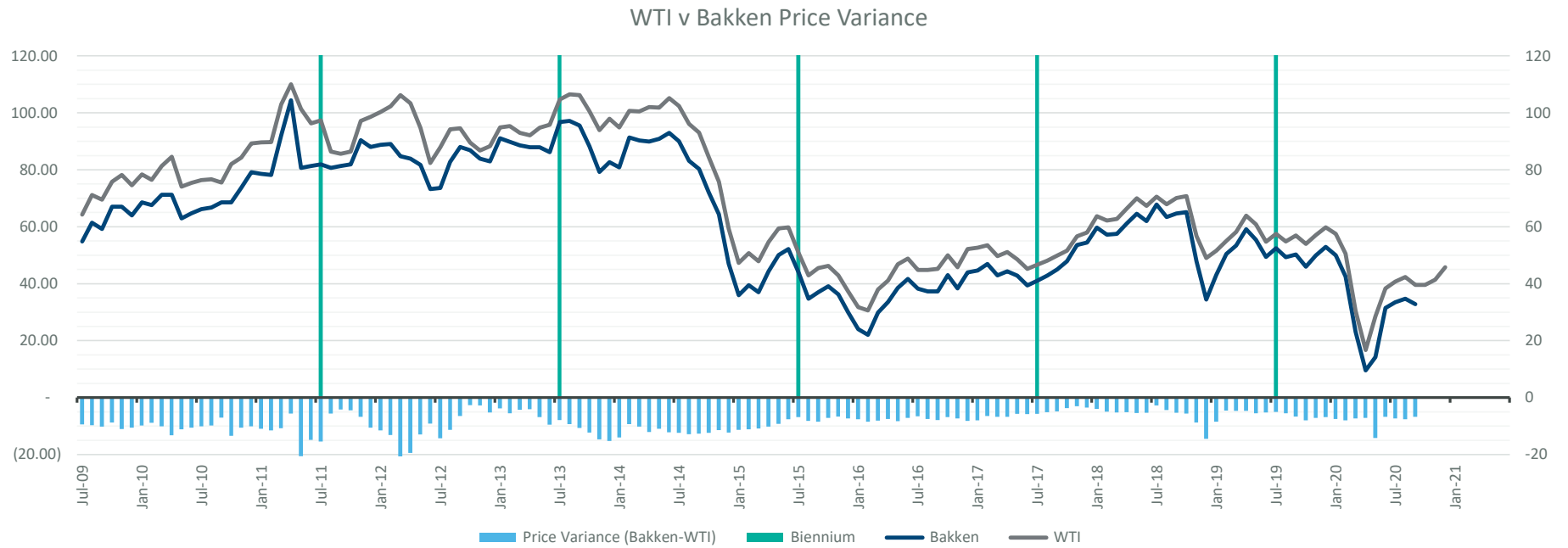
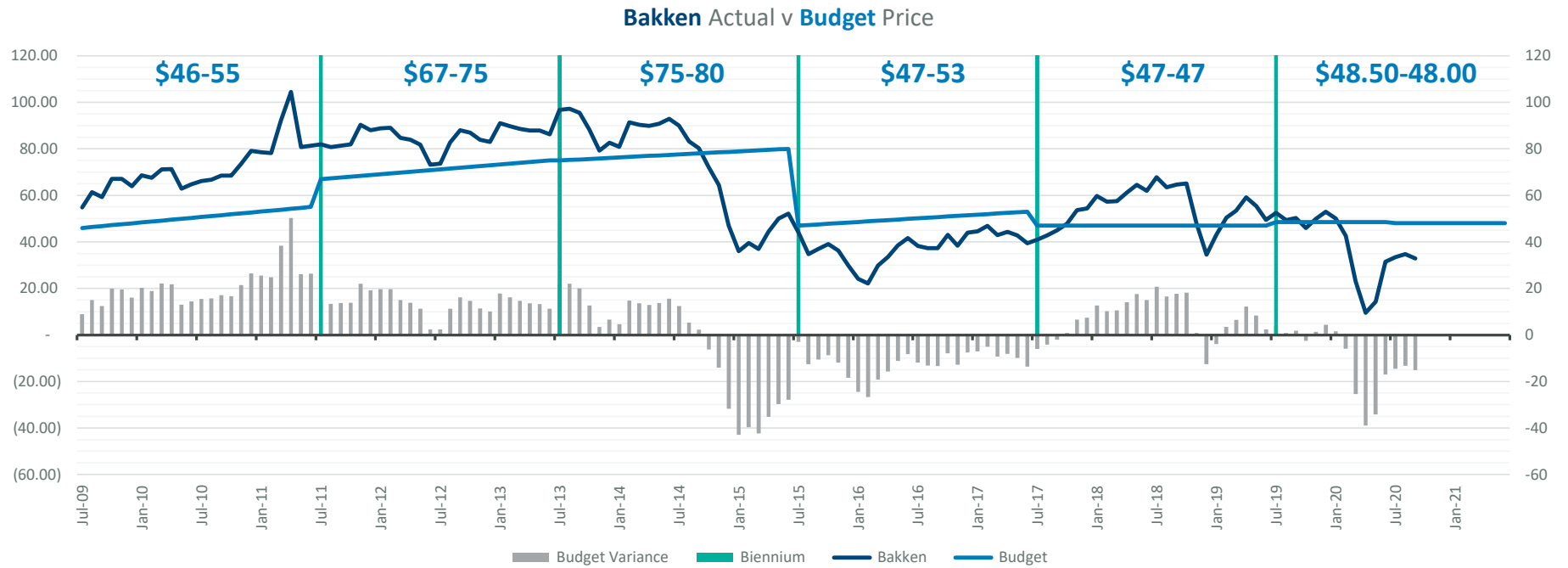


# Historical Price Perspective – WTI v Bakken



Price Variance (Bakken - WTI)	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21
	(10.82)	(8.85)	(11.41)	(7.35)	(5.47)	(7.49)

# Historical Price Perspective – Biennial Budget Oil Price v Actual



Price Variance (Actual - Budget)	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21
	21.09	13.80	(3.68)	(12.09)	7.21	(10.22)

---

## Hedging Instruments Primarily Used in Project

- **Put Option**

- Pay a premium, and establish a floor
  - May not receive any payment if price does not reach floor
- Minimize downside risk while still participating in upside

- **Costless Collar**

- No upfront cost or premium
- Lock in a ceiling and floor price
  - Minimizes downside risk and upside opportunity

## Payment summary

The hedge portfolio has so far earned BND more than \$94 million in payouts

- The drop in oil prices led to significant payouts on hedges between April and September.
- In total, employing the hypothetical hedging program would have **netted ~\$80mm over 12 months**, mitigating the losses caused by declining oil prices.
- *If oil instead had a strong year, BND would not have recovered any of the \$14mm in premium payments, but this cost may be offset by increasing oil-related revenues.*
- In addition to payouts already received, the portfolio of remaining active trades has a value of **\$29.6 million**, with coverage extending to September 2022.

Date	Premiums	Settlements	Additional notes
Sep-19	-5,597,640	0	Purchased put option
Oct-19	0	0	
Nov-19	0	0	
Dec-19	-1,379,974	0	Purchased put option
Jan-20	0	0	
Feb-20	0	0	New costless collars (no premiums)
Mar-20	0	20,472,202	First payout following WTI collapse
Apr-20	0	33,910,944	
May-20	0	20,116,260	
Jun-20	-7,774,500	6,275,317	Purchased put option
Jul-20	0	4,686,728	
Aug-20	0	3,434,774	
Sep-20	0	5,425,305	
<b>Total</b>	<b>-14,752,114</b>	<b>94,321,530</b>	