



OPERATIONAL INFORMATION UPDATE

MANNVILLE PRODUCED WATER PIPELINE BREAK

October 26, 2018

On August 9, 2018 a release of produced water was detected at the Company's Mannville operation. Perpetual immediately advised the Alberta Energy Regulator ("AER") and our response team was deployed to contain the spill and commence clean-up operations. The affected area was situated on privately-owned farmland. The spill was both on and off the pipeline right of way and did not enter any free flowing fresh water. The impact on wildlife was determined to be minimal. The Company was in regular contact with the landowner and worked cooperatively with the AER to ensure all potential environmental impacts were addressed and the affected land restored.

The failure was related to a pipeline break. The pipeline was located northwest of Mannville, Alberta at 16-26-50-9W4 to 5-36-50-9W4. Perpetual reported the total amount of produced water spilled was up to 2,100 bbl (335 m³).

Perpetual has performed the repairs and remediation as per the AER requirements. Additionally, a full review of operations has been completed with enhanced procedures, including a new leak detection system, being implemented.

Perpetual has resumed operations of all pipelines that were shut-in due to the repair.

Perpetual will be submitting final report for the August 10 EPA Order by October 30.

The operational updates from August 12, 2018 to September 28, 2018 are available by request by emailing compliance@perpetualenergyinc.com

For additional information, please contact:

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