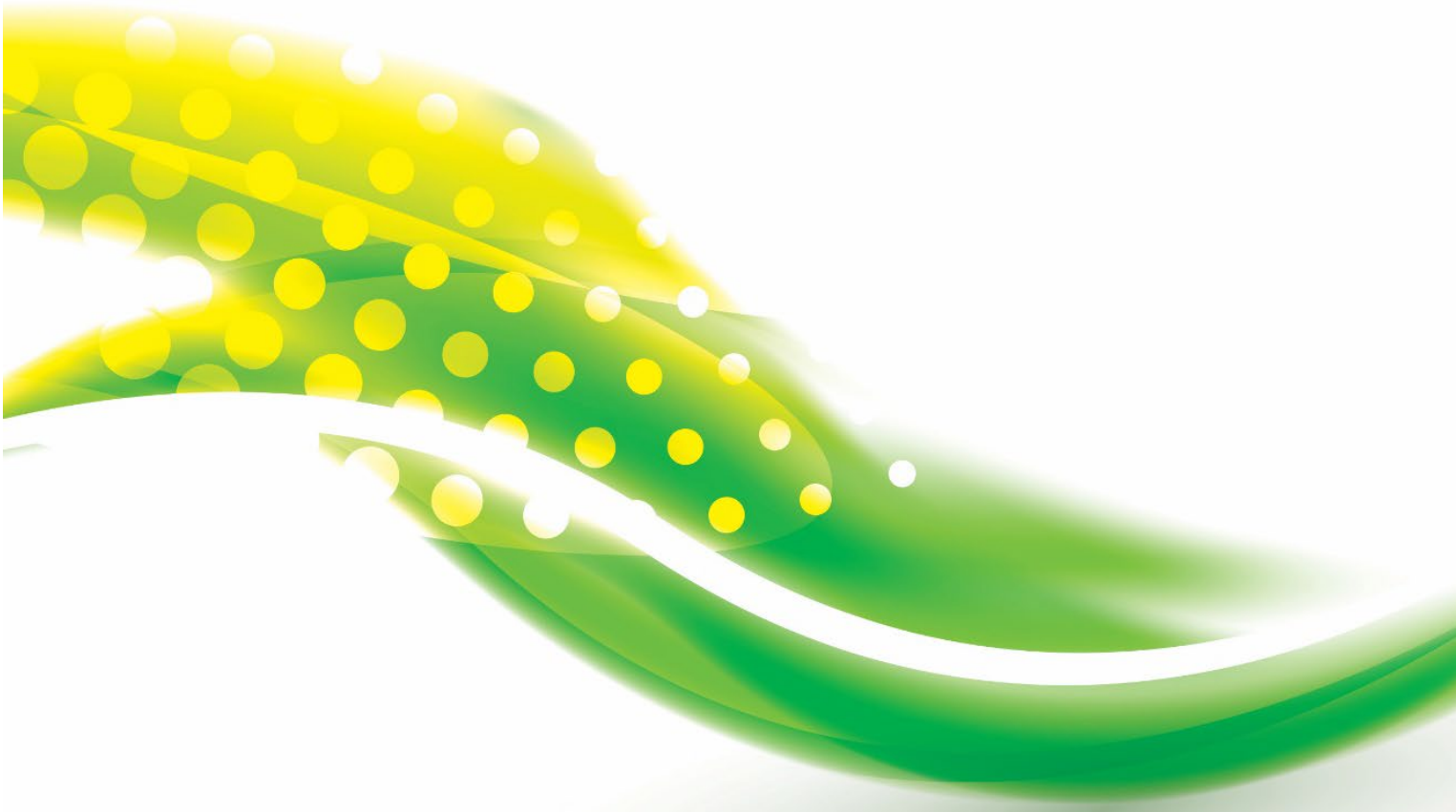

GREENPATH ENERGY LTD

EXECUTIVE SUMMARY

Forward thinking by Storm Resources Ltd ("Storm") in facilities design has minimized Storm's exposure to British Columbia methane regulations which take effect January 1, 2020. Storm's Montney development is an example of sustainable development that is future proofed in a carbon constrained world. Storm has developed a zero venting wellsite design.

- All electric control emission separators and wet metering skids reduce emissions by 3,200 tCO_2e/year relative to fuel gas driven systems, the equivalent of removing 700 cars off the road per year.
- Use of solar chemical injection systems and industry leading practices reduce annual emissions by a further 5,100 tCO_2e/year, the equivalent of removing 1,100 cars off the road per year.
- Deployment of made-in-BC technology (REMVue) will reduce emissions by 3,000 tCO2e/year while reducing NOx emissions, the equivalent of removing 650 cars off the road per year.
- In total these initiatives reduce emissions by over 11,300 tCO2e/year relative to common industry practice and site design standards.

Storm's leadership is the equivalent of removing over 2,400 cars off the road per year, or more than a quarter of the zero-emission vehicles sold in BC in 2018.

PNEUMATIC DEVICES

Storm's existing wellsite and facility design practices have minimized exposure to upcoming British Columbia Oil and Gas Commission (BCOGC) methane regulations under the Oil and Gas Activities Act, Drilling and Production Regulation. BCOGC regulation becomes effective January 1, 2020.

Storm's current and future design standard is such that no fuel gas driven pneumatics and pumps are installed. Site locations are electric powered and in turn minimize the exposure to the requirements of the upcoming methane regulation related to fuel gas driven pneumatics.

The BC regulation will require that all new well packages constructed after January 1, 2021 and beyond have no gas driven pneumatic devices (controllers and chemical injection packages).

On January 1, 2022 operators in British Columbia will no longer be able to operate fuel gas driven pneumatic devices with a vent rate greater than 0.17m^3/hr and existing fuel gas driven pumps will be required to track and report liquid injected volumes.

Pneumatic Controllers

Since 2013, Storm has been using full electric three-phase separators and wet meter runs with no gas driven pneumatic controllers. The electric separator and metering skid systems Storm employs have resulted in the elimination of 3,200tCO_2e/year relative to common industry practice.

Operators that employ fuel gas driven pneumatic controllers will be required to retrofit existing well packages with low emission controllers, which conservatively will incur a cost of approximately $1,500 to $3,000 per well. Without this forward thinking, Storm would require an additional capex of over $108,000 in 2021 to be compliant with BC regulation January 1, 2022.

Figure 1: Electrified Storm Separator Package

Pneumatic Chemical Injection Pumps

Storm currently operates three solar chemical injection pumps across its entire operations. The industry average is one chemical injection pump per well (2018 Cap-Op/GreenPath study). Gas driven chemical injection pumps are the most common type of chemical injection pump at remote sites. Storm's non-reliance on gas driven chemical injection pumps and use of solar chemical injection pumps has eliminated methane emissions by a further 5,100 tCO_2e per year relative to common industry practice.

Storm's leadership on wellsite design in the Montney creates an advantage relative to peer companies. Many other operators in the Montney are challenged by the idea of a zero-venting wellsite design for January 1, 2021.

ENGINE FUEL MANAGEMENT

In addition to the deployment of electrified separators and wet metering skids, Storm has installed Air Fuel Ratio Controllers ("REMVue AFR") at C-39-D/94-H-03, with plans to install three more REMVue AFR's in 2020. Invented by Howard Malm of Port Coquitlam, BC, the REMVue AFR reduces the Brake Specific Fuel Consumption ("BSFC") of the engines, while improving reliability and throughput. Based on similar installations in BC and Alberta it is expected that emissions will be reduced by over 3,000tCO_2e per year or the equivalent of a further 650 cars off the road per year. The reduction in BSFC in addition to the announced increases in the BC carbon tax are expected to save the C-39-D facility over $2 million in operating and carbon taxation costs over the next ten years.

Assumptions

1 car emits 4.6tCO2e/year (EPA estimate)

1 tonne of methane emissions = 25 tonnes CO2e (International Panel on Climate Change Fourth Assessment Report)

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