

# Annual General Meeting

August 27, 2013

# Forward-looking Information and Statements



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# Corporate Overview



**Symbol:** RPC

**Exchange:** TSX-V

**Capitalization<sup>(1)</sup>:**

Shares: 59.4 mm

Options <sup>(2)</sup>: 8.5 mm

Warrants <sup>(3)</sup>: 22.6 mm

Broker Warrants <sup>(4)</sup>: 1.6 mm

Total F.D. <sup>(4)</sup> <sup>(6)</sup>: 93.7 mm

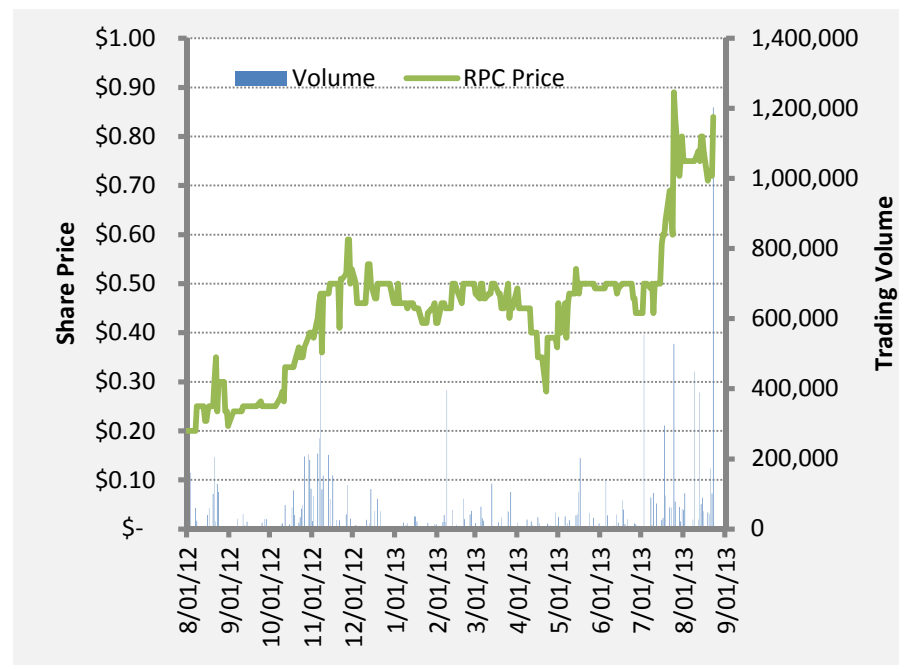
**Debt:** \$ 0.0 mm

**Cash <sup>(5)</sup>:** \$ 1.9 mm

**Warrants Proceeds <sup>(6)</sup>:** \$ 5.7 mm

Notes:

- (1) All share, option and warrant amounts as at 8/23/13
- (2) Options weighted average exercise price \$0.34
- (3) Warrants: 22,573,733 warrants exercisable for one common share at \$0.225 exercise price expiring Feb. 14, 2014
- (4) Broker Warrants: 1,633,333 paid as compensation for the Aug. 2012 financing. Each broker warrant is exercisable at \$0.15 for one Unit, each Unit consisting of one common share and one warrant (\$0.225 exercise price). Fully Diluted calculation includes Shares and additional warrants exercisable from the units totalling 3,266,666.
- (5) Cash balances estimated as at August 2013
- (6) Assumes exercise of all Warrants, Broker Warrants and Warrants pursuant to the Broker Warrants.



**Corporate Focus:**

Raise Production is focused on pioneering a novel horizontal production management system that will allow for consistent and uniform drawdown across the entire horizontal section of the wellbore which is anticipated to increase production and add incremental reserves.


- **Horizontal drilling and Multi-Stage Fracing (“MSF”) technologies are creating a boom in new oil & gas drilling**
- Significant existing Horizontal and MSF oil well inventory <sup>(1)</sup>:
  - + 6,000 in Canada
  - + 11,000 in U.S.A
- Continued growth forecast:
  - + 26,000 Horizontal and MSF liquids wells in USA to hold land over next 3 – 5 years <sup>(1)</sup>
- Industry focus on Completions Technologies
- All existing production management solutions for Horizontal /MSF wells are legacy pumps designed for vertical wellbore applications
- **There are no systems designed to specifically address the challenges of horizontal flow once production is established**

<sup>(1)</sup>Source: CIBC World Markets research “Too Much of A Good Thing...” Aug. 2012

# Missing Link...



- Oil & gas industry driven by technological innovation
- Vertical technologies well developed across all major stages of well life
- Horizontal technologies still developing:
  - MSF created new playing field, but there is no established artificial lift system to enhance well life and production rates specific to the horizontal section
  - Raise Production aims to be this “missing link”

	Drilling	Completion	Artificial Lift
<b>Vertical Technology</b>	Cable Tool Rotary Table Top Drive	Cased Hole Stimulation Sand Control	D/H Pumps Plunger Lift Gas Lift
<b>Horizontal Technology</b>	Rotary Steerable Whipstocks MWD	Liner Multi-Lateral Multi Stage Frac	

# Horizontal Flow & Common Decline Rates



- Significant variability in initial well characteristics:
  - Sandstones, Shales and Carbonates
  - Completion technologies
  - Lateral lengths
  - Reservoir characteristics
- Yields significant variability in initial production...

	Type Well Profile			
	Reserves (mboe)	IP Rate (boe/d)	Month 12 (boe/d)	1st Year Decline
<b>Canada</b>				
Bakken (SK)	150	160	55	-66%
Viking	75	70	25	-64%
Cardium	175	200	75	-63%
Amaranth	100	125	50	-60%
Tight Carbonates	300	300	100	-67%
<b>United States</b>				
Bakken & Three Forks	400	420	170	-60%
Eagle Ford	500	500	250	-50%
Permian	N/A	200	80	-60%

• But, surprising similarity in decline profile

Indicates there is a **flow challenge with all horizontal production independent of reservoir and completion specifics**

Data Source: CIBC World Markets, Oil & Gas Investor, but conclusions regarding horizontal flow are only attributable to Raise

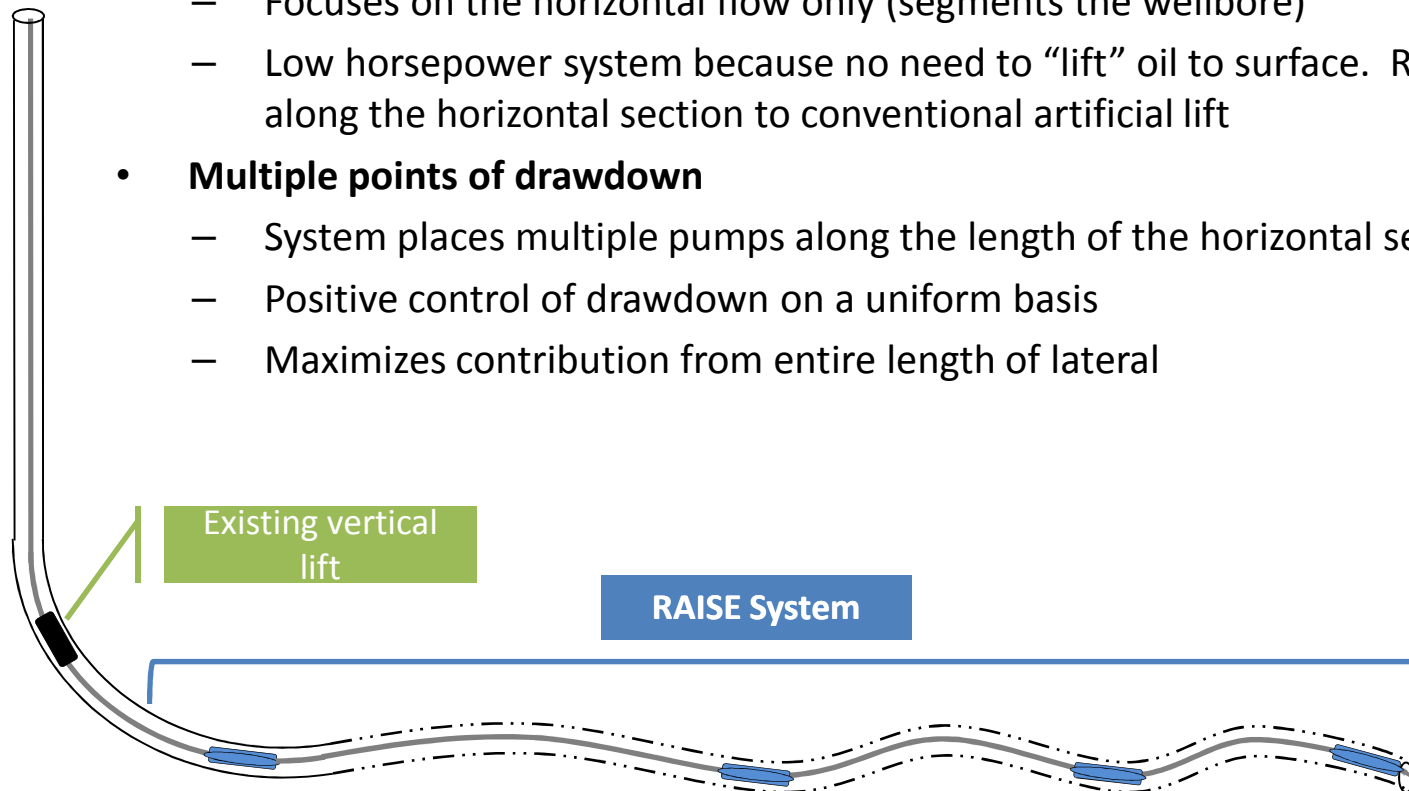
# Horizontal Production Issues



- Horizontal /MSF wells experience significant decline rates during the first two years of operation
- **Raise Production believes the lack of flow management in the horizontal section of the well is a significant contributor to steep declines:**
  - One point of draw down across multiple fracs leading to:
    - Isolation of the “toe”
    - Increasing gas to oil ratios
    - Inefficient mobilization of fluids across lateral
  - Build up of fluid in the horizontal section & “slugging effect” that reduces productivity of well
  - Low velocities and bottom hole pressures in horizontal section that brings gas and not fluids, and causes declining oil production

# Raise Solution

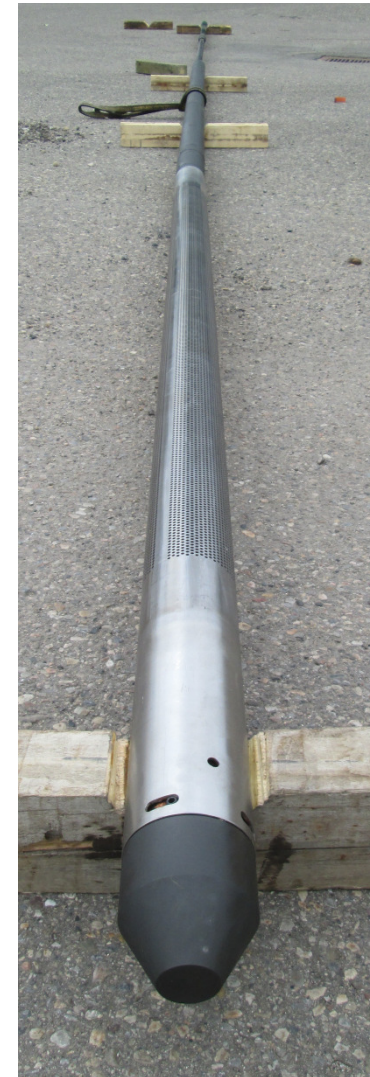
- Raise's production management system is designed to specifically address the horizontal section of wellbore:
  - **Compliments existing vertical lift**
    - Does not replace vertical lift
    - Focuses on the horizontal flow only (segments the wellbore)
    - Low horsepower system because no need to “lift” oil to surface. Rather, “sweep” oil along the horizontal section to conventional artificial lift
  - **Multiple points of drawdown**
    - System places multiple pumps along the length of the horizontal section
    - Positive control of drawdown on a uniform basis
    - Maximizes contribution from entire length of lateral





# Raise System: Key Aspects

- Fit for Purpose approach to System design
- Multiple pumps aligned in series firing in parallel
  - ✓ Simple mechanical system
  - ✓ Low horse power
  - ✓ Closed loop inert gas activated
  - ✓ 4 moving parts per pump
  - ✓ Pneumatic positive displacement
    - Pumps oil, water or gas
- Utilizes current industry infrastructure
  - ✓ Jointed pipe: Standard tubing and casing sizes
  - ✓ Service rig deployed
  - ✓ Scalable in size, capacity and application



# Path to Proto-Type System



- Raise has spent 2 ½ years and considerable effort developing the system to date:
  - Conceptual design
  - Industry focus groups
  - External consultant conducted concept and design audit
  - Detailed design
  - Material selection and component testing
  - Accelerated life testing (+2 years effective time) of parts and assembled system (in house)
  - IP applications (provisional patent Dec. '11, patent Dec. '12 with +40 device and method claims)
  - Industry partner recruitment
  - Proto-type construction
- Culmination of this work in August with deployment of proto-type System...

# Deployment

- Deployment of Proto-Type System near Kindersley, SK during the week of Aug. 12, 2013





# Proto-Type Performance Criteria

- Three major performance criteria, in order of descending importance:



## 1. Deployment

- Service rig
- 4 ½ inch casing
- Around the corner (Build section)
- Pump placement



## 2. Functionality

- Surface unit activation
- Pump activation and cycling



## 3. Production

- 60 day test period
- Stabilize & clean up
- Experiment with operating conditions



# Proto-Type vs. Commercial System



- Important to understand the current deployment is a proto-type System and not a commercial unit
- This deployment is still a part of Raise's System design and testing process
- Following adequate testing, Raise will move to a commercial System originally designed for shallow Viking reservoirs
- Comparison of current proto-type to plans for Viking commercial unit:

	Proto-Type	Commercial
<b># Pumps</b>	2	4
<b>Lateral Exposure</b>	< 50% "Heel" area	100% "Heel to Toe"
<b>Activation System</b>	2 sets of capillary lines	1 set of capillary lines
<b>Surface Unit</b>	Trailer	Skid
<b>Deployment Time</b>	5 Days	3 Days
<b>Operating Knowledge</b>	Limited	Established Protocols

# Path to Scale & Profitability



- **In Field Testing** 2013 & 1H 2014
  - 60 day on current Proto-Type
  - 2 additional deployments of expanded Systems
    - Requires industry partner approval
    - 4 pump systems & single activation
  
- **Commercialize Viking** 2H 2014
  - Finalize design, manufacture and operating procedures
  - Manufacturing:
    - QA & QC
    - Additional Staff
    - New facility
  
- **System Expansion & Deeper Reservoirs** 2H 2014 & 2015
  - Materials testing
  - Activation system
  - “On / Off” tool
  - Instrumentation

- **Last 12 months accomplishments:**
  - Strategy
    - Strategy for developing and commercializing Horizontal Production Management System
  - People
    - Important new hires
  - Financing
    - Completed 2 successful financings of \$3.5mm and \$2mm to support R&D
  - Relationships
    - E&P industry partner and key oilfield service providers
  - Product
    - Rapid development of our System from drawings to in the ground proto-type
  
- **Next 12 months goals:**
  - Completion of current testing (3 well program)
  - Commercialization of Viking





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