
DOUBLE
BARREL
ENERGY INC
Paid Back, Again & Again. Then Paid for Life.
Western Canada Sedimentary Basin Focused Royalties

THE OPPORTUNITY

Junior Producers Need Capital

Oil Pays

Supply shocks in 2026 pushed WTI near US$108 in October.

Juniors Need Capital

Banks lend against scale, and equity for a small producer is scarce and dilutive. Many juniors sit on wells that need only a workover or a reactivation to increase production

A Proven Instrument

Royalties are proven in oil finance: PrairieSky, Freehold and Topaz are billion-dollar listed royalty companies. None serve the C$1–3M junior segment.

Underserved Niche

We buy a share of the barrels already producing, Our capital allows increased production making our terms easy for Juniors. We then own barrels — not the company, and not its liabilities.



THE MODEL

Volume Production and Gross Overriding Royalties

1 PURCHASE

We pay the producer an upfront price for a royalty on its producing wells. Not a loan, not equity — and we never operate.

Typical purchase: C$1–3M.

2 COLLECT · YEARS 1–3

A Volume Production Royalty delivers a fixed number of barrels every month at market price, paid direct by the crude purchaser. Target: purchase price back in ~13 months, then again in years 2 and 3.

3 CONVERT · YEAR 4+

The VPR converts automatically into a Gross Overriding Royalty: a share of the pool's gross production, free of all costs, for the life of the wells.

4 REPEAT

Phase I cash pays the monthly dividend and buys the next royalty. Every purchase adds another lifetime GORR to the book.



WHAT IS THE OWNERSHIP STRUCTURE?

Royalties are registered interest in mineral titles, registered ahead of the producer's lenders. We never operate a well, and never pay a dollar of drilling, operating or abandonment cost. This structure is proven.

THE STRUCTURE

Typical Royalty Purchase

BASED ON A DRAFT PURCHASE OPTION AGREEMENT

Term	Typical structure
Purchase price	C$3,000,000
Phase I: VPR (Years 1–3)	70 bbl/d for 36 months — 76,650 barrels
Pricing	Actual terminal spot price, with no deductions for costs, royalties, diluent or hedges
Phase II: GORR (Year 4+)	2.5% gross overriding royalty on the lands for life, including new wells
Payment	Monthly cash, paid direct by the crude purchaser
Priority	Interest in land, registered at closing; paid from production before the producer's lenders
Remedies	Royalty-owner rights, specific performance and damages; no breach ends the royalty

Typical structure only. Each purchase is priced on an independent reserve report, and terms vary deal to deal.

OPERATIONS SIDE

Benefits to Producers

Junior Producers gain access to capital for expansion in easily repayable terms oil from production.

Operators Maintain Control

The producer keeps its company and all the upside above our royalty.

Paid in Oil

We are paid in barrels only plus a fixed percentage of production after the initial 3 year volume production royalty.

Capital to Expand

Producers put our capital into reactivations, workovers, recompletions and tuck-in acquisitions — work that can add more barrels than they deliver to us.

Swift Execution

One counterparty, pre-agreed terms, an exclusive option and a 60–90 day close. Our diligence is done before we commit, so the producer gets real funding certainty.



UNDERWRITING DISCIPLINE

It Pays To Be Picky

- **Producing today** — Royalties are only bought on wells which are already producing. We do not buy against unproven exploration or drilling risk in our underwriting case.
- **Payback test** — Purchase price must be fully recovered within 24 months at US$60 WTI and in ~13 months at US$95, on proved developed producing barrels only.
- **Deep coverage** — Our Phase I barrels are a small share of the pool, so the producer can deliver even if output dips.
- **Third-party verified** — Independent COGE reserve report, landman title review, downhole and facilities review.
- **Producer health** — AER standing and LMR, abandonment liabilities, existing lenders and hedges, operator history and management track record.



DOWNSIDE PROTECTION

Risk Mitigation

IN THE TITLE

- **Interest in Minerals** — Carved out of the producer's title and registered at Mineral Titles and against Crown leases.
- **Registered Above Debt** — Royalties are paid from production before the producer or its lenders.
- **Survives Asset Transfer** — Runs with the land. Any buyer takes the wells subject to our royalty, and the producer cannot seek an order selling free of it.
- **Royalty owner's lien** — Secures every royalty payment; the producer can grant nothing that ranks ahead of us.

IN THE CASH FLOW

- **Paid direct** — The crude purchaser pays our share straight to us under an irrevocable letter of direction.
- **No deductions** — We receive the actual terminal spot price, with no associated operation costs.
- **Shortfalls carry forward** — If output declines, delivery simply runs longer until all contracted barrels arrive.
- **Producer stays healthy** — We never take more than 40% of the pool's monthly oil, so the Operator remains solvent.
- **Zero cost or liability** — We are never the operator or licensee and therefore have operating, abandonment or reclamation exposure.; the producer indemnifies us.

THE ECONOMICS

Payback Math

VOLUME PRODUCTION ROYALTY FOR 36 MONTHS THEN 2.5% GORR FOR LIFE

WTI (US$)	Terminal price (C$/bbl)	Phase I cash / yr	Payback	3-yr Phase I multiple	8-yr IRR incl. GORR
$60	C$60	C$1.54M	~23 mo	1.5x	~36%
$65	C$67	C$1.72M	~21 mo	1.7x	~47%
$70	C$74	C$1.90M	~19 mo	1.9x	~58%
$80	C$88	C$2.25M	~16 mo	2.3x	~80%
$95 (base)	C$109	C$2.79M	~13 mo	2.8x	~115%
$110	**C$130**	**C$3.33M**	**~11 mo**	**3.3x**	**~154%**

THE ROYALTY IS EXTRA

After 76,650 barrels, the GORR pays 2.5% of everything the producer's lands produce, free of costs and royalties, for life. At 250 bbl/d and US$95 that is ~C$250K a year.

PROTECTED DOWNSIDE

If pool output dips, delivery runs longer until all 76,650 barrels arrive. Nothing comes off our barrels for costs or Crown royalties



Per C$3M purchase. Terminal price US$17/bbl below WTI (post-TMX WCS discount ~US$13 plus heavy-oil quality); the WCS discount was wider, ~US$27, on Nov 2, 2026. FX 1.40; no deductions; flat prices; payback in production months (cash arrives the month after production). GORR on 250 bbl/d from the lands, declining 10%/yr. Illustrative, not a forecast.

THE PIPELINE

Additional Royalties Under Negotiation

✓ Royalty #1 — Lloydminster area, Mannville pool. C$3.0M for 70 bbl/d until 76,650 barrels, then a 2.5% GORR on the producer's lands in AB, SK and BC. Funds the producer's acquisition; purchase option agreement drafted.

✓ Royalty #2 — Central Alberta, Light Oil C$1.0M for 25 bbl/d over 36 months, converting to a 2.5% GORR on the pool. Exclusive option term sheet in negotiation.

✓ Additional producers in discussion;

✓ Options sized to this raise — 60–90 day exclusive options; no competing royalty, stream or debt while they run.



No purchase is committed until Double Barrel delivers a funding notice. Terms are subject to diligence and definitive agreements.

THE COMPOUNDING ENGINE

$5M Becomes $10–19M + Royalties

YEAR 1 · DEPLOY

C$4.2M

two royalties bought within six months of closing. First royalty cash in month 4; monthly dividend from month 6.

YEARS 2–3 · RECYCLE

C$19.2M

Phase I cash buys more royalties: about C$19.2M bought by end of Year 3 at US$95 (C$10.2M at US$70), with no new equity and the dividend paid.

YEAR 4+ · HARVEST

GORR

Each Phase I rolls into a lifetime GORR, and the book keeps growing as recycled purchases convert.

THE COMPOUNDING MATH — ILLUSTRATIVE

Our first C$3M purchase returns ~C$8.4M over three years at US$95 (2.8x), then leaves a 2.5% GORR on all of the producer's lands: ~C$250K a year at 250 bbl/d, for life.

Model: C$5M raise; C$0.15M listing costs; C$4.2M in three initial royalties plus C$0.15M diligence; G&A C$650K/yr; 9% dividend from month 6; tax 23% after purchase-price recovery; recycling in C$0.25M steps on the same terms; terminal price US$17 below WTI; GORR 2.5% of 250 bbl/d per C$3M, declining 10%/yr. Range is US$70 to US$95 WTI; the US$95 case needs ~C$15M of new purchases on the same terms in Years 1–3. Illustrative.

SHAREHOLDER RETURNS

9% Dividend

9%
target annual yield on the issue price, paid monthly

5.8x
earnings coverage at US$95 in Year 2, after purchase-price recovery

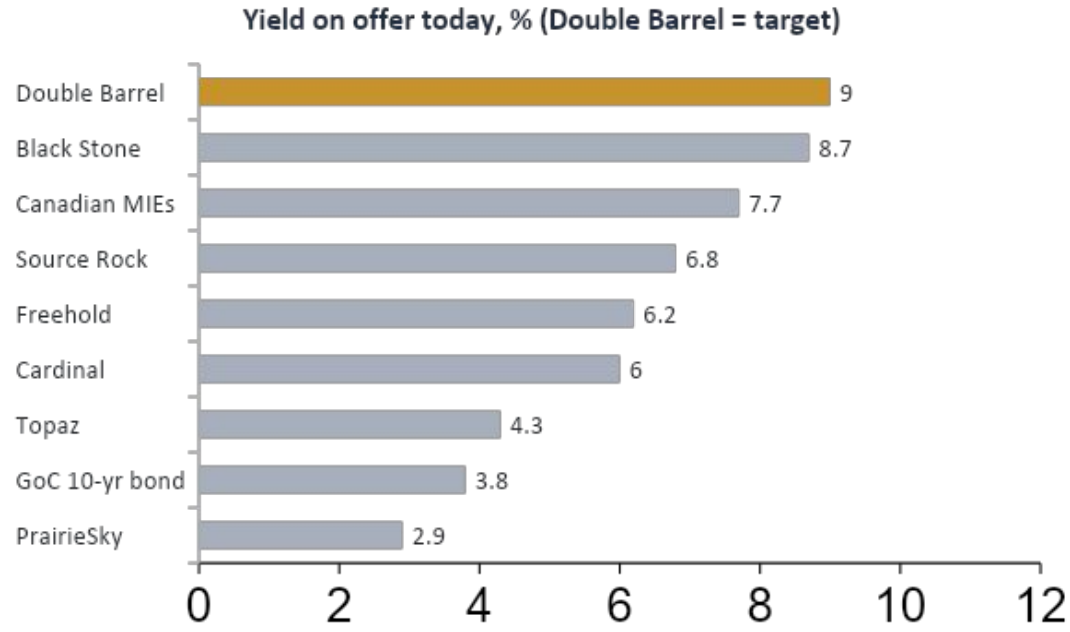
11x
cash coverage at US$95 in Year 2

THREE RULES

1 Dividends are paid from royalty income only. Double Barrel has a target of month 6.

2 Capital goes back to work. The purchase-price share of every barrel buys new royalties; dividends come from what is left.

3 Base plus special. A base that royalty cash covers over 4x even at US$60, and a year-end special when oil is strong.



Dividends are declared at the Board's discretion and are not guaranteed. Peer yields Jul–Oct 2026 (MarketBeat, Kalkine, Investing.com, StockAnalysis, Bank of Canada, WOWA). Coverage per Double Barrel's illustrative model.

MARKET COMPARABLES

Paid Back in Months, Not Years

LISTED ROYALTY COMPANIES

Buyer — royalty bought	Announced	Price paid	Royalty volume at purchase	Price per flowing barrel a day	Price ÷ annual royalty cash
Topaz Energy 5% GORR · Clearwater heavy oil, Alberta	Sep 2022	C$265M	834 bbl/d	C$318K	7.6x
Source Rock Royalties GORR · Clearwater heavy oil, Alberta	Dec 2023	C$8.0M	~43 bbl/d	C$186K	~6.9x (est.)
Freehold Royalties Royalties · Midland Basin, Texas	Dec 2024	C$216M	~1,300 boe/d	C$166K	7.0x
PrairieSky Royalty Fee title & GORRs · Alberta and Saskatchewan	Jan 2025	C$50M	~350 boe/d	C$143K	Not disclosed
Kimbell Royalty Minerals & royalties · Permian, Texas	May 2026	US$147M	1,390 boe/d	C$148K	6.3x
Double Barrel VPR, then 2.5% GORR · Lloydminster heavy oil	**Typical, 2026**	**C$3.0M**	**70 bbl/d (years 1–3)**	**C$43K**	**1.1x (1.6x at US$70)**

WHAT THEY GET

A perpetual royalty at 6–8x cash flow: about 40% of the price back in three years, and roughly 8–16% a year if drilling holds volumes up.

WHAT WE GET

Our price back in ~13 months at US$95 (~19 at US$70), 1.9x–2.8x in three years, then a 2.5% GORR for life at no extra cost.

WHY THE GAP EXISTS

The large royalty companies buy C$50M+ packages. Few buyers serve juniors needing C$1–3M, so we set terms one-on-one, then underwrite hard (page 7).

Sources: company releases — Topaz, Sep 12, 2022 (revenue annualized from Q2 2022, WTI ~US$108); Source Rock, Dec 6, 2023 (multiple is our estimate at US$70 WTI and a US$17 differential); Freehold, Dec 9, 2024 (2025E net royalty revenue at US$70); PrairieSky, Q4 2024 results; Kimbell, May 19, 2026 (next-12-month cash flow at strip). boe 6:1; FX 1.40. Peer royalties are perpetual and can grow with drilling; our Phase I volume is fixed for three years, then converts to a smaller GORR. Peer returns assume flat to 5%/yr declining cash flow. Double Barrel figures from page 8. Illustrative.

CAPITAL & ALIGNMENT

C$5M Raise

USE OF PROCEEDS — CURRENT RAISE

Allocation	Amount
CTO revocation, audit, legal and financing costs	$150,000
Transaction diligence: reserve reports, title, legal	$150,000
Working capital, Marketing	$500,000
Royalty purchases (two transactions)	$4,200,000
TOTAL RAISE	$5,000,000

A LISTED SHARE, NOT A LOCKED-UP FUND

Double Barrel intends to go public through a TSX Venture issuer that is applying to revoke its cease trade order.

ALIGNED

Management invests alongside shareholders. Lean G&A, no external manager and no fees on royalty income — royalty cash flows to the dividend and to new royalties.

PATH TO THE FIRST DIVIDEND

1. C$5M raise and CTO revocation
2. First royalties close, months 2–6
3. Royalty cash begins, month 4
4. Monthly dividend starts, month 6

Allocation is a draft for discussion. Not an offer to sell securities; any offering is made only under an available prospectus exemption.

THE TEAM

Capital Markets Oil Patch Veterans



Dallas La Porta

CHIEF EXECUTIVE OFFICER & DIRECTOR

Mr. La Porta has a track record of transforming bold concepts into revenue-generating ventures. He has built teams to scale companies across diverse industries and secured patents spanning multiple sectors, demonstrating a capacity to grasp complex challenges, innovate, and translate ideas into commercial outcomes.



Stephen Hughes

VP, TECHNICAL & UNDERWRITING

Stephen learned the technical side of oil and gas before moving into investment banking. He brings deep understanding of the Alberta oil and gas sector, from day-to-day field operations to foundational corporate strategy. Well-versed in the regulatory landscape of the Alberta Energy Regulator, he leads technical underwriting on every producer we fund: reserves, well integrity, liability management and AER standing.



Brian Gusko

DIRECTOR

Mr. Gusko holds an MBA from the University of Calgary and brings 20+ years in capital markets, having helped raise over $75 million across various enterprises. He has served as CFO and board member of multiple private and public companies, co-founded an international telecom infrastructure company, and facilitated the interlisting of 10+ companies on the Frankfurt Stock Exchange.

DOUBLE BARREL
ENERGY INC

Own a share of Alberta's producing oil. Get paid back, again and again.

C$5M
CURRENT RAISE

9%
TARGET MONTHLY DIVIDEND

~13 mo
PAYBACK AT US$95 WTI



CONTACT

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Double Barrel Energy Inc. — Confidential, November 2026. Deal terms show a typical structure and vary by transaction. Returns depend on oil prices and are not guaranteed. Market data: Crude Oil Now, Bank of Canada, MarketBeat, Kalkine, Investing.com, StockAnalysis, WOWA. Illustrative and forward-looking; not an offer to sell securities.