

MAGA Energy Ltd. – *Make Alberta Great Again!*

Present to: Sturgeon County

NOVEMBER 2021

What Albertans are Facing?

Covid 19 crushing effects on Alberta Economy

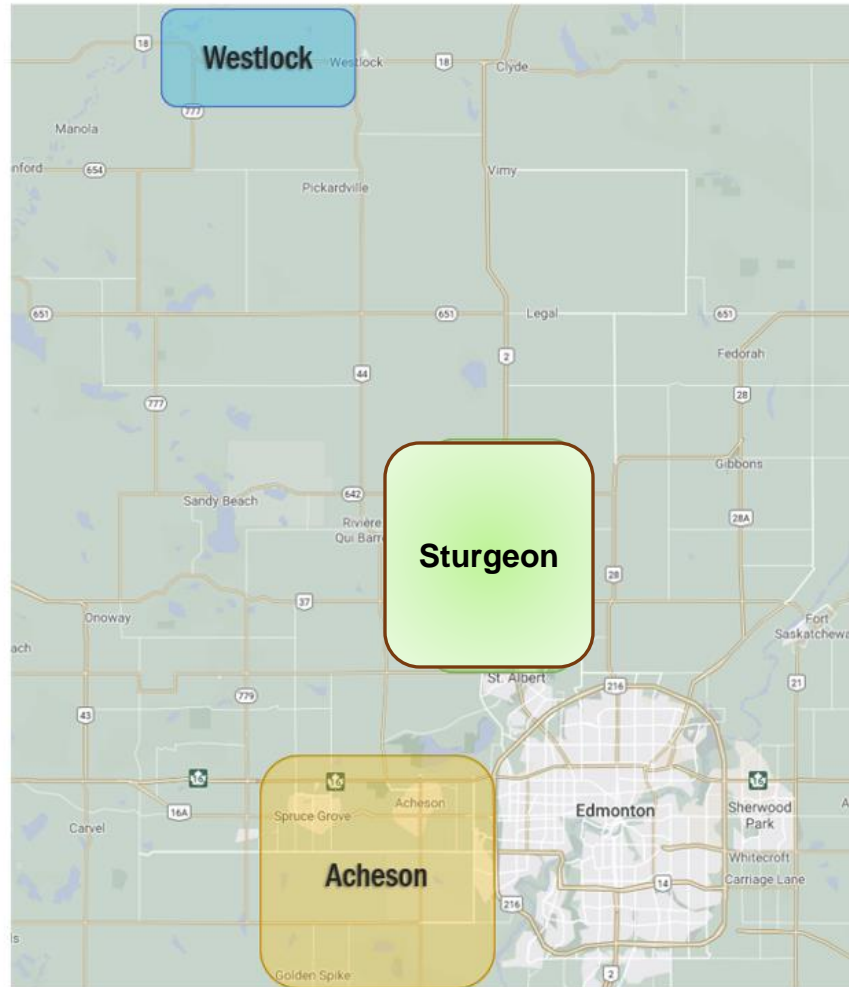
- High unemployment rate & many associated social problems like theft, drug abuse, family violence;
- Local businesses closing, especially local oil & gas services companies;
- Decimated County tax revenue due to business insolvency, bankruptcy or inability to pay on time;
- County road maintenance, snow clearing & community services have to be compromised due to lower tax revenue;
- Many unaddressed shut-in wells with abandonment liability with a negative effect on environment & development;

SOLUTION → PROMOTE ECONOMY & CREATE JOB OPPORTUNITIES

- Fortunately, with the oil & gas price rebound and timely shut-down of BTC mining in China has provided an excellent window of opportunity for multi-tiered business development within Alberta!!!

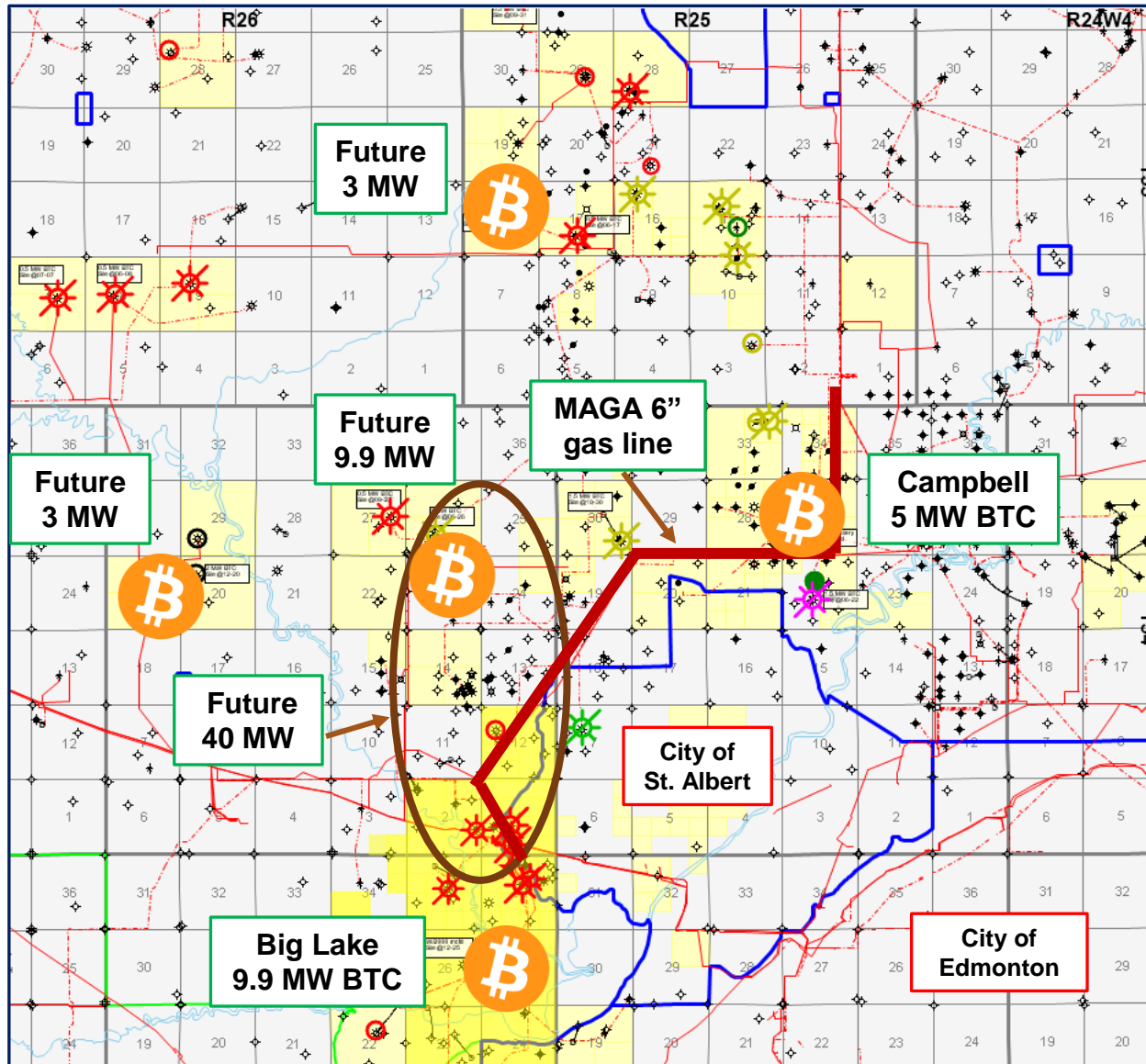
Who are we? About MAGA Energy Ltd.

MAGA Fields



- 300 km² of P&NG mineral rights
- 280 oil & gas wells, 100 wells producing
- Remaining wells shut in, 50% due to lack of take-away capacity for the gas production from these wells.
- MAGA employs 25 staff
- Operations in Parkland, Sturgeon, and Westlock counties.
- Daily production is 2,000 boe/d, 60% light oil/NGL and 40% natural gas.
- Privately owned, open-minded mentality, using “outside of the box” ideas, to maximize cashflow by increasing the production and profitability
- Assets are in proximity to the urban centres
- Growing demand to accelerate energy development
- Plan to recover the reserves, to abandon the wells, and reclaim the land for industrial and residential purposes.
- Increasing value of its oil & gas reserves, creating job opportunities, and maximizing value for all stakeholders.
- Address environmental and social concerns.

What are we Doing in Sturgeon County? – Reactivating Stranded and Shut-In Gas Wells



This is a gas conservation project according to Part 1 (a) & (c) of the Oil and Gas Conservation Act.

Reactivating stranded and shut-in gas wells allows MAGA to **conserve** and **prevent** the waste of Alberta's oil and gas resources

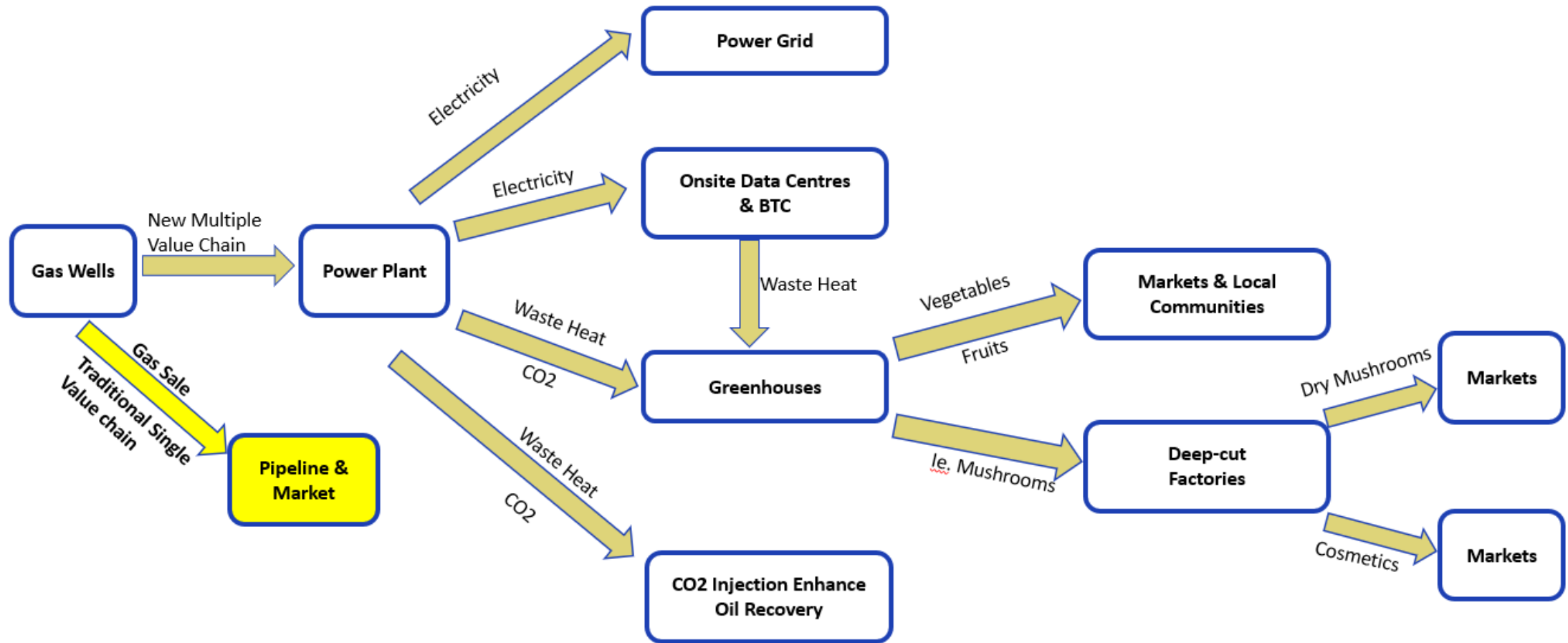
MAGA Energy operates about 60 wells in Sturgeon County and most of them are shut-in because the ATCO Carbondale gas plant was shut-down & abandoned in 2014 resulting in no pipeline/market access. These wells still have significant remaining gas reserves and production which could power up to 60 MW of power.

As the lessee of the oil/gas resources, MAGA is obligated to produce the reserves in a timely and efficient way to **maximize the value for all stakeholders**. Therefore MAGA has to be creative in order to produce the resources.

MAGA & its partner TSE Data Service has signed a 50 MW power-BTC contract with **Binance Exchange**, the **largest BTC mining company/exchange platform in the world**, and most of it could be built in Sturgeon County subject to meeting the timeline (6 months).

Currently there is high demand for gas-to-power for BTC operations however there remains very competitive conditions. For example, timeline, competing with other jurisdictions including mid-Asian counties, US (Texas), Manitoba, and Saskatchewan.

Value Chain of Natural Gas & Plan on E.S.



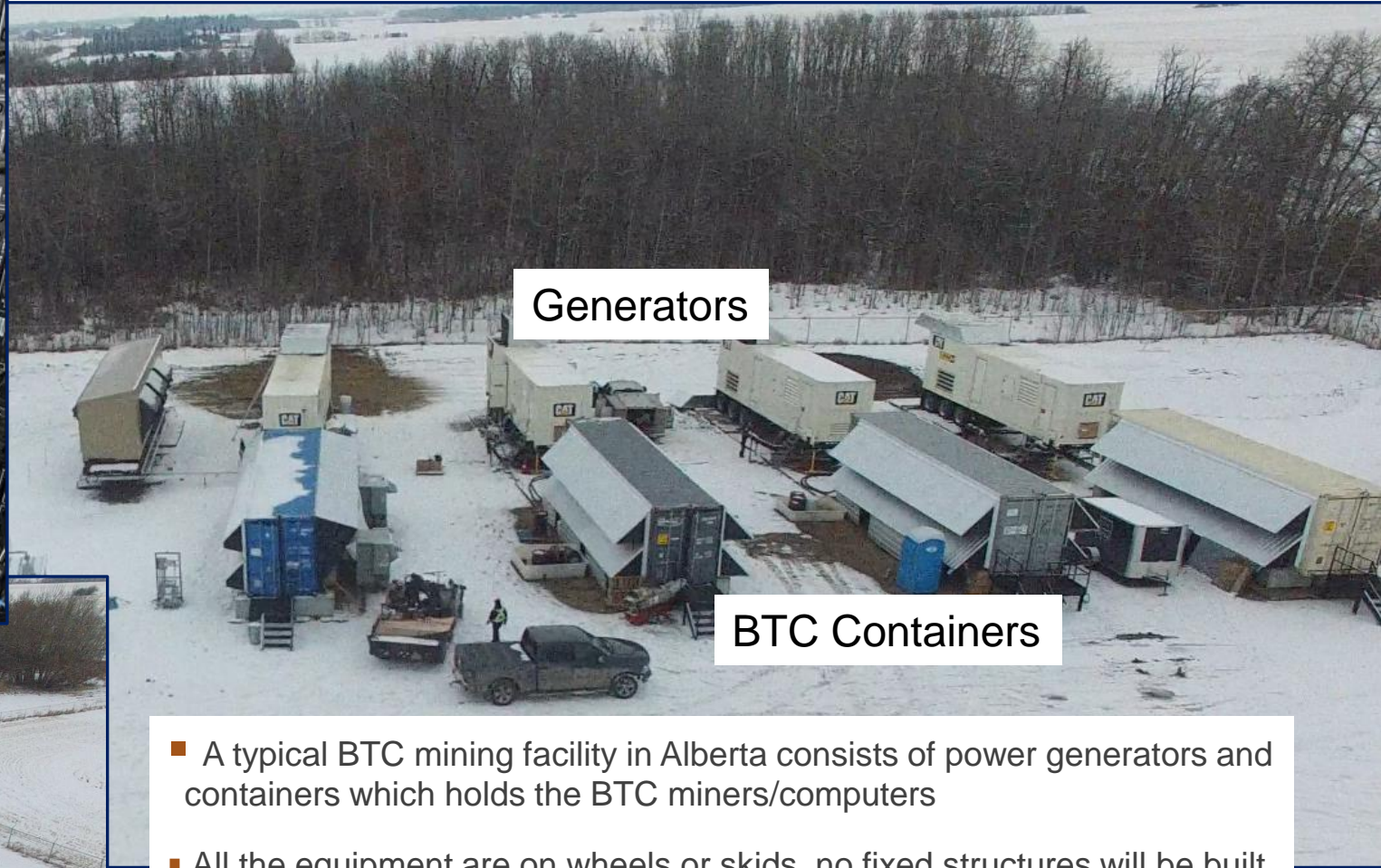
MAGA is not only proceeding on the BTC projects, it also plans to utilize the waste heat and CO₂ from the power plant to enable greenhouse business, followed by deep-cut manufactories, to maximize the value chain of natural gas resources. This plan will create many more jobs opportunities for the local residents.

Value Chain of Natural Gas & MAGA Business Plan



Greenhouses to be Built

What a BTC Facility Looks Like?



Generators

BTC Containers

BTC Facility

MAGA Oil Battery

- A typical BTC mining facility in Alberta consists of power generators and containers which holds the BTC miners/computers
- All the equipment are on wheels or skids, no fixed structures will be built on site
- The BTC Facility is an extension of the gas plant/compressor station which feeds natural gas to the power generators on site

What are the Rules? --Alberta Utilities Commission (AUC)

- Maximum capacity less than 1 MW
 - “Due Diligence”
 - Must meet subsection 18.1(2) of the Hydro and Electric Energy Regulation:
 - Generate electric energy for the owner’s own use
 - No person is directly or adversely affected
 - Complies with AUC Rule 012 Appendix 2 Calculations
 - No adverse effect on the environment
- **Maximum capacity greater than 1 MW and less than 10 MW**
 - “Assessments in our own back pocket”
 - May proceed without filing application if the following conditions are satisfied:
 - Generate electric energy for the owner’s own use
 - Notification to stakeholders within 1.5 km radius
 - No person is directly or adversely affected – **Stakeholder Meetings**
 - Complies with AUC Rule 012 – **Noise Assessment**
 - No adverse effect on the environment – **Emissions Modeling & Environmental Assessment**

What have we Learned in the Last Two Years?

- Follow regulatory requirements strictly – proper notification, impact assessments, etc.;
 - A. Link Global Campbell case – Link Global did not follow the regulatory process
 - B. MAGA Westlock case – MAGA diligently followed the regulatory process
 - C. **MAGA must lead the legal & regulatory process**
- Respect stakeholders' right and solve the problems/complaints on a timely & diligent manner, ensure no adverse effects.

What are the Benefits for the Stakeholders?

- Gas royalty to Crown & free-hold mineral owners (many of them are local residents);
- Property tax to the Sturgeon County;
- Rentals to the surface lease owners;
- Job opportunities for the local residents;
- Demand for local business;
- Abandon the well/pipelines once the remaining reserves are depleted.

Investment & Job Creation

- **Total Investment exceeds \$50 MM CAD for 50 MW**

1. Container: \$750 k CAD container purchase from a Sturgeon company in Calahoo, will reach \$6 MM CAD in total for 50 MW
2. Generators: Leasing from local companies and annual rental is over \$12 MM CAD for 50 MW
3. Construction: \$300 k CAD required to set up each site, \$2 MM in total
4. Greenhouses: \$1 MM CAD per 1,000 m2, total of 6,000 m2 for Phase I, with expansion opportunities

- **2 – 3 full time field operators for oil & gas production**

1. Oil & gas service: EMS Petroleum Contracting Ltd. – a local Sturgeon Company amongst others

- **Total Job Opportunities around 30 – 40 full time and many more short term/contractors on BTC Operations**

1. 4 – 5 full time for each 10 MW site for security, electrical repair, and generator maintenance
2. 10 personnel for 2 weeks during construction for each 10 MW site
3. Field office requires 10 full time employees including office administration, accounting, and logistics

- **Total Job Opportunities around 120 – 150 full/part time and more short term/contractors on Greenhouse Operations**

1. 20 – 30 full time jobs, for each 1,000 m2 greenhouse, this includes technicians, general workers, accounting, and marketing staff
2. 20 men crew for short term jobs, for a 30 day installation of each 1,000 m2 greenhouse
3. More jobs will be provided for the expansions of each greenhouse project

Question & Request

Is Re-zoning Necessary?

- Re-zoning process will significantly delay the timeline for 3-6 months
- Potential cancellation or re-location of the projects;
- May cause more legal issues on original oil & gas leases, such as:
 1. Would landowners want to re-zone part of the lease?
 2. Would landowners have to convert it back to an oil & gas lease when the term for the BTC operation expires 3 or 6 years later?
 3. Different jurisdiction bodies and regulations governing on the same site?

Request from MAGA

- *Supportive municipal government process delivered in a timely and efficient manner to take advantage of a short window of opportunity*

Board & Management Team

Board Of Directors

David Tian, Chairman

Biagio Mele

Mark Ross

Clifton Gillam

Management Team

Biagio Mele, P. Eng., President

David Tian, V.P. Exploitation

Mark Ross, P. Eng., V.P. Operations

Clifton Gillam, V.P. Downstream & BTC

Patrick Amantea, C.A., C.F.O.

Corporate Governance

The Board of Directors and management team of MAGA Energy consists of a group of professionals with entrepreneurial mindsets. Strives towards a conscious and clear understanding of regulations, safety, stakeholders' interest, and its responsibility on environmental and social issues facing Albertans. Ensures commitment to work with all levels of governments, contractors, and partners on all aspects.

*Thank you and looking forward to working with the
Sturgeon County Team in the near future!*
