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14.05.2021 – GBC Managementinterview with John Jeffrey, CEO of Saturn Oil & Gas Inc.

Unternehmen: Saturn Oil & Gas Inc.*5a,5b,6a,6b,7,11

ISIN: CA80412L1076

Analyst: Julien Desrosiers

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*Catalogue of possible conflicts of interest on page 5

"Oxbow acquisition is transformative for Saturn and will transform us into a leading producer and land holder throughout Saskatchewan "

Saturn Oil & Gas Inc. (TSX.V: SOIL) (FSE: SMK) is a public energy company focused on the acquisition and development of undervalued, low-risk assets. Saturn Oil & Gas plans to build a cash-flow oriented, strong portfolio, with strategic land positions. Most recently, an acquisition of the "Oxbow" oil field was announced. As part of the acquisition, Saturn will acquire approximately 6,700 boe/day (~95% light oil and liquids) with more than 280,000 net acres (450 net sections), largely located in one of the best economic oil areas in North America, and expand total production to 7,500 boe/day. This major acquisition will be a massive game changer for the company and, according to the company, will make it a major publicly traded producer of light oil in North America.

GBC AG: Mr. Jeffrey, you have just announced a massive transaction. Can you explain us how transformative this moment is for the future of the company?

John Jeffrey: The magnitude of this transaction is enormous and will transform Saturn into a leading producer and land holder throughout Saskatchewan. Our production will increase by over 2,000%, our land base will increase 775%, and the company's PDP reserves will grow by more than 1,300% compared to our 2020 year end reserves.

GBC AG: Can you explain to us what led you to target these assets and how long you worked on materialising this acquisition?

John Jeffrey: With the fluctuation of commodity prices Saturn pivoted in 2020 to pursue potential accretive acquisitions. Upon extensive review our team identified an asset that had strong cashflow and provided Saturn with the development upside needed to support our growth strategy. Along with being light oil, the formations we will be targeting and producing from are in the top 3 most economic plays in North America.

GBC AG: Such deal cost, close to a 100M CAD, requires important financing. Can you explain us how you were able to generate value for shareholders by limiting dilution while multiplying by 20 times the amount of barrel produced per day?

John Jeffrey: We internally evaluated what would be best for shareholders in the debt/equity ratio on this transaction. Obviously it was important to Saturn to reward shareholders

who've supported us through the years while giving them the ability to further participate in the growth of our company. We also wanted to ensure the fiscal strength of Saturn with regards to its debt obligations. This asset has all senior debt related to this transaction paid off within the next 24 months, which provides the perfect balance to reward our shareholders in the future without being dilutive.

GBC AG: Should investors be worried about the debt following the acquisition?

John Jeffrey: As previously mentioned the acquisition assets have the ability to pay off all senior debt within the next 2 years. How does Saturn ensure this? We are hedging up to 85% of our blowdown production over the next 4 years. This ensures stakeholders certainty and limits Saturn risk to commodity prices.

GBC AG: Such hedging allows you to focus your energy on operations. How do you plan to integrate the assets in Saturn Oil & Gas and what is the roadmap?

John Jeffrey: Our senior team has over 30 years experience working in the operated fields we are acquiring. Current team has extensive experience on these specific operated fields. This asset will be the foundation of the new look Saturn, we will be focused on increasing growth while building on Saturn's existing environmental, social and governance performance. We hope to use this asset as a springboard to increase our production through more acquisitions and development.

GBC AG: Saturn Oil & Gas will generate important amount of positive cashflow after the closing of the transaction. How do you plan to use the capital produced?

John Jeffrey: For the first year, we will be using the majority of the capital to pay down our debt and to do a number of workovers and re-activations on existing wells. This will increase production while spending minimal capital and take advantage of neglected fields with large potentials and upsides. As our debt is paid down we will start transitioning to both organic growth and looking at new opportunities for creative acquisitions.

GBC AG: In a previous interview we discussed of potential acquisition opportunity when the barrel of oil was at 45\$ USD. Now that the barrel is over 65\$ USD, do you believe that acquisition opportunities are still available?

John Jeffrey: I feel the downturn in the global economy and oil market has left a lot of companies struggling and on the verge of collapse. With the increase in oil price and by surviving the global downturn this gives Saturn an enormous advantage to be able to take advantage of opportunities that weren't existent pre-2020.

GBC AG: Where do you see the price of oil in the next 12, 24 and 26 months?

John Jeffrey: With more of the population getting vaccinated and governments re-opening their countries and economies, I feel the global demand on oil will continue to increase and reserves will decline. This will have a positive effect on oil prices and hopefully we will be \$70/bbl by the end of the year.

GBC AG: Last but not least, what are your thoughts on the ESG movement in the modern society?

John Jeffrey: I think it's great that companies are being held more responsible for their environmental and social impact on today's society. Saturn wants to be in the forefront of this change and we look forward to and embrace the challenges that it takes to operate while reducing our carbon footprint and increasing our position as a positive social leader.

GBC AG: John Jeffrey, thank you very much for the interview.

Note: On 5/19/2021, 4 p.m (CEST, UTC+2) Saturn Oil & Gas Inc. will give a presentation on the announced transformative acquisition of the "Oxbow" oil field as part of a digital roadshow. Interested parties can register for the webi-nar at the following link https://zoom.us/webinar/register/WN_iqX5b5Z0TeK0CMOJwat23w

ANNEX

I.

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BUY	The expected return, based on the derived target price, incl. dividend payments within the rel 10%.
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The analysts responsible for this analysis are:

Julien Desrosiers, Financial Analyst

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GBC AG
Halderstraße 27
D 86150 Augsburg
Tel.: 0821/24 11 33-0
Fax.: 0821/24 11 33-30
Internet: <http://www.gbc-ag.de>
E-Mail: compliance@gbc-ag.de



GBC AG®
- RESEARCH & INVESTMENT ANALYSEN -

GBC AG
Halderstraße 27
86150 Augsburg
Internet: <http://www.gbc-ag.de>
Fax: ++49 (0)821/241133-30
Tel.: ++49 (0)821/241133-0
Email: office@gbc-ag.de