

October 21, 2021

To the Shareholders of Alpine Summit Energy Partners, Inc. (“Alpine Summit” or the “Company”):

Alpine Summit is a US-based energy developer and financial company focused on maximizing growth and compounding equity value. The Company’s founding tenant was simple -- connect capital closely to wellhead economics while keeping overhead low and land inventory matched to near-term drilling pace. In a near-zero interest rate environment, there seemed few places to deploy capital as reliably.

Our success depends, in large part, upon the Company’s underwriting and operational expertise. The Company’s historic production record would suggest that, in general, we have been able to turn US\$1.00 of invested capital into an asset worth ~US\$1.60-US\$1.80 in approximately 90 days in the current commodity price environment, even allowing for various unexpected problems associated with developing at the wellhead. Even though our access to inventory, underwriting and operational experience keeps improving, we would still happily accept our current track record over a long period of time. These levels of returns are far in excess of what our development peers in residential, multifamily or commercial real estate can earn and do not rely on the traditional use of leverage during development. The assets are also self-liquidating, which makes them their own catalyst.

Alpine Summit’s externally funded development partnerships are structured to fund drilling programs in discrete packages of wells, typically five wells at a time. As currently structured, capacity production for Alpine Summit is limited to around 25 to 30 wells per year (or five to six packages). The Company is tracking to drill 15 wells in 2021, and anticipates increasing the drilling pace in 2022, assuming market conditions allow. We believe we have access to the required capital to execute on that plan through our development partnership structure and existing and future credit facilities. The illustrative economics of oil and gas development suggest that in the current commodity price environment and using our historic track record, that by drilling 16-30 wells per year a developer would be able to generate ~\$125MM to ~\$235MM of gain in net asset value per year.

Transitioning to a global economy without hydrocarbons is not a simple task, and will likely be a long and complex process. In the course of this transition, it’s worth remembering that the advent of fossil fuels is responsible for a significant share of the improvements in the standard of living of the human race.

PRINCIPLES

1. Partnership and Alignment - We operate this Company with a partnership mindset. The management team and board members have a substantial ownership stake in the Company and view our shareholders as our partners.

2. Goals - Our long term objective is the same as it has been from the beginning - to compound shareholder capital. We think the most appropriate way to measure ourselves against this goal is on a per share return on equity basis.
3. Capitalization - We generally operate with less leverage than is typical for the industry and use debt sparingly. Currently, only our developed oil and gas wells have modest leverage, and as a whole our enterprise is conservatively capitalized. The unlevered asset level returns are high enough that application of leverage is unnecessary to meet our return hurdles.
4. Communication - Apart from required financial filings and press releases, our primary mode of communication with shareholders will be an annual shareholder letter and an annual meeting. We do not plan on hosting quarterly conference calls.

Best Regards



Craig Perry & Team