

### Corporate Profile

Prosper Petroleum Ltd. (Prosper) was incorporated in 2006 and is a privately held oil and gas exploration and production company headquartered in Calgary, AB. Prosper is focused on full-cycle heavy oil and oil sands exploration and development.

Prosper commenced operations in 2007 and grew to a peak production rate of 510 cubic meters (m<sup>3</sup>) (3,200 barrels of oil per day (bopd)) in 2010, at which time 100% of its producing assets were sold. Prosper is currently rebuilding production on its 36,422 hectare (ha) land base.

Prosper's principal asset is a majority-owned operating interest in its Rigel Oil Sands Project (Rigel) – seven sections of oilsands leases located approximately 85 km northwest of Fort McMurray, AB in the Athabasca Oil Sands. It also holds assets in the Peace River, Wabasca, and Lloydminster areas.

Prosper's business philosophy is focused on people and sound environmental practices. Whether it is stakeholders, partners, or staff, Prosper believes in dealing with individuals and groups with honesty and integrity and is prepared and committed to fulfilling all obligations and commitments to its stakeholders and the communities in which it operates. Prosper will conduct operations in an environmentally responsible manner and ensure it is in compliance with all regulations. By conducting itself in accordance with its business philosophy and always striving to improve, Prosper believes it will generate real prosperity for itself, its partners, and the communities in which it operates.



### Project Overview

Prosper has explored its Rigel oil sands leases through oil sands evaluation wells and 3-D seismic. Based on positive results of this exploration, Prosper is proposing the Rigel Oil Sands Project, a steam assisted gravity drainage (SAGD) thermal recovery scheme designed to produce 1,600 m<sup>3</sup> (10,000 bopd) of bitumen per day for approximately 20 years.

The proposed development will incorporate multi-well production pads and horizontal wells, with centralized steam generation, bitumen treating, produced water recycling facilities, and possibly power co-generation. The project will also require road access, associated pipelines, and power lines. Construction of this project is expected to commence in Q4, 2015, following regulatory approvals.

The company has commenced the environmental, exploration, and engineering work necessary for regulatory approvals and has initiated a public consultation process to inform stakeholders of the project and provide opportunities for stakeholders to provide meaningful input.

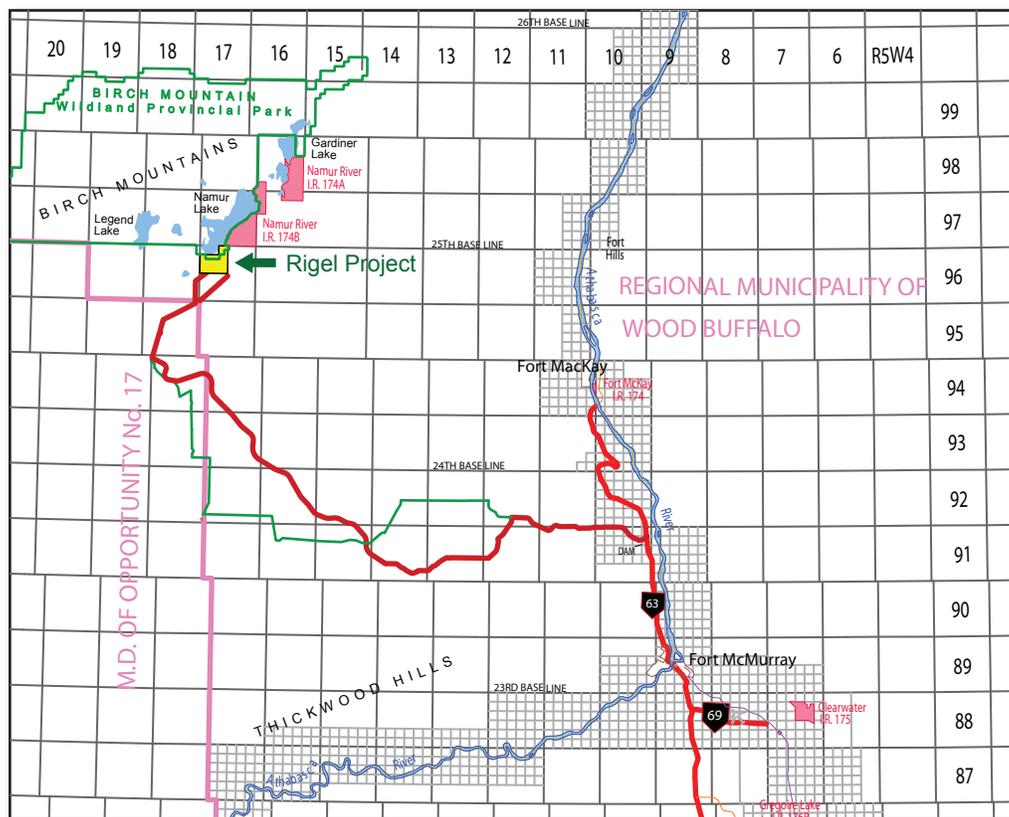
This document contains preliminary information about the project. As the environmental and engineering work proceeds, additional information will become available and will be distributed to stakeholders, area

residents, and interested parties. Prosper encourages public feedback at all times during the evaluation, approval, and development process.

## Project Location

The Rigel project will produce bitumen from an area of approximately 384 ha in Township 96, Range 17, West of the 4th Meridian. The closest highway to the project is Highway 63.

The project is located in the green zone on Crown Land, outside of the Caribou Protection Zone. It is located within the Boreal Forest Natural Region and the land is typical of the region. Tree species are predominantly white spruce and poplar, with areas of lowland vegetation. There are several lakes near the project area, with Namur Lake directly north of Prosper's oil sands leases.



Prosper's Rigel oil sands leases are located entirely within the Regional Municipality of Wood Buffalo.

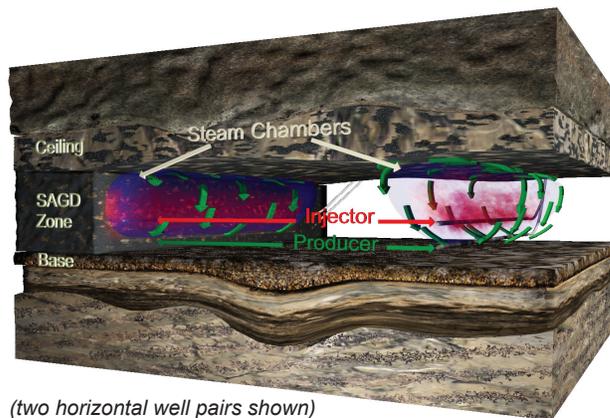
## Project Description

Prosper estimates that the initial project area contains up to 22 million m<sup>3</sup> of bitumen resource, which is sufficient to support a 1,600 m<sup>3</sup> per day project for approximately 20 years. The geological formation of interest is the McMurray Formation at a depth of approximately 450 meters.

### Technology

Prosper will use SAGD technology to produce bitumen. The SAGD process involves drilling two horizontal wells that are five meters apart vertically, with a horizontal well length of 700 to 1,000 meters.

High temperature steam is continuously injected through the upper well into the reservoir, creating a steam chamber that heats the formation and the bitumen, lowering the viscosity of the bitumen and allowing it to



(two horizontal well pairs shown)

drain to the lower well.

As the steam cools and condenses in the formation, it also drains to the lower well and is produced as water with the bitumen. At the surface, the water and bitumen are separated and processed.

### *Facilities*

Project design at the conceptual level has been initiated. The plant will consist of centralized steam generation, bitumen treating facilities, produced water recycling facilities, and possibly co-generation facilities.

Initial estimates are that up to 20 SAGD wells will be required to produce the maximum design capacity of 1,600 m<sup>3</sup> of bitumen per day. To minimize surface disturbance, these wells will be directionally drilled from multi-well pads. Initial design requires the construction of four or five multi-well pads to accommodate the first five to eight years of the project. Steam will be delivered to the wells from the central plant facility via high pressure steam pipelines.

Bitumen and water will be delivered back to the central processing facility via pipelines located in the same corridor as the steam lines. The bitumen and water will be separated at the central processing facility; the water will be cleaned and recycled for further use and the bitumen will be diluted for transportation.

Prosper is considering cogeneration for its power supply, unless a connection to the grid is available.

### *Additional Infrastructure*

The Rigel project will be serviced by new, existing, and expanded area infrastructure.

Prosper will enter into agreements with other SAGD operators in the area to share high grade roads that were constructed to service existing SAGD projects. Prosper will construct approximately 20 kilometers of additional high grade road to access its project area.

Pipelines will be required to bring make-up water from the source water wells to the plant and pipe waste water from the plant for disposal. A connection to an existing natural gas pipeline will be required to supply the plant with fuel.

If Prosper is able to access the existing power grid for its requirements, a transmission line will be installed from the provincial power grid to the plant.

Initially, diluent will be trucked to the plant site and the diluted bitumen will be trucked to market. Prosper will evaluate the economics of pipeline as a long term means of delivering diluent to the project and delivering the bitumen to market. Future plans may include the construction of a pipeline.

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## **Environmental Studies**

Prosper will complete independent, third-party environmental studies to prepare an integrated application for the project that will be completed in accordance with the Energy Resources Conservation Board and Environment and Sustainable Resource Development expectations.

Studies will include soils, vegetation, aquatics, archeological and historical resources, wildlife, air, and groundwater.

## Public Consultation

Prosper is committed to working with landowners, residents, communities, local governments, and regulators to build long-term, lasting, and mutually beneficial relationships. This will be achieved by:

- building trust through open and honest communications
- encouraging community involvement by requesting, receiving, and considering feedback from all stakeholders
- keeping stakeholders informed about Prosper’s operations
- conducting public consultation in accordance with all industry regulations and standards
- participating in industry-stakeholder working groups

Stakeholders will be consulted through individual meetings, written materials, public forums and potentially other means over the coming months. Prosper will communicate its plans through regular updates so that interested parties may have various opportunities to participate in project planning. Information provided and views expressed are very important to Prosper, and these stakeholder communications will guide Prosper as the company moves towards development.

## Schedule

Prosper expects to be filing its regulatory and environmental applications in October, 2013. The following schedule highlights the project milestones:

	2013				2014				2015				2016				2017			
	Q1	Q2	Q3	Q4																
Delineation and Evaluation	■	■																		
Facilities Design	■	■	■	■	■	■	■	■	■	■	■	■								
Environmental Studies		■	■																	
Public Consultation		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Application to Regulators				■																
Regulatory Review & Approval				■	■	■	■	■	■	■	■	■								
Construction													■	■	■	■				
Well Pads and Drilling													■	■	■					
Commissioning																	■	■		
Production																	■			

## Contact Information

Prosper encourages your feedback and comments throughout the approval process.

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