ALTURA ENERGY INC. ANNOUNCES AN OPERATIONAL UPDATE AND 2019 RESERVES

March 5, 2020

Calgary, Alberta - Altura Energy Inc. ("Altura" or the "Company") (TSX-V: ATU) is pleased to announce an operational update and the results of the independent evaluation of the Company's oil and natural gas reserves (the "McDaniel Report"), effective December 31, 2019, as prepared by McDaniel and Associates Consultants Ltd. ("McDaniel").

Altura's audit of its 2019 annual financial statements is not yet complete and accordingly all financial amounts referred to in this news release are unaudited and represent management's estimates. Readers are advised that these financial estimates are subject to audit and may be subject to change as a result.

OPERATIONAL UPDATE

2019 production averaged 1,742 Boe per day (70% oil and liquids), consistent with guidance of 1,700 to 1,800 Boe per day and representing a 49 percent increase from average 2018 production on an absolute and per share basis. Fourth quarter 2019 production averaged 1,561 Boe per day (64% oil and liquids). Fourth quarter 2019 production was affected by natural declines as no new wells were brought on production in the quarter and by the disposition of a seven percent working interest of production, as announced on December 4, 2019.

In 2019, Altura invested approximately $12.8 million in capital projects. The Company drilled three gross (3.0 net) and completed two gross (2.0 net) wells in the Leduc-Woodbend area, invested in an electrification project and a solution gas compressor at Leduc-Woodbend, as well as changed its artificial lift system on 11 wells to improve run-time efficiencies and reduce operating and capital workover events.

Altura evaluated a new potential oil play targeting medium to light oil in the Entice area of Alberta, south of Strathmore. The Corporation has acquired 89 gross (83 net) sections of land in the area which has year-round access. Vertical well data, combined with extensive 3D seismic coverage in the area, provided a means to identify and map the hydrocarbon accumulation. In June 2019, Altura drilled a vertical exploratory stratigraphic well to obtain additional geological data.

In December 2019, Altura announced it had entered into a definitive agreement for the asset sale of a 12.5% working interest (the "Asset Disposition") in the Company's production, wells, lands and facilities for $7.0 million in two transactions. The first transaction closed on December 4, 2019, whereby Altura divested a seven percent working interest for $3.1 million. Proceeds from the first transaction were directed to the Company's exploratory prospect at Entice in 2020.

Based on the geological data obtained from the vertical exploration well, Altura drilled and completed a horizontal well (93% working interest) targeting the Pekisko Formation in January 2020. The well was successfully drilled and cased to a vertical depth of 1,775 meters with a horizontal length of 2,004 meters and subsequently completed with 45 frac stages placing approximately 13 tonnes of sand per stage. Production testing operations are ongoing and expected to continue through March as Altura evaluates the well.

At Leduc-Woodbend, Altura completed a horizontal oil well (93% working interest) in January 2020 that was drilled in the third quarter of 2019. The well was equipped for production and brought on stream on February 8, 2020. Additionally, Altura drilled a horizontal oil well (93% working interest) and expects to complete it in the second quarter of 2020.

2019 YEAR-END RESERVE HIGHLIGHTS

- Net of the seven percent Asset Disposition, Altura's proved developed producing ("PDP") reserves increased two percent from 1,725 MBoe at December 31, 2018 to 1,755 MBoe. Total proved ("1P") reserves increased one percent from 6,270 MBoe at December 31, 2018 to 6,347 MBoe. Total proved plus probable ("2P") reserves increased 10 percent from 10,126 MBoe at December 31, 2018 to 11,150 MBoe.
- Finding, development and acquisition ("FD&A") costs[1] were $14.61 per Boe for PDP reserves.
- Recycle ratio[1] of 1.7 times for PDP reserves based on the 2019 FD&A costs and Altura's estimated 2019 operating netback[1] of $24.95 per Boe.
- Replaced[1] 105 percent of annual production with new PDP reserves, 112 percent of annual production with new 1P reserves and 261 percent of annual production with new 2P reserves, based on 2019 production of 1,742 Boe per day.
- 2P reserves at Leduc-Woodbend are booked on 18 net sections of land which is only 27 percent of Altura's lands in the area.
- The forecast cost of all of Altura's future abandonment, decommissioning and reclamation obligations ("ADR") is $1.8 million (discounted at 10%), which represents only 6.6% of the total $27.2 million of future net revenue of PDP reserves (before tax, discounted at 10%), excluding ADR.

2019 INDEPENDENT RESERVES EVALUATION

The McDaniel Report was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 ("NI 51-101"). The reserves evaluation was based on the average of the published price forecasts for McDaniel, GLJ Petroleum Consultants Ltd., and Sproule Associates Ltd. (the "Consultant Average Price Forecast") at January 1, 2020. The Reserves Committee of the Board and the Board of Directors of Altura have reviewed and approved the evaluation prepared by McDaniel.

Unless noted otherwise, reserves included herein are stated on a company gross basis, which is the Company's working interest before deduction of government royalties and excluding any other additional royalty interests. This news release contains several cautionary statements under the heading "Reader Advisory" and throughout the release. In addition to the information contained in this news release, more detailed reserves information will be included in Altura's Annual Information Form for the year ended December 31, 2019, which will be filed on SEDAR by April 30, 2020.

Commencing in 2019, McDaniel began to include additional ADR in the Company's reserves, resulting in a decrease of values compared to 2018. The Company previously reported certain Asset Restoration Obligations ("ARO") separately from those contained in the Company's December 31, 2018 evaluation in the Annual Information Form. This substantial change to the prior years' practices, which were consistent with the reporting of many other companies in the industry, was based on new Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") guidelines that recommend the inclusion of ADR costs associated with the Company's assets in the reserve report. This change incorporates costs for active and inactive wells, including producing wells, suspended wells, service wells, gathering systems, facilities, and surface land reclamation for all of Altura's assets. McDaniel's evaluation of Altura's NPV10 BT at December 31, 2019 (estimated before tax net present value of future net revenues associated with the Company's reserves, discounted at 10%) for ADR related to PDP, 1P and 2P reserves was $1.8 million, $2.2 million, and $2.2 million, respectively, reflecting an increase of $1.4 million, $1.2 million, and $1.4 million compared to the ADR measures at year-end 2018.

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1 "Operating netback", "Finding, development & acquisitions costs" or "FD&A costs", "Recycle ratio", and "Reserve replacement" do not have standardized meanings. See "*Oil and Gas Metrics*" contained in this news release.

Company Gross Reserves as at December 31, 2019

The following table summarizes the Company's gross reserve volumes at December 31, 2019 utilizing the Consultant Average Price Forecast and cost estimates outlined further below in this press release.

	Company Gross Reserves(1)(2)						
Category	Light & Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids ("NGLs") (Mbbl)	2019 Oil Equivalent (MBoe)	2018 Oil Equivalent (MBoe)	2019/ 2018 Percent Change
Proved							
Developed Producing	161.2	777.3	4,270.2	104.3	1,754.5	1,724.6	2%
Developed Non-Producing	-	102.3	307.8	7.4	161.0	140.8	14%
Undeveloped	-	2,815.4	8,473.9	203.4	4,431.1	4,404.2	1%
Total Proved(3)	**161.2**	**3,695.0**	**13,052.0**	**315.1**	**6,346.5**	**6,269.7**	**1%**
Total Probable	164.3	2,336.6	12,109.9	284.7	4,803.9	3,856.0	25%
Total Proved + Probable(3)	**325.4**	**6,031.6**	**25,161.9**	**599.7**	**11,150.4**	**10,125.7**	**10%**

(1) Gross reserves are Company working interest reserves before royalty deductions.
(2) Based on the January 1, 2020 Consultant Average Price Forecast.
(3) Numbers may not add due to rounding.

Reconciliation of Company Gross Reserves for 2019[(1)(2)]

	Light & Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbl)	Oil Equivalent (MBoe)
Total Proved					
December 31, 2018	213.4	4,227.2	9,507.0	244.6	6,269.7
Extensions	-	204.5	615.7	14.8	321.9
Technical Revisions	(2.0)	(101.5)	4,669.5	103.3	778.1
Acquisitions	-	-	-	-	-
Dispositions	(12.0)	(261.5)	(592.3)	(15.4)	(387.7)
Economic Factors	-	-	-	-	-
Production	(38.2)	(373.7)	(1,147.9)	(32.1)	(635.5)
December 31, 2019	**161.2**	**3,695.0**	**13,052.0**	**315.1**	**6,346.5**
Total Proved + Probable					
December 31, 2018	276.2	6,817.6	15,771.8	403.2	10,125.7
Extensions	111.0	521.4	2,251.0	47.4	1,055.1
Technical Revisions	(7.3)	(493.3)	9,300.3	207.3	1,256.8
Acquisitions	-	-	-	-	-
Dispositions	(16.3)	(440.4)	(1,013.3)	(26.1)	(651.7)
Economic Factors	-	-	-	-	-
Production	(38.2)	(373.7)	(1,147.9)	(32.1)	(635.5)
December 31, 2019	**325.4**	**6,031.6**	**25,161.9**	**599.7**	**11,150.4**

(1) Gross reserves are Company working interest reserves before royalty deductions.
(2) Numbers may not add due to rounding.

Technical revisions for heavy oil, natural gas and NGLs, in both the 1P and 2P reserves categories, are due to changes in the Leduc-Woodbend production forecast based on higher natural gas production in 2019 than previous year's forecast.

Future Development Costs ("FDC") and Well Schedule

The following is a summary of the estimated FDC and number of wells required to bring 1P and 2P undeveloped reserves on production. Changes in forecast FDC occur annually as a result of drilling activities, acquisition and disposition activities, and changes in capital cost estimates based on improvements in well design and performance, as well as changes in service costs. FDC for 1P undeveloped reserves decreased by $11.7 million and FDC for 2P undeveloped reserves decreased by $6.7 million compared to year-end 2018. The decreases in FDC were driven by the Asset Disposition in 2019 and lower expected capital cost estimates at Leduc-Woodbend.

	Total Proved FDC[(1)(2)] ($000)	Total Proved Wells[(2)] Gross (Net)	Total Proved + Probable FDC[(1)(2)] ($000)	Total Proved + Probable Wells[(2)] Gross (Net)
2020	9,798	4 (3.6)	12,816	4 (3.6)
2021	20,768	10 (8.7)	20,768	10 (8.7)
2022	23,385	12 (9.4)	23,385	12 (9.4)
2023	9,717	6 (3.9)	19,009	10 (7.6)
2024	-	-	12,843	6 (5.0)
Total Undiscounted	63,668	32 (25.6)	88,820	42 (34.3)

(1) Numbers may not add due to rounding.
(2) FDC and well counts as per the McDaniel Report and based on the January 1, 2020 Consultant Average Price Forecast.

The forecasted future net operating income for the next four years from the McDaniel Report based on the January 1, 2020 Consultant Average Price Forecast is estimated to be $98.7 million for 1P reserves and $116.2 million for 2P reserves, which is sufficient to fund Altura's FDC.

Summary of Before Tax Net Present Value ("NPV") of Future Net Revenue as at December 31, 2019

Benchmark oil and NGL prices used are adjusted for quality of oil or NGL produced and for transportation costs. The calculated NPVs are based on the Consultant Average Pricing Forecast at January 1, 2020 as outlined in the price forecast table further below in this press release. The NPVs include ADR but do not include a provision for interest, debt service charges and general and administrative expenses. It should not be assumed that the NPV estimate represents the fair market value of the reserves.

	Before Tax Net Present Value ($000) (1)(2)(3) Discount Rate				
Category	Undiscounted	5%	10%	15%	20%
Proved					
Developed Producing	28,097	27,322	25,403	23,420	21,643
Developed Non-Producing	2,657	2,272	1,964	1,716	1,515
Undeveloped	61,043	44,583	32,854	24,412	18,232
Total Proved	91,797	74,177	60,220	49,548	41,390
Total Probable	92,600	61,413	42,656	30,834	23,027
Total Proved + Probable	184,396	135,590	102,876	80,381	64,417

(1) Based on the January 1, 2020 Consultant Average Price Forecast.

(2) Numbers may not add due to rounding.

Summary of Undeveloped Locations Converted to Producing Wells

The following table shows the Company's past performance in converting future undeveloped locations into producing wells at a better cost than was forecast.

				Forecast Outcome(2)			Actual Outcome(3)			
Reserve Year	Total Gross Wells Drilled	Booked Gross Locations Converted	Booked/ Total Drills %	MBoe	Capex(1) ($000)	Forecast Cost per Unit(2) $/boe	MBoe	Capex(1) ($000)	Actual Cost per Unit(3) $/Boe	Actual/ Forecast Cost per Unit % Change
2016	7	4	57%	357	3,460	9.68	445	2,976	6.69	-31%
2017	8	4	50%	403	4,100	10.18	394	4,446	11.28	11%
2018	10	4	40%	659	9,350	14.19	721	9,360	12.97	-9%
2019	4	3	75%	573	6,983	12.19	654	7,405	11.32	-7%
Total	29	15	52%	1,992	23,893	11.99	2,215	24,187	10.92	-9%

(1) Capex includes drilling, completion, and equipping expenses.

(2) Forecast outcome represents what was included for future drilling locations in each year's reserve evaluation on a 2P basis.

(3) Actual outcome represents the actual cost and actual 2P reserves recognized for the wells drilled during that year.

In 2019 Altura drilled four gross wells. Of these four wells, three were originally booked in the year end 2018 evaluation totalling 573 MBoe of Proved Undeveloped + Probable Additional reserves for a forecast capital investment of $7.0 million ($12.19/Boe). The actual capital spent on these three wells was $7.4 million resulting in Proved Developed Producing + Probable Additional reserves of 654 MBoe ($11.32/Boe).

Company Net Asset Value

The Company's net asset value as at December 31, 2019 and 2018 are detailed in the following table. This net asset value determination is a "point-in-time" measurement and does not take into account the possibility of Altura recognizing additional reserves through successful future capital investment in its existing properties beyond those included in the 2019 year-end reserve report and the 2018 year-end reserve report.

	Before Tax NPV @ 10% Discount Rate				
	2019		2018		Per Share
	($000)	($/Share[7])	($000)	($/Share[7])	% Change
NPV of Future Net Revenue					
Developed Producing[1][2][3]	25,403	0.23	32,202	0.31	(26%)
Total Proved[1][2][3]	60,220	0.55	68,108	0.64	(14%)
Total Proved + Probable[1][2][3]	102,876	0.94	115,178	1.06	(11%)
Net Asset Value[4]					
Total Proved + Probable[1][2][3]	102,876	0.94	115,178	1.06	(11%)
Undeveloped acreage[5]	5,727	0.05	6,210	0.06	-
Net debt[6]	(563)	(0.01)	(4,820)	(0.04)	(75%)
Net asset value[7]	108,040	0.98	116,568	1.07	(7%)

(1) Evaluated by McDaniel as at December 31, 2019 and December 31, 2018. Net present value of future net revenue does not represent the fair market value of the reserves.

(2) Net present values are based on the January 1, 2020 Consultant Average Price Forecast and the January 1, 2019 Consultant Average Price Forecast.

(3) Includes the net present value of the Company's estimated decommissioning obligations. Approximately $1.4 million of incremental decommissioning obligation costs were deducted from the amount included in the 2018 present value of reserves as evaluated by McDaniel as at December 31, 2018 to allow a direct comparison to 2019 with full ADR.

(4) Net asset value does not have a standardized meaning. See "*Oil and Gas Metrics*" contained in this news release.

(5) For 2019, undeveloped acreage was internally valued by management. For 2018, undeveloped acreage value was determined from independent land valuation reports by Seaton-Jordan & Associates Ltd. as at December 31, 2018. Fair market values were determined in accordance with NI 51-101 5.9(1)(e).

(6) Net debt as at December 31, 2019 is estimated and unaudited. Net debt does not have a standardized meaning. See "*Oil and Gas Metrics*" contained in this news release.

(7) As at December 31, 2019 and 2018, Altura had 108.9 million basic common shares outstanding.

Performance Metrics[1]

The following table highlights Altura's FD&A, recycle ratio, reserve replacement and reserve life index for 2019, 2018 and 2017.

	2019	2018	2017	Three Year
Capital expenditures, acquisitions and dispositions[2] ($000)	9,728	9,647	21,187	40,563
Change in FDC – Total Proved ($000)	(11,658)	49,520	16,109	53,971
Change in FDC – Total Proved + Probable ($000)	(6,650)	55,320	23,329	71,998
Q4 production (Boe/d)	1,561	1,412	1,202	
Operating netback ($/Boe)[3]	24.95	24.54	27.49	25.66
Proved Developed Producing				
FD&A costs ($/Boe)[3]	14.61	17.30	23.36	19.04
Recycle ratio[3]	1.7	1.4	1.2	1.3
Reserve replacement[3]	105%	130%	220%	
Reserve life index ("RLI") (years)[3]	3.1	3.3	3.6	
Total Proved				
FD&A costs ($/Boe)[3]	(2.71)	16.48	21.97	15.75
Recycle ratio[3]	(9.2)	1.5	1.3	1.6
Reserve replacement[3]	112%	839%	412%	
Reserve life index ("RLI") (years)[3]	11.0	12.1	7.0	
Total Proved + Probable				
FD&A costs ($/Boe)[3]	1.85	12.53	17.21	11.94
Recycle ratio[3]	13.5	2.0	1.6	2.1
Reserve replacement[3]	261%	1,212%	628%	
Reserve life index ("RLI") (years)[3]	19.4	19.5	12.1	

(1) Financial and production information is per the Company's 2019 preliminary unaudited financial statements and is therefore subject to audit.

(2) Capital expenditures excludes office furniture and computer and office equipment.

(3) "Operating netback", "Finding, development & acquisitions costs" or "FD&A costs", "Recycle ratio", "Reserve replacement", and "Reserve life index" or "RLI" do not have standardized meanings. See "*Oil and Gas Metrics*" contained in this news release.

Price Forecast

The McDaniel Report was based on the Consultant Average Price Forecast at January 1, 2020 as outlined below.

	WTI Crude Oil ($US/bbl)	Western Canadian Select Crude Oil ($CAD/bbl)	Alberta AECO Gas ($CAD/mmbtu)	Foreign Exchange ($US/$CAD)
2020	61.00	57.57	2.04	0.760
2021	63.75	62.35	2.32	0.770
2022	66.18	64.33	2.62	0.785
2023	67.91	66.23	2.71	0.785
2024	69.48	67.97	2.81	0.785
2025	71.07	69.72	2.89	0.785
2026	72.68	71.49	2.96	0.785
2027	74.24	73.20	3.03	0.785
2028	75.73	74.80	3.09	0.785
2029	77.24	76.43	3.16	0.785
2030	78.79	77.96	3.23	0.785
2031	80.36	79.52	3.29	0.785
2032	81.97	81.11	3.36	0.785
2033	83.61	82.73	3.43	0.785
2034	85.28	84.39	3.49	0.785
thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	0.785

ABOUT ALTURA ENERGY INC.

Altura is a junior oil and gas exploration, development and production company with operations in central Alberta. Altura predominantly produces from the Rex reservoir in the Upper Mannville group and is focused on delivering per share growth and attractive shareholder returns through a combination of organic growth and strategic acquisitions.

An updated corporate presentation is available on Altura's website at www.alturaenergy.ca.

READER ADVISORIES

Forward-looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "budget", "forecast", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to:

- expected completion date for the Leduc-Woodbend well drilled in 2020;
- expected production testing operations to continue through March;
- timing of filing the Company's year-end results and annual information form; and
- timing of the second transaction of the Asset Disposition.

Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Altura including, without limitation:

- the continued performance of Altura’s oil and gas properties in a manner consistent with its past experiences
- that Altura will continue to conduct its operations in a manner consistent with past operations;
- the general continuance of current industry conditions;

- the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes;
- the accuracy of the estimates of Altura's reserves and resource volumes;
- certain commodity price and other cost assumptions;
- the continued availability of oilfield services; and
- the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures.

Altura believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. To the extent that any forward-looking information contained herein may be considered future oriented financial information or a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeted and developing future plans and readers are cautioned that the information may not be appropriate for other purposes.

The forward-looking information and statements included in this press release report are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation:

- changes in commodity prices;
- changes in the demand for or supply of Altura's products;
- unanticipated operating results or production declines;
- changes in tax or environmental laws, royalty rates or other regulatory matters;
- changes in development plans of Altura or by third party operators of Altura's properties,
- increased debt levels or debt service requirements;
- inaccurate estimation of Altura's oil and gas reserve and resource volumes;
- limited, unfavorable or a lack of access to capital markets;
- increased costs;
- a lack of adequate insurance coverage;
- the impact of competitors; and
- certain other risks detailed from time to time in Altura's public documents.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and Altura does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Oil and Gas Advisories

Reserves

McDaniel & Associates Consultants Ltd. is the Corporation's independent "qualified reserve evaluator" as defined in National Instrument 51-101. The McDaniel Report has an effective date of December 31, 2019 and a preparation date of March 4, 2020 and was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and NI 51-101. The reserve evaluation was based on the average of the published price forecasts for McDaniel, GLJ Petroleum Consultants Ltd., and Sproule Associates Ltd. at January 1, 2020. The Reserves Committee of the Board and the Board of Directors of Altura have reviewed and approved the evaluation prepared by McDaniel.

All reserve references in this press release are "company share reserves". Company share reserves are the Company's total working interest reserves before the deduction of any royalties and including any royalty interests of the Company.

It should not be assumed that the present value of estimated future net revenue presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of Altura's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

All future net revenues are estimated using forecast prices, arising from the anticipated development and production of our reserves, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. Future net revenues have been presented on a before tax basis. Estimated values of future net revenue disclosed herein do not represent fair market value.

Barrels of Oil Equivalent

The term barrels of oil equivalent ("Boe") may be misleading, particularly if used in isolation. Per Boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 mcf) of natural gas to one barrel (1 bbl) of crude oil. The Boe conversion ratio of 6 mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Oil and Gas Metrics

This news release contains metrics commonly used in the oil and natural gas industry. Each of these metrics is determined by Altura as set out below. These metrics are "finding, development and acquisition costs", "recycle ratio", "reserve replacement", "reserve life index", "operating netbacks" and "net asset value". These metrics do not have standardized meanings and may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Altura's performance over time, however, such measures are not reliable indicators of Altura's future performance and future performance may not compare to the performance in previous periods.

- "Finding, development and acquisition costs" or "FD&A costs" are calculated by dividing the sum of the total capital expenditures for the year inclusive of the net acquisition costs and disposition proceeds (in dollars) by the change in reserves within the applicable reserves category inclusive of changes due to acquisitions and dispositions (in Boe). FD&A costs, including FDC, includes all capital expenditures in the year inclusive of the net acquisition costs and disposition proceeds as well as the change in FDC required to bring the reserves within the specified reserves category on production.

  FD&A costs take into account reserves revisions and capital revisions during the year. The aggregate of the costs incurred in the financial year and changes during that year in estimated FDC may not reflect total FD&A costs related to reserves additions for that year. FD&A costs have been presented in this news release because acquisitions and dispositions can have a significant impact on Altura's ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of its cost structure. Management uses FD&A as measures of its ability to execute its capital programs (and success in doing so) and of its asset quality.

- "Recycle ratio" or is calculated by dividing the operating netback (in dollars per Boe) by the FD&A costs (in dollars per Boe) for the year. Altura uses recycle ratio as an indicator of profitability of its oil and gas activities.

- "Reserve replacement" is calculated by dividing the annual change in reserves before production (in Boe) in the referenced category by Altura's annual production (in Boe). Management uses this measure to determine the relative change of its reserves base over a period of time.

- "Reserve life index" or "RLI" is calculated by dividing the reserves (in Boe) in the referenced category by the fourth quarter production volumes (in Boe). Management uses this measure to determine how long the booked reserves will last at current production rates if no further reserves were added.

- "Operating netback" is a non-GAAP measure and does not have a standardized meaning under IFRS. Altura calculates operating netback on a per Boe basis as petroleum and natural gas sales less royalties, operating and transportation costs. Management feels that operating netback is a key industry benchmark and a measure of performance for Altura that provides investors with information that is commonly used by other crude oil and natural gas producers. The measurement on a per Boe basis assists management and investors with evaluating operating performance on a comparable basis.

- "Net asset value" is calculated by taking the 2P future net revenues per the McDaniel Report, on a before tax basis, discounted at 10% and adding undeveloped land value and subtracting net debt. Management uses this to measure the relative change in net asset value over a period of time.

- "Net debt" is a non-GAAP measure and does not have a standardized meaning under IFRS. Management views net debt as a key industry benchmark and a measure to assess the Company's financial position and liquidity.

Refer to the heading entitled "Non-GAAP Measures" contained within the "Advisories" section of Altura's MD&A.

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