

Modern Resources Corporate Overview

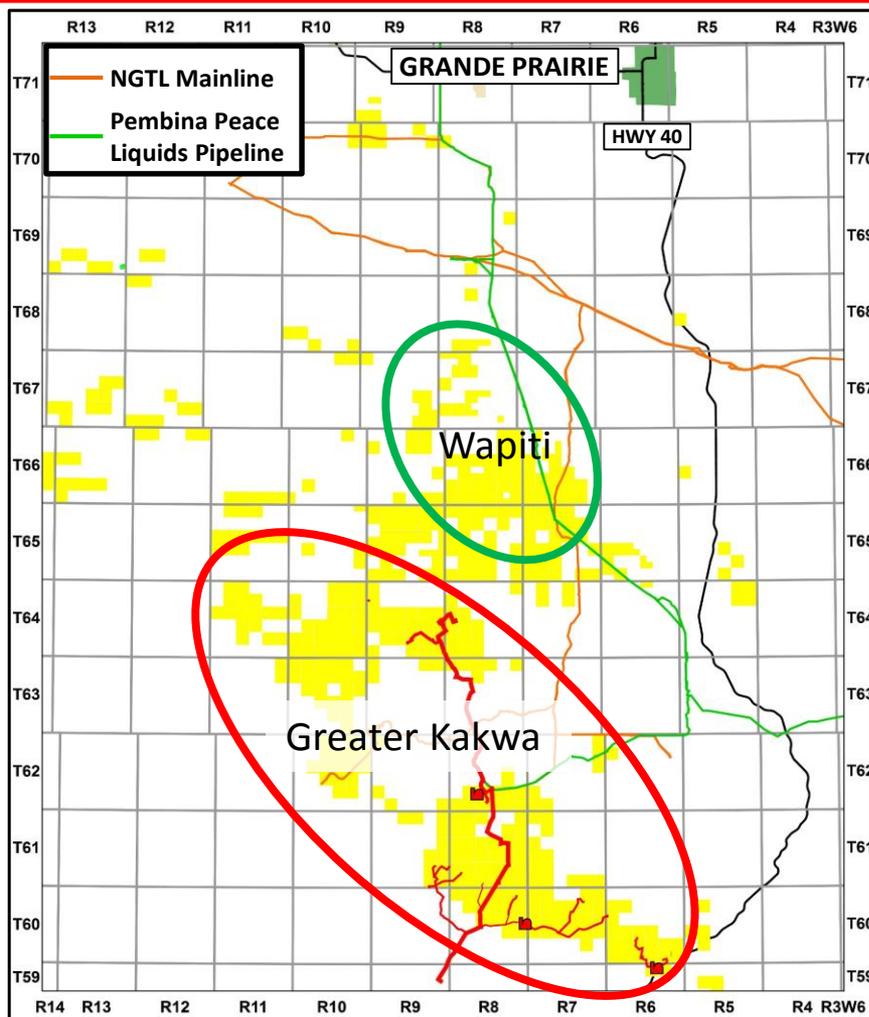


“Set the Precedent”

RBC CAPITAL MARKETS PRIVATE ENERGY COMPANY CONFERENCE – JANUARY 18, 2017

What is Modern?

Success in a Low Price Environment		Modern
HS&E Leadership	✓	Clean, Safe, Low Liability
Resource Diversification	✓	2 Top Plays - Spirit River Gas, Cardium Oil
Scalable, Focused Asset	✓	467 Sections 689 Locations
Top Tier F&D ¹	✓	~\$0.53/mcfe Spirit River ~\$10.65/boe Cardium
Low Operating Cost	✓	~\$5.00/boe ² and declining
Control of Asset	✓	~100% working interest
Strong Balance Sheet	✓	Material ELOC remaining
Owned Infrastructure	✓	50 mmcf/d processing capacity expanding to 125 mmcf/d (100% W.I.)
Access to Market	✓	Firm NGTL calibrated to production



Designed to Prosper in the 'Modern' Resource World

(1) Half-cycle development economics
(2) Q1 2017F

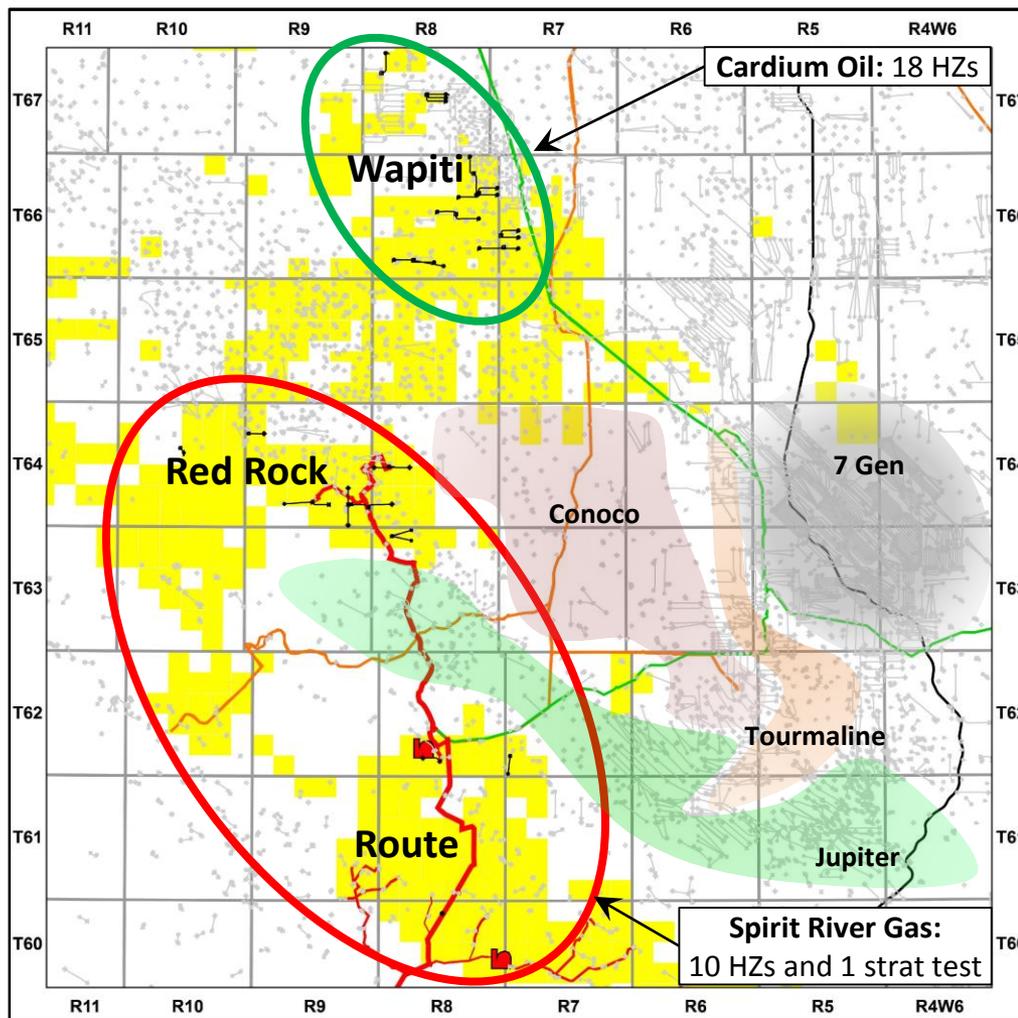
Who is Modern?

Board of Directors	
Brian Boulanger - Chairman	ARC Financial Corp.
John Dielwart	ARC Financial Corp.
Hilary Foulkes	Tudor, Pickering, Holt & Co.
Keith MacPhail	Bonavista Energy Corporation
David Miller	EnCap Investments L.P.
Mark Welsh, IV	EnCap Investments L.P.
Management	
Chris Slubicki, MBA, P. Eng.	President, CEO & Director (OPTI, Scotia Waterous)
Mike Belenkie, P. Eng.	VP Engineering (Painted Pony, Talisman)
Jason Chadwick, B. Comm., PLM	VP Land (Mancal, Rio Alto)
Francois Legault, P. Geol.	VP Geosciences (Vermilion, Talisman)
Derek Mendham, CA, CFA	CFO (Ensign, Genuity Capital, RBC Capital Markets)



Experienced and Invested Team

Modern Landscape



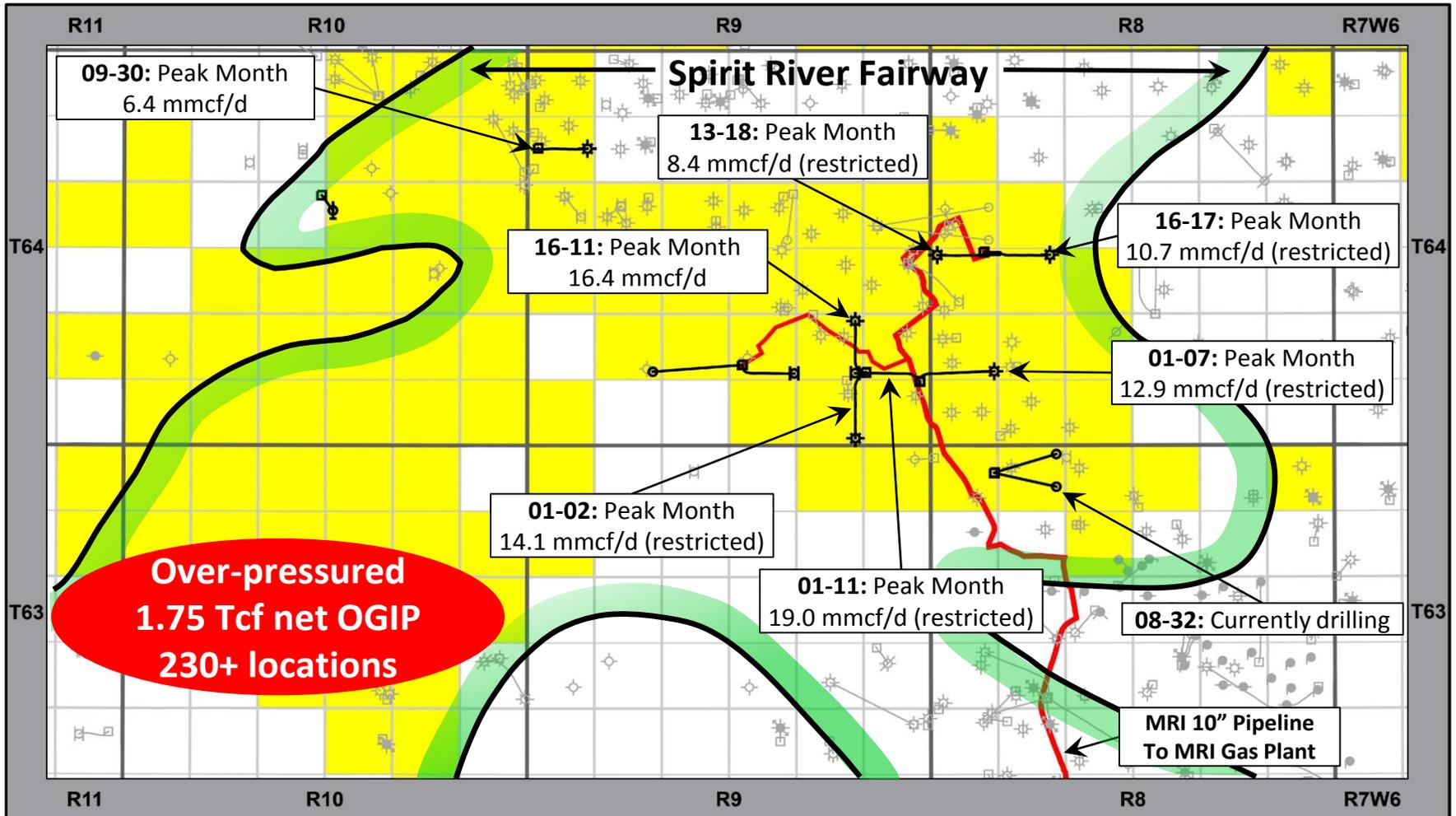
Snapshot	
Financed	March 2013
ELOC ¹ Raised	\$432 MM
2P Reserves (YE 2016) ²	115 mmmboe
Production (boe/d) ³	10,800
Liquids ratio	~20%
Wells drilled/drilling	29/2
Stacked Targets	5 Oil/12 Gas
Full time employees	24



Well Financed – Rapid Growth – Value Driven

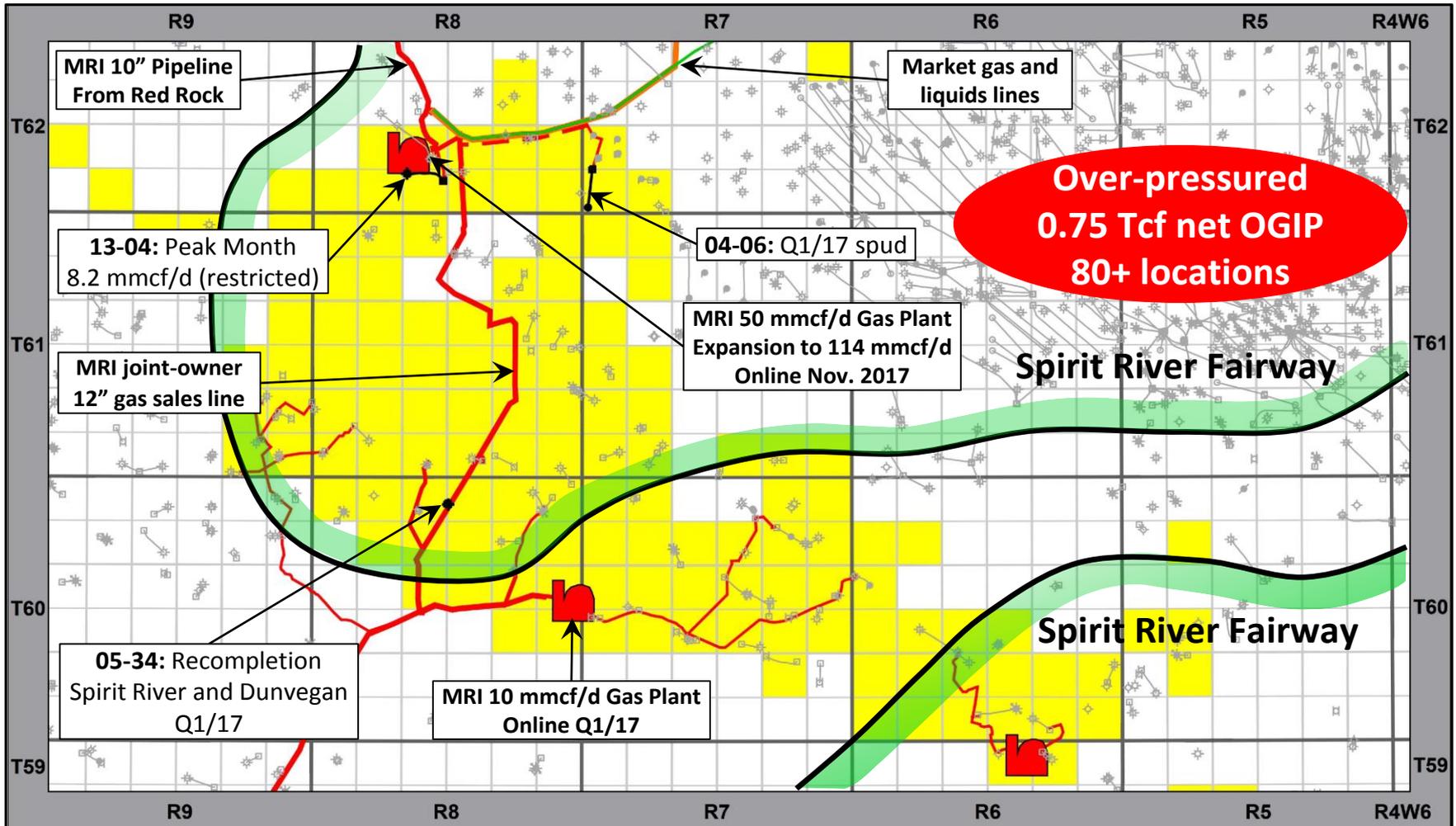
- (1) Equity Line of Credit – Not fully drawn
- (2) Internal estimate – McDaniel evaluation to be finalized Jan 31, 2017
- (3) Dec/16

Red Rock Spirit River Gas Play



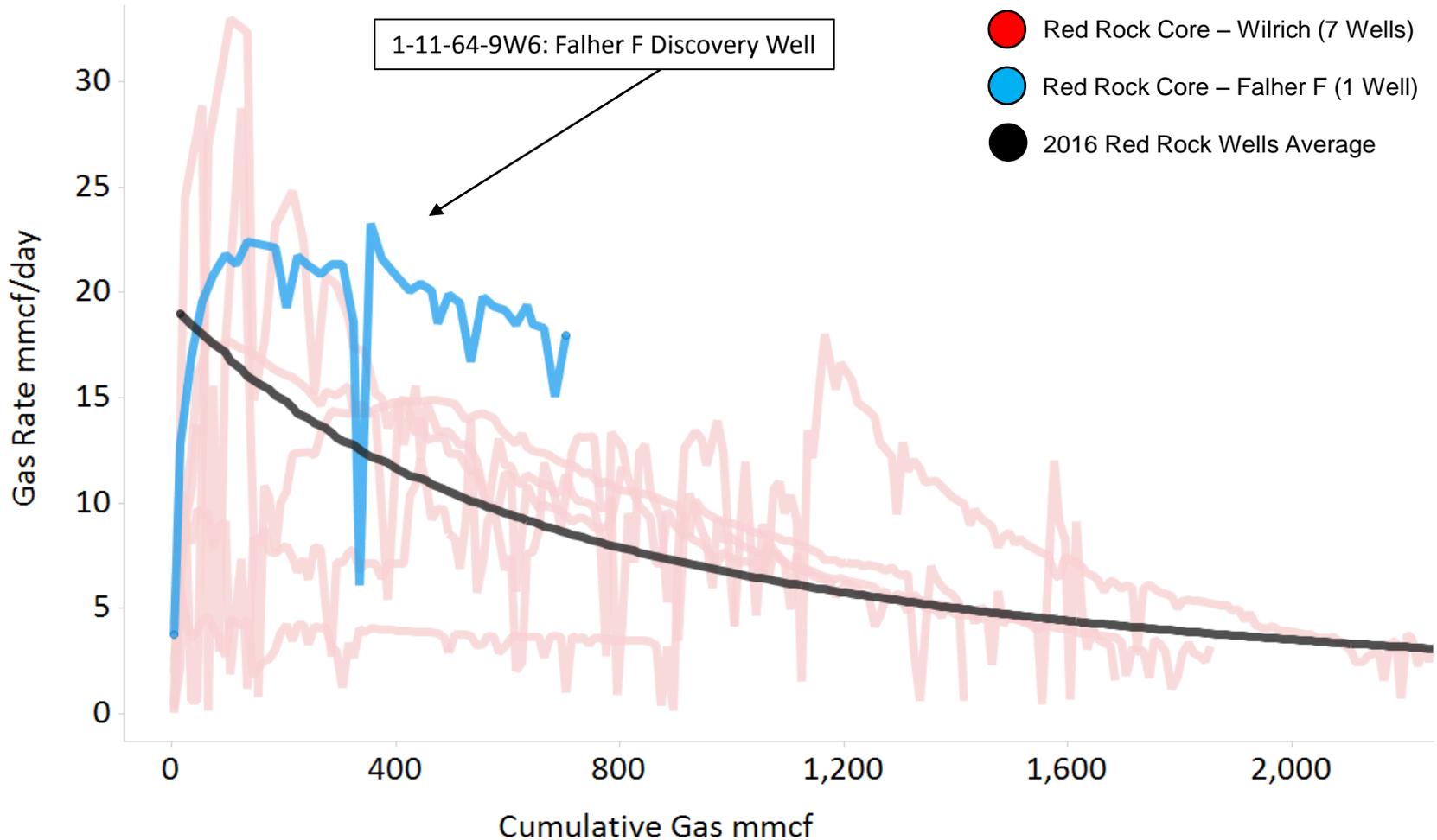
Regional Deep Basin Resource with Outlier Results In Two Zones

Route Spirit River Gas Play



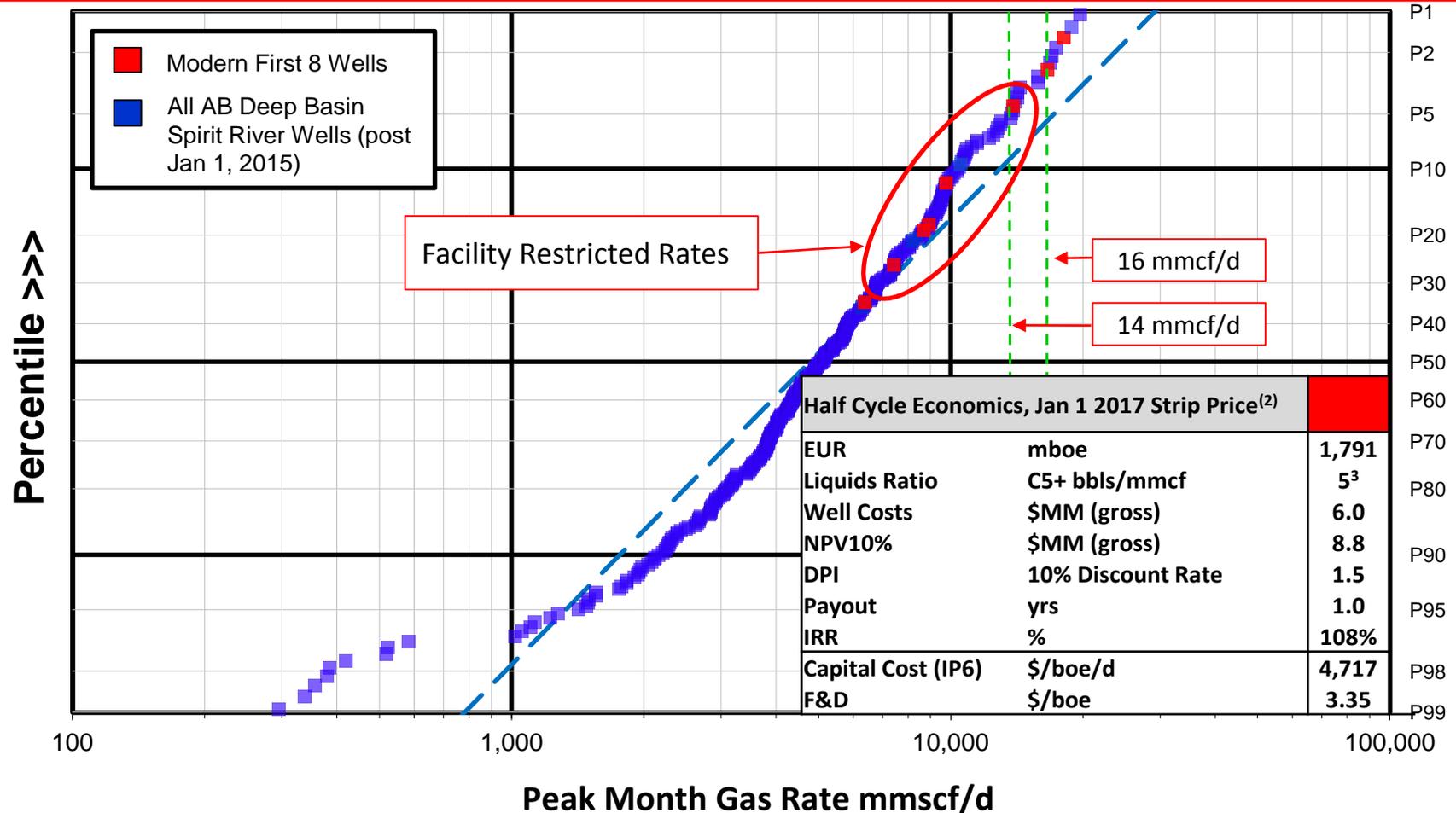
Emerging Prolific Resource Adjacent to Modern Plant

Spirit River “Sweet Spot”



100 “Sweet Spot” Locations Delineated To Date at Red Rock Alone

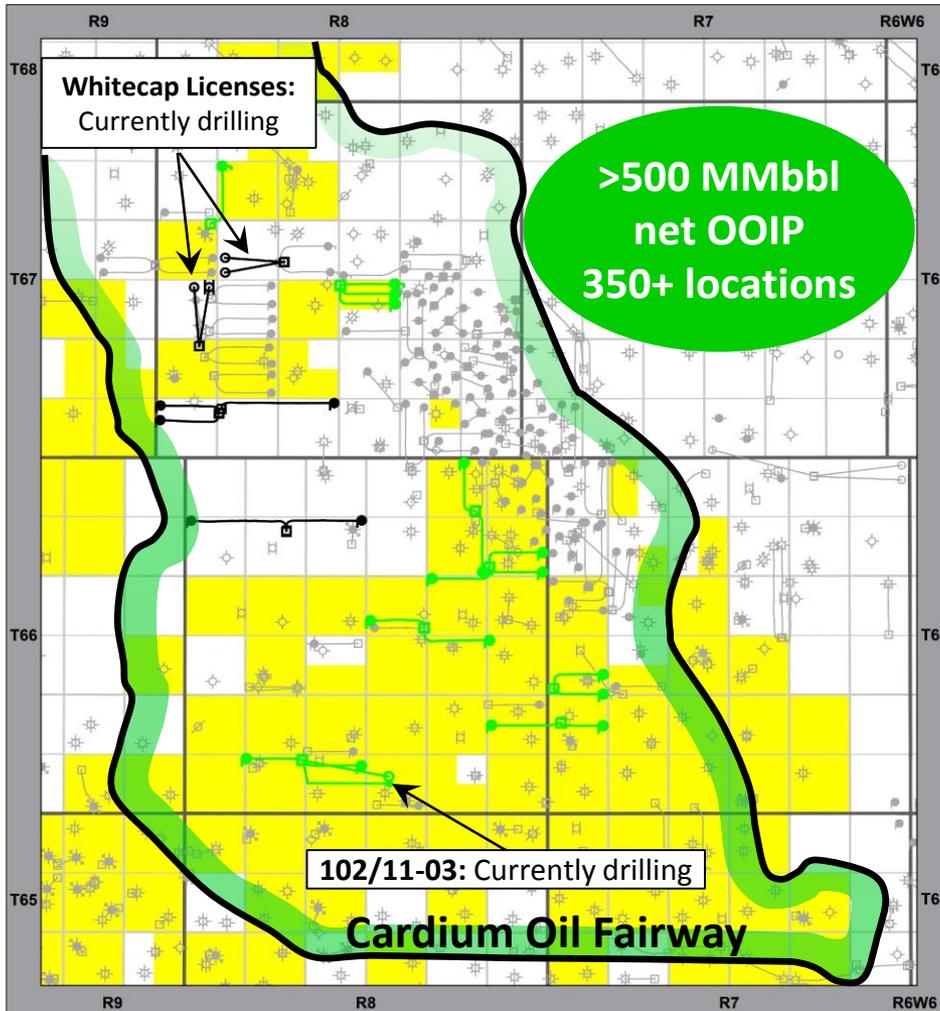
Spirit River Well Distribution



- (1) Source: geoScout and Modern data
- (2) Strip price as per Bloomberg
- (3) Liquids ratio range 3.5 to 18.0 bbls/mmcf

Modern Wells Amongst the Best in the Basin

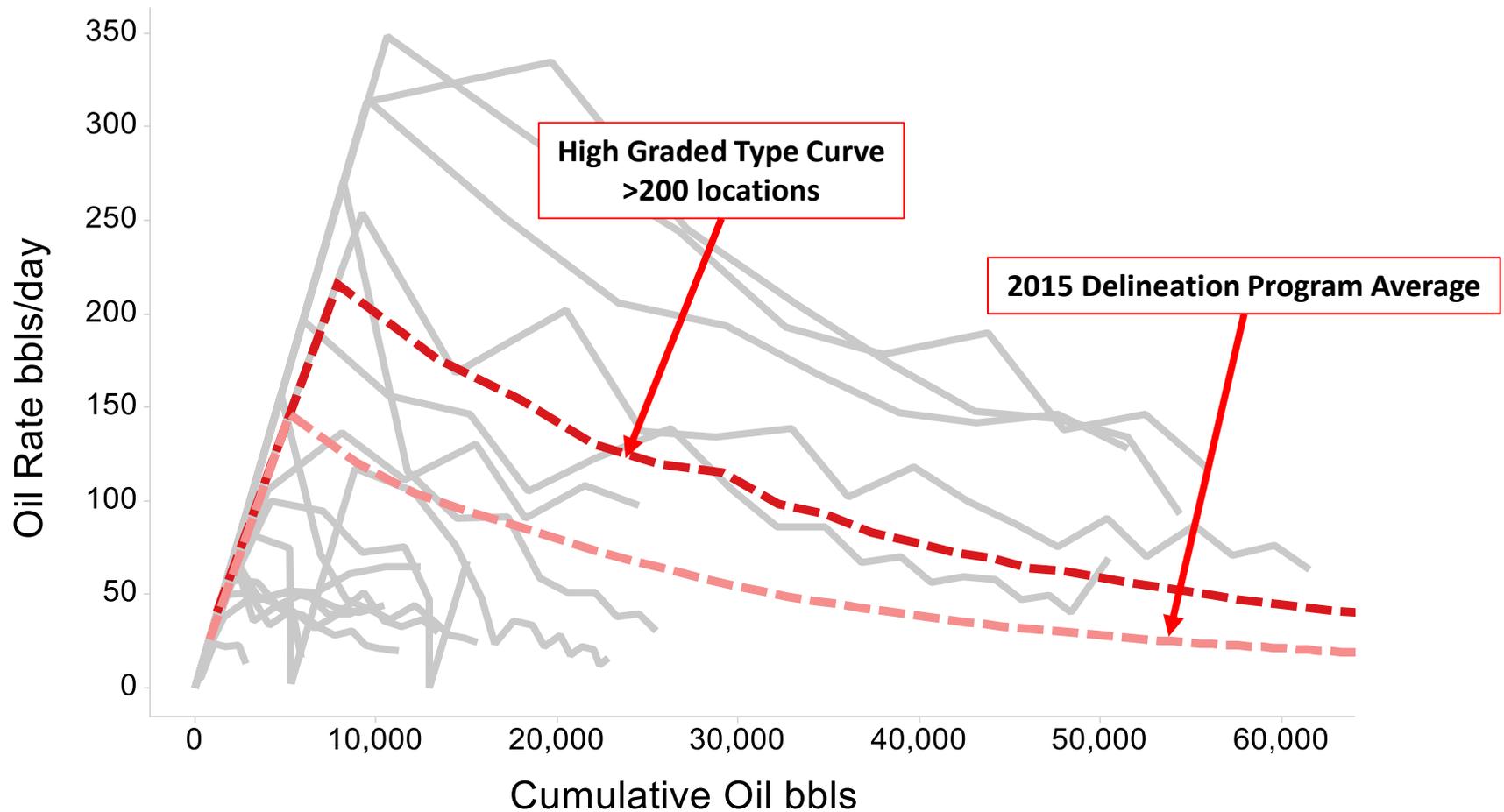
Wapiti Cardium Oil Play



- Modern actively delineating (18 wells drilled to date)
- 42 API sweet oil
- Thick, widespread reservoir
- No formation water risk
- Drill depths less than 1600m
- Moving to 1.5 mile horizontal reach
- Strong solution gas drive
- Top decile Cardium EUR
- Low cost wells

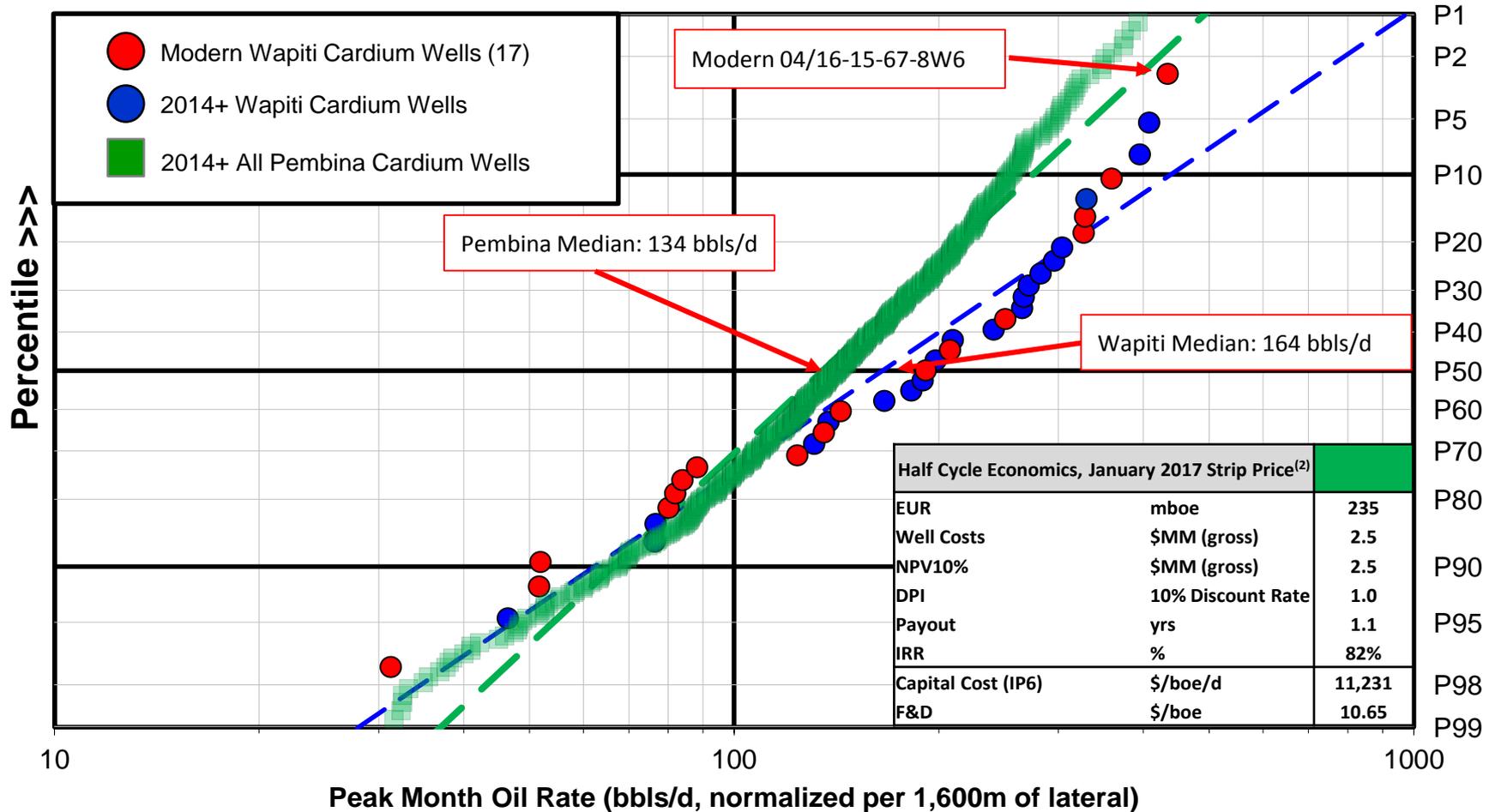
Early Stage Delineation of a Scalable Light Oil Asset

Cardium Oil Delineation Program



Unique 100% WI Block, Extensive Inventory of High Graded Locations

Cardium Benchmarking¹



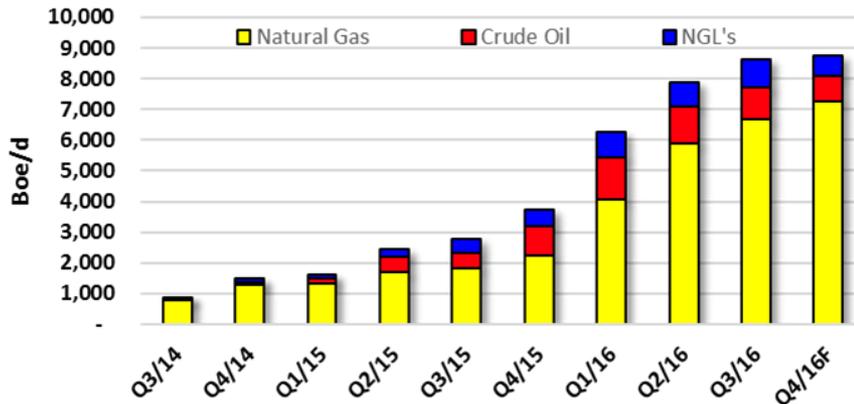
Wapiti Results Exceeding Pembina By Over 20%

(1) Source: geoScout and Modern data
 (2) Strip price as per Bloomberg Jan 1 2017

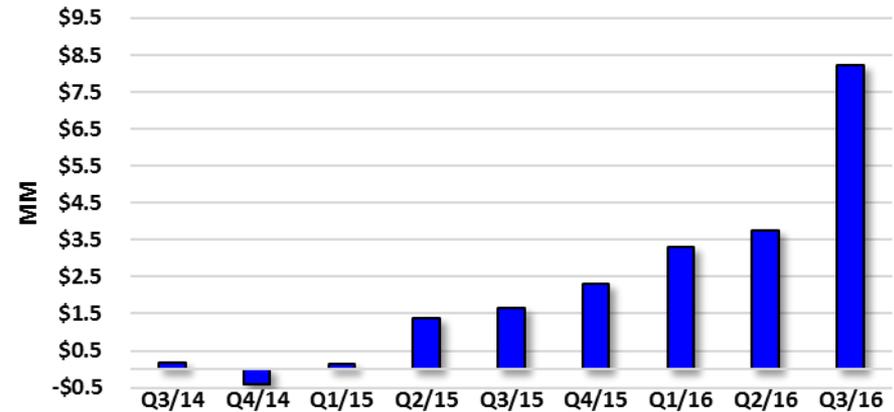
Modern Performance Trends



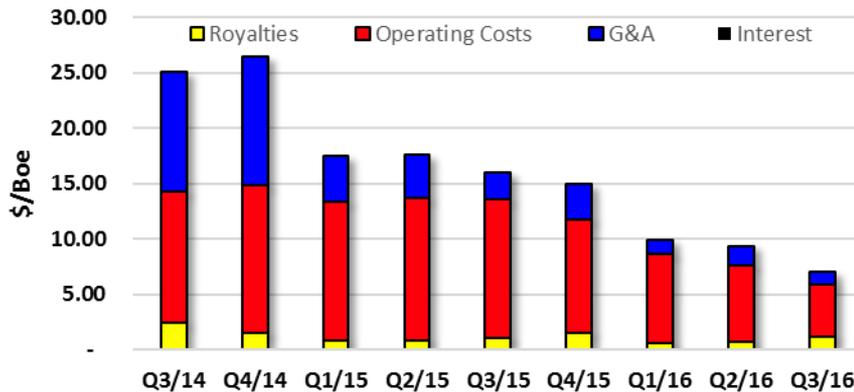
Total Production



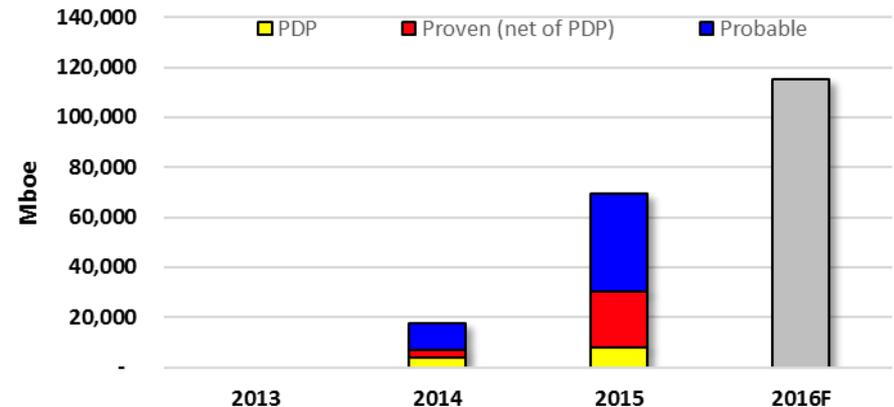
Corporate Cash Flow



Corporate Cash Costs



Independent Reserve Estimates ⁽¹⁾⁽²⁾



Succeeding in a Low Price Environment

(1) McDaniel & Associates Consultants Ltd.

(2) 2016F Internal estimate – McDaniel evaluation to be finalized Jan 31, 2017

MODERN CULTURE

- People – engaged, invested, aligned
- Community – respectful, open communication
- Environment – leadership, low emissions

MODERN ASSETS

- Quality – most economic gas play in the WCSB¹
- Scale – 689 locations, multi-Tcf OGIP, 500 mmbbl OOIP
- Control – 100% owned infrastructure
- Concentrated – 467 contiguous net sections
- Clean – minimal liabilities (LLR ~14)

MODERN RESULTS

- Top wells in Alberta²
- 15 mmcf/d IP30 rates (choked)
- High graded light oil asset
- \$0.53/mcfe F&D Spirit River
- ~\$5.00/boe operating costs³
- 115 mmboe 2P reserves⁴

Designed to Prosper in the 'Modern' Resource World

⁽¹⁾ Based on ¼ cycle payout - Peters & Co – “Crude Oil and Natural Gas Plays” 2016 01 19

⁽²⁾ Based on Public Peak Month Production Data ⁽³⁾ Q1 2017F ⁽⁴⁾ Internal estimate – McDaniel evaluation to be finalized Jan 31, 2017

Questions?

Modern 7-9-62-8W6 Gas Plant



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