

DAILY OPERATIONAL INFORMATION UPDATE

MANNVILLE PRODUCED WATER PIPELINE BREAK

August 19, 2018

This operational update will be provided daily until this incident is concluded.

Work accomplished in the past 24 hours

- Prepared pipeline trench and right of way for new installation of high and low pressure pipeline, riser and new borehole as per AER approval;
- 3rd party engineering firm is analyzing the pipeline failure; and
- Continue to monitor water collecting in bell holes and sending for disposal as appropriate. Trace of additional free fluids recovered;

Work forecast for next 24 hours

- Monitoring site, no work on site planned for next 24 hours;
- 3rd party engineering firm is analyzing the pipeline failure; and
- Continue to monitor water collecting in bell holes and sending for disposal as appropriate;

For additional information, please contact:

Perpetual Energy Inc.

Suite 3200, 605 - 5 Avenue SW Calgary, Alberta, Canada T2P 3H5

Telephone: 403 269-4400 Fax: 403 269-4444

Email: info@perpetualenergyinc.com

Sue Riddell Rose President and Chief Executive Officer

Jeff Green Vice President, Engineering and Corporate Services