



# PROPOSAL FOR CHANGE

(Note: All amounts in US Dollars unless otherwise noted.)

April 2015



## ADDITIONAL INFORMATION

West Face SPV (Cayman) I L.P. (“West Face SPV”) intends to make a filing with the Securities and Exchange Commission of a proxy statement and an accompanying proxy card to be used to solicit proxies in connection with the 2015 Annual Meeting of Stockholders (including any adjournments or postponements thereof or any special meeting that may be called in lieu thereof) (the “2015 Annual Meeting”) of the Company. Information relating to the participants in such proxy solicitation has been included in materials filed on April 21, 2015 by West Face SPV with the Securities and Exchange Commission pursuant to Rule 14a-12 under the Securities Exchange Act of 1934, as amended. Stockholders are advised to read the definitive proxy statement and other documents related to the solicitation of stockholders of the Company for use at the 2015 Annual Meeting when they become available because they will contain important information, including additional information relating to the participants in such proxy solicitation. When completed and available, West Face SPV’s definitive proxy statement and a form of proxy will be mailed to stockholders of the Company. These materials and other materials filed by West Face SPV in connection with the solicitation of proxies will be available at no charge at the Securities and Exchange Commission’s website at [www.sec.gov](http://www.sec.gov). The definitive proxy statement (when available) and other relevant documents filed by West Face SPV with the Securities and Exchange Commission will also be available, without charge, by directing a request to West Face SPV’s proxy solicitor, Okapi Partners, at its toll-free number (877) 796-5274 or via email at [info@okapipartners.com](mailto:info@okapipartners.com).

### ***Cautionary Statement Regarding Forward-Looking Statements***

The information herein contains “forward-looking statements.” Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “targets,” “forecasts,” “seeks,” “could” or the negative of such terms or other variations on such terms or comparable terminology. Similarly, statements that describe our objectives, plans or goals are forward-looking. Our forward-looking statements are based on our current intent, belief, expectations, estimates and projections regarding the Company and projections regarding the industry in which it operates. These statements are not guarantees of future performance and involve risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to differ materially. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and actual results may vary materially from what is expressed in or indicated by the forward-looking statements. All amounts in US Dollars unless otherwise noted.



# EXECUTIVE SUMMARY



## OVERVIEW OF WEST FACE CAPITAL

### **West Face Capital (West Face) Manages Approximately \$2.0 Billion In Assets**

- West Face makes concentrated investments in businesses and seeks to make positive changes to create value for all shareholders.
- West Face is comfortable with holding periods of four years or more for core positions.

### **Gran Tierra Energy Inc. (GTE or Company) Is A Core West Face Position**

- West Face, together with a management team headed by Gary Guidry (we), are working to enact change at GTE.
- With a 9.8% interest, we believe we are GTE's largest shareholder and that change is required to build sustainable value for all shareholders.



**If You Share Our Views, Now Is The Time To Be Heard**






# WEST FACE HAS A LONG-TERM INVESTMENT PERSPECTIVE

West Face's Holding Period For Core Investments Is Typically **4 Years** Or More

## We are not seeking:

-  A quick flip of assets
-  Financial engineering

## We are seeking to:

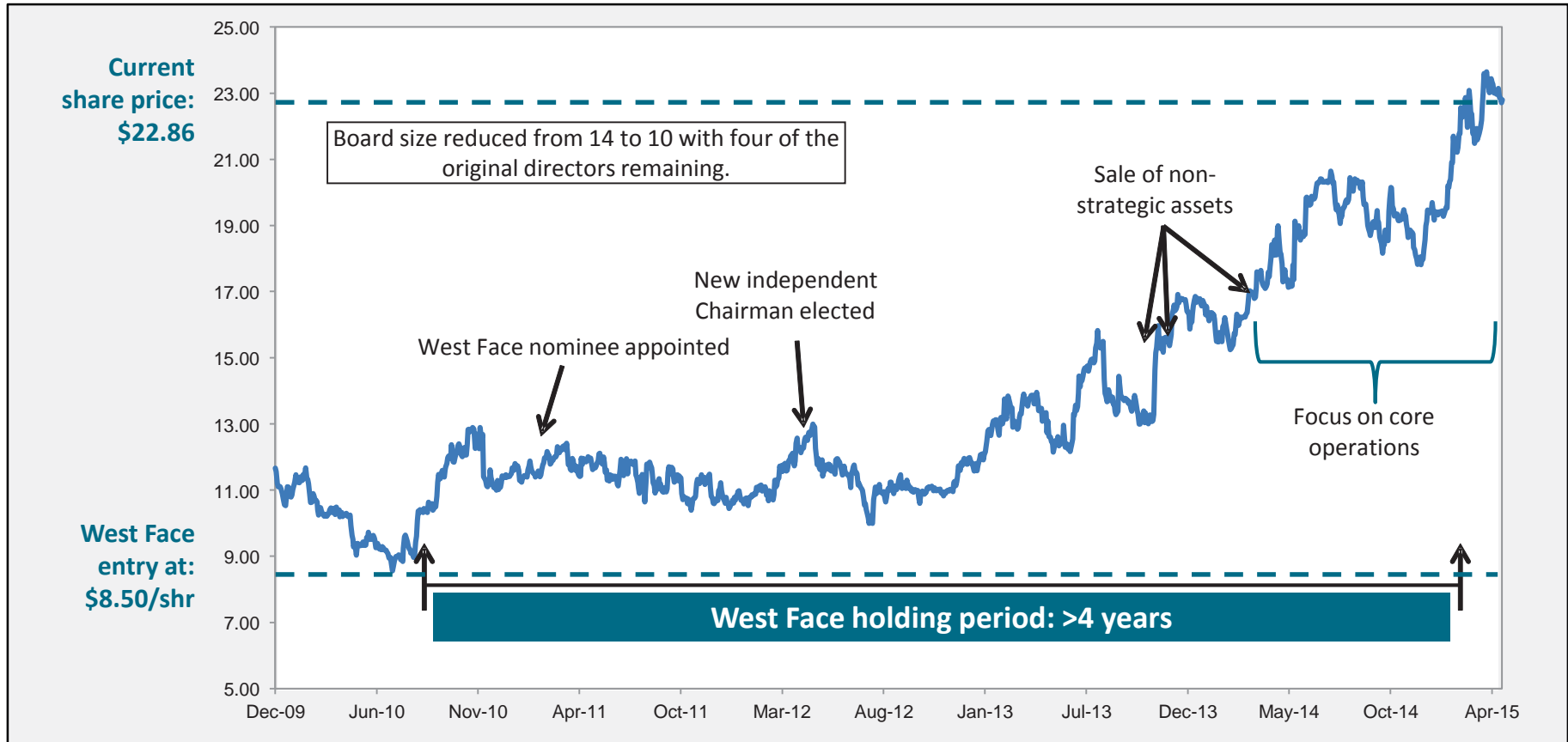
-  Halt value-destroying activities that we believe have defined GTE for more than 4 years
-  Change management to drive value creation at GTE
-  Improve governance and accountability at GTE

**We Are Committed To Creating Value At GTE For The Long-term For All GTE Shareholders**



# MAPLE LEAF FOODS CASE STUDY

Over Its 4-year Holding Period, West Face Improved Governance  
And Helped Unlock Considerable Value For All Shareholders



**All Shareholders Have Benefited From West Face's Involvement In Maple Leaf Foods**



# WHY WE BELIEVE CHANGE IS NEEDED AT GTE

- 1** Lack of proper oversight has resulted in significant reduction of the Company's value
- 2** Ineffectual governance and lack of accountability
- 3** Absence of a coherent strategy
- 4** Bloated overhead costs
- 5** Misaligned interests between shareholders and directors

**The Result: Poor Absolute And Relative Performance In The Company's Share Price**



# WHY NOW IS THE TIME FOR CHANGE

- 1 Hasty and inadequate senior management changes**
- 2 Weak board with history of poor oversight and risk management**
- 3 Risk of rash business combination or capital deployment using significant cash resources or common shares**
- 4 The Company needs to hear from shareholders to improve leadership and oversight**

**We Believe That GTE Has Significant Potential Under The Right Leadership**





# WHAT IS WEST FACE'S PLAN?

## West Face Proposes A Refocused Strategy

- Refocus on Colombia
- Address cost structure
- Improve capital allocation

## West Face Proposes A Refreshed Board And New Management

- We believe new leadership is required
- Gary Guidry is a proven value creator
- West Face's Board candidates are well qualified to oversee GTE's development

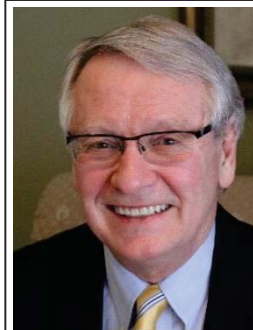


# PROPOSED DIRECTORS: STRONG CREDENTIALS



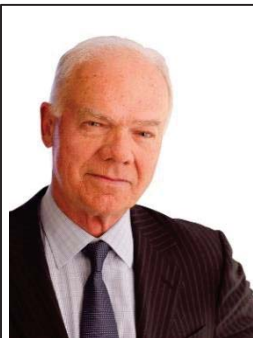
## Gary Guidry

Proven value-creating CEO with 35 years of experience in international exploration and development, including South America. 2014 Oil Council CEO of the Year



## Robert Hodgins

More than 30 years of experience in finance positions including as CFO of major public energy companies. Serves as director and Chairman of the Audit Committee at several high-profile public oil and gas companies



## Peter Dey

More than 40 years of experience in law, investment banking, corporate governance and on Boards of Directors. Former Chair of the Ontario Securities Commission and advisor to the Toronto Stock Exchange and OECD on governance



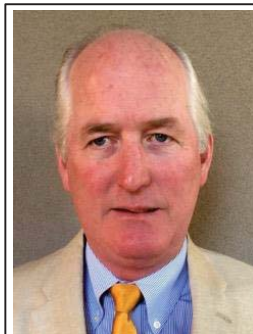
## Ronald W. Royal

Senior executive and corporate director with an engineering background. Over 35 years of experience in international upstream operations with global energy companies



## Brooke Wade

Founder and successful CEO of international chemical companies and with more than 35 years of proven entrepreneurial leadership. Extensive finance, audit and governance experience across several industries, including oil and gas



## David Smith

Chairman of a major energy-related company with 30 years' background in investment banking, research and management. Significant board experience with a track record of value creation



**Gary Guidry Will Be Supported By A High Performing Board With The Expertise To Implement Our Plan**







# GARY GUIDRY'S TRACK RECORD: EXCEPTIONAL



## Gary Guidry

- ✓ Accomplished CEO
- ✓ Proven leadership
- ✓ Results oriented
- ✓ Purchased more common shares than all GTE insiders combined since 2008<sup>(1)</sup>
- ✓ Oil Council Executive of the year in 2014

Company	Role	Tenure	Annualized Return
 <b>CARACAL</b> ENERGY INC.	CEO	3 years	24% <sup>(2)</sup>
 <b>ORION</b> OIL & GAS CORPORATION	CEO	2 years	52% <sup>(3)</sup>
 <b>TANGANYIKA</b> OIL COMPANY LTD	CEO	4 years	53% <sup>(4)</sup>
 <b>Calpine</b> Natural Gas Trust	CEO	2 years	48% <sup>(5)</sup>

**Shareholders Made An Average Annual Return of ~45%  
At The 4 Prior Companies Where He Was CEO**

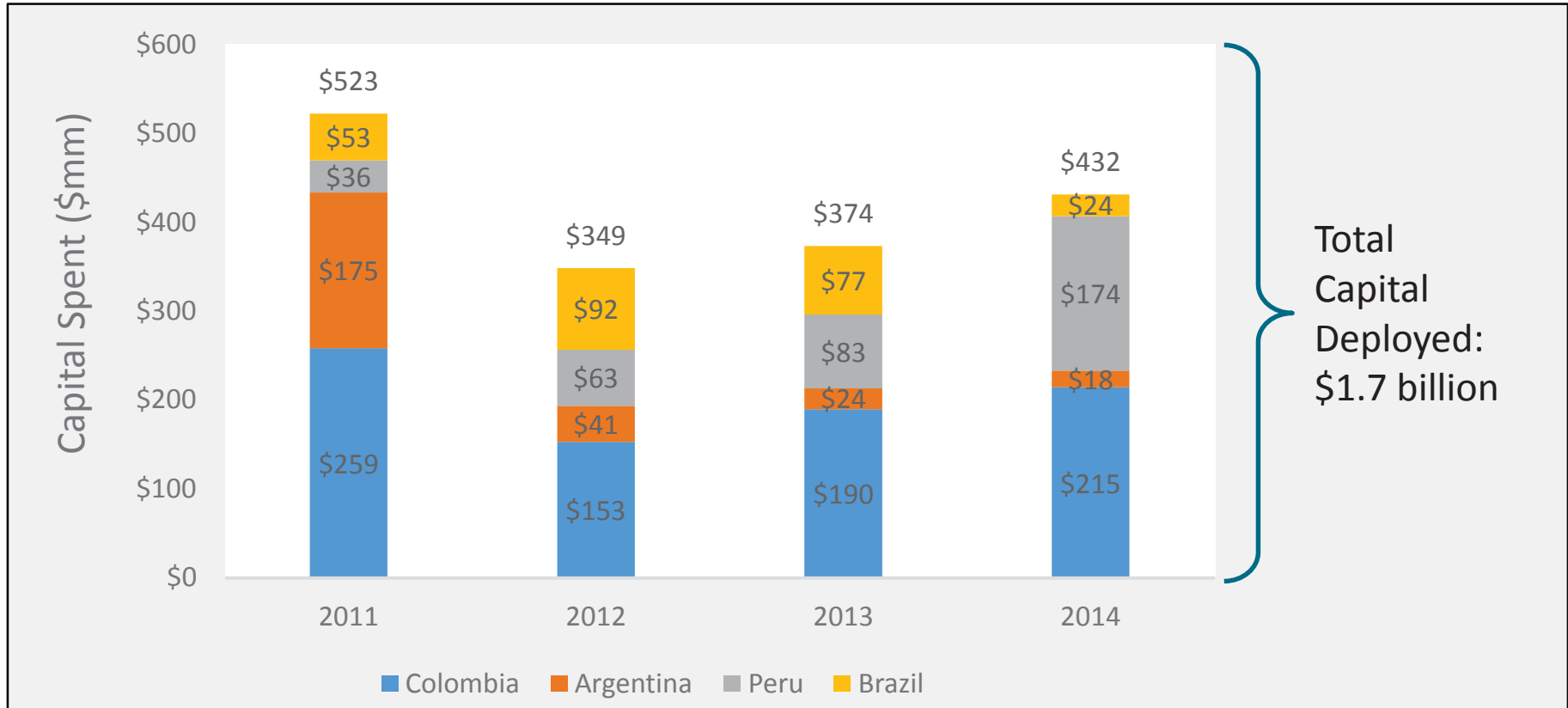


# GTE: A HISTORY OF POOR CAPITAL ALLOCATION



# FROM 2011-14, GTE DEPLOYED OVER \$1.7 BILLION IN CAPEX AND ACQUISITIONS...

Of The \$1.7 Billion, Approximately \$860 Million Was Spent In Peru, Argentina, And Brazil



## More Than 50% Of Capital Deployed Outside Of Colombia

Source: GTE 10-K filings from 2011 to 2014

Note: Capital spent includes capital expenditures and acquisitions. Capital deployed in 2011 includes the \$195 million Petrolifera acquisition. We allocated the purchase price according to geographic distribution of 2P PV10 reserve value based on Petrolifera's December 31, 2010 Annual Information Form.



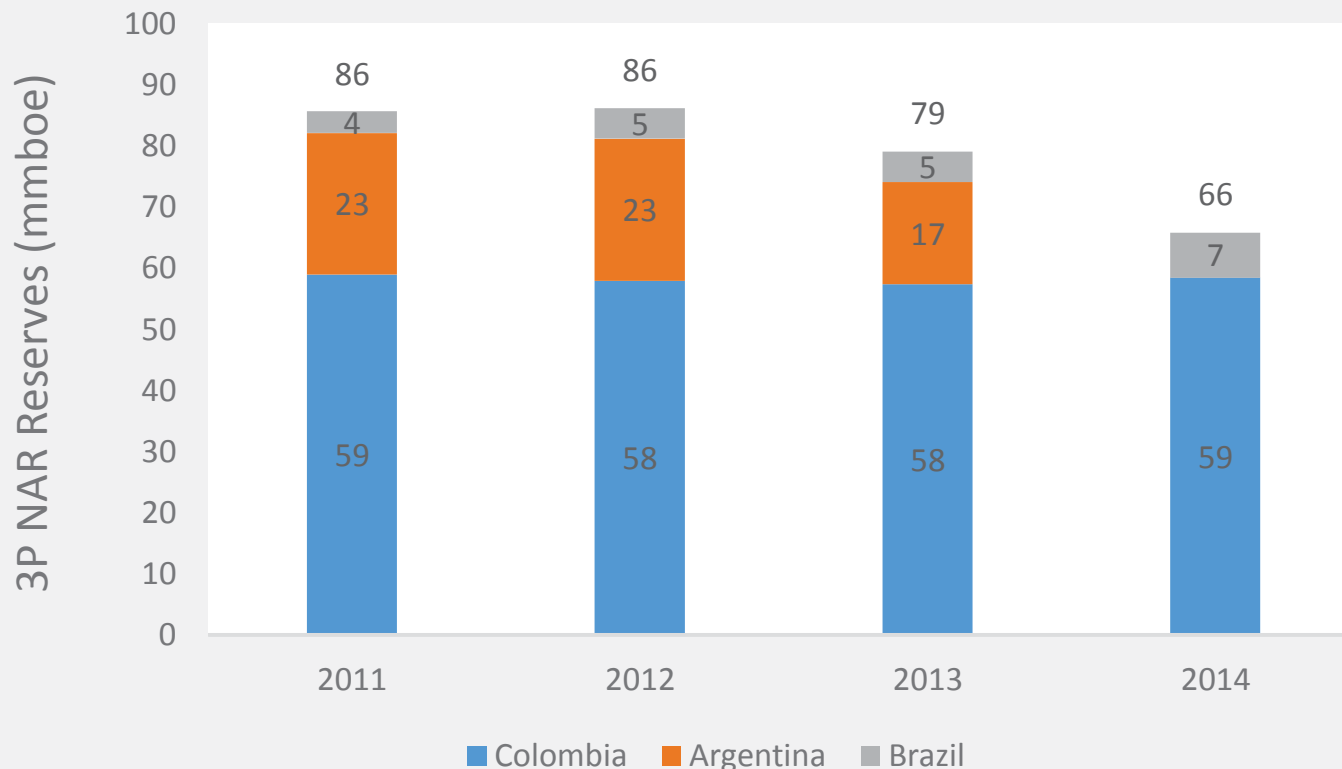
# ...WITH NO MATERIAL GROWTH IN RESERVES...

Colombia 2011-2014 CAGR  
Argentina 2011-2013 CAGR

-0.3%  
-15.0%

Brazil 2011-2014 CAGR  
Peru 2011-2014 CAGR

27.5%  
0.0%



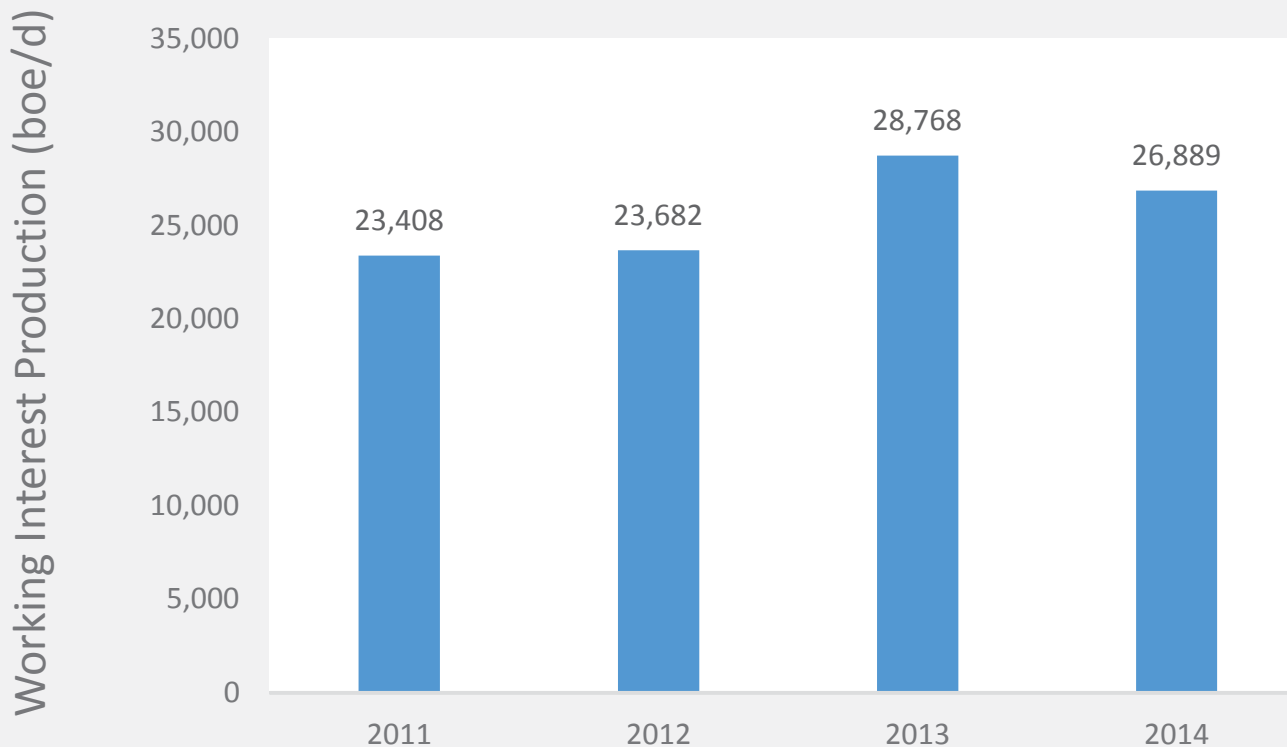
**Despite Spending \$1.7 Billion Over 4 Years, There Has Been No Material Reserve Growth**

Source: Press releases dated: February 6, 2012, February 4, 2013, February 9, 2014, and February 2, 2015.

Note: Argentina business unit was sold in 2014. We exclude reserve bookings for Peru in 2013 and 2014 because of poor drilling results in the Bretana Sur 95-3-4-1X well as disclosed in GTE's press release on January 20, 2015.



## ...AND NO MATERIAL INCREASE IN PRODUCTION



**Despite Allocating More Than 50% Of Capital To Peru, Argentina, And Brazil, Production Still Comes Predominantly From Colombia**

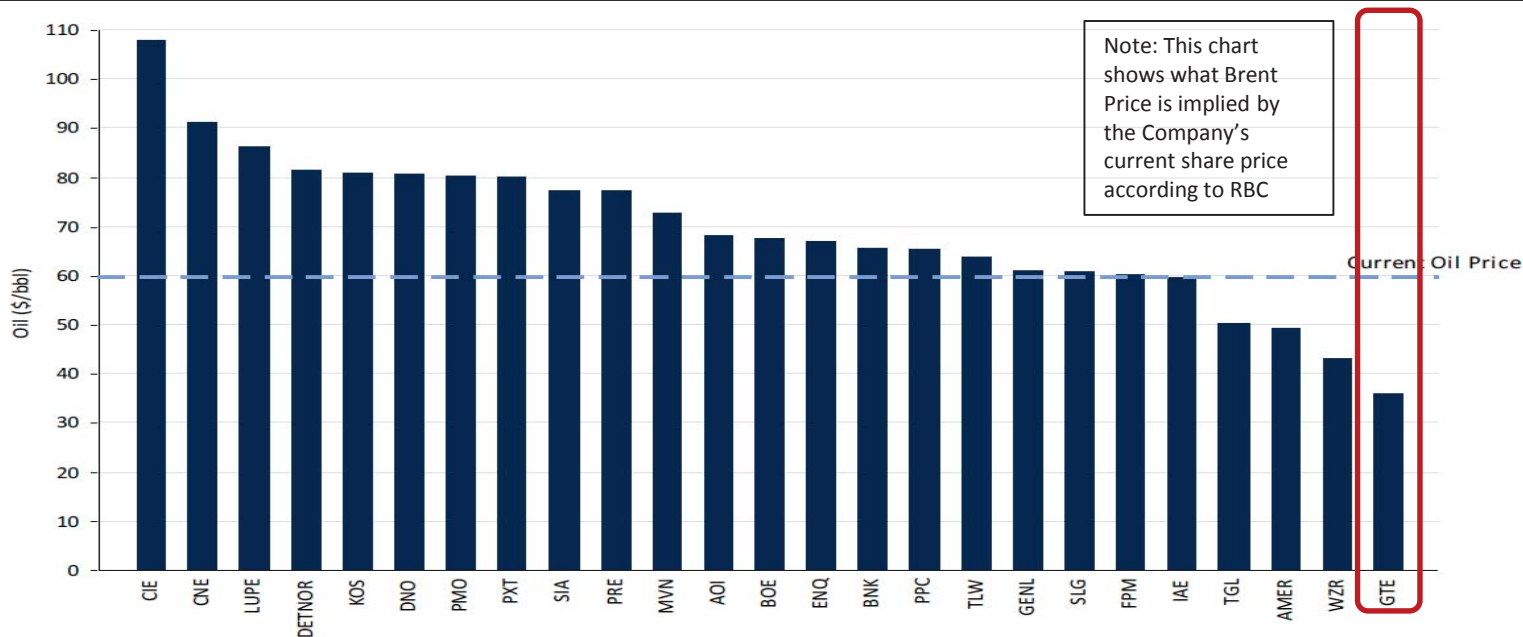


# AS A RESULT, GTE'S VALUATION HAS SUFFERED...

*“The oil price [required] to reach the current share price put Gran Tierra [as] the cheapest in our coverage universe”*

*– Nathan Piper, RBC Analyst (March 9, 2015)*

Exhibit 4: Brent Price Discounted based on Tangible NAV – Gran Tierra (GTE) with cash and producing assets remains cheapest



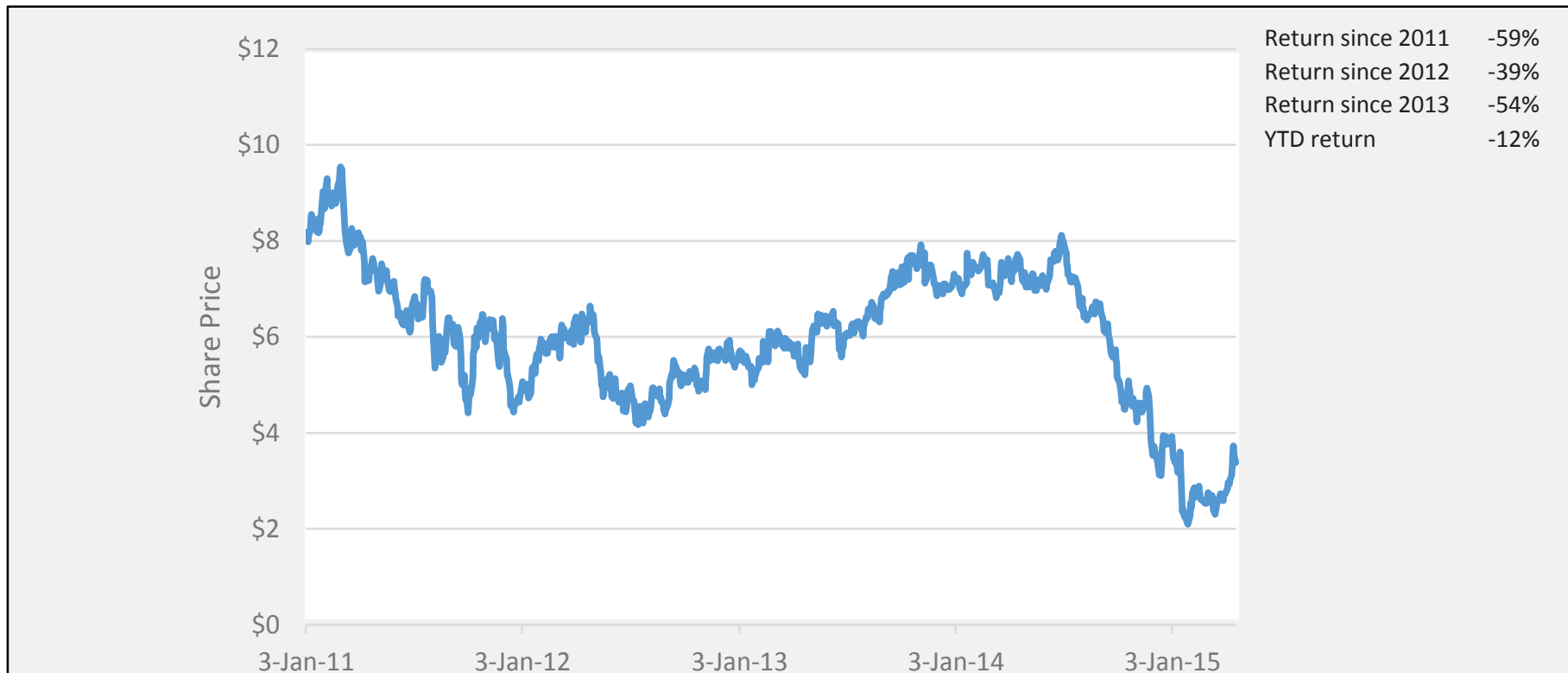
**According To RBC, GTE's Valuation Is The Cheapest In Its Coverage Universe**





## ...AND ITS STOCK PRICE HAS DECLINED SIGNIFICANTLY

We Estimate The Value Loss From Ventures Into Peru, Brazil, and Argentina Has Been \$1.90/share



**But The Bigger Loss, In Our View, Was The “Opportunity Cost” Of Neglecting Colombia**

Note: Date range for share price chart is January 1, 2011 to April 20, 2015. See slide 37 for derivation of the estimated \$1.90/share impact on share price.



# CASE STUDIES OF POOR CAPITAL ALLOCATION AND RISK MANAGEMENT



## CASE 1: ARGENTINA – \$103 MILLION LOST

1

In 2011, the existing Board approved the acquisition of Petrolifera through the issuance of 18 million shares and 4 million warrants, for total consideration of \$195 million (including assumption of debt)

2

Petrolifera's core assets were in Argentina and comprised approximately 71% of 2P PV10

3

In GTE's 2010 Q4 conference call, the CEO noted that Petrolifera had "significant underdeveloped assets in need of funding to create additional shareholder value through exploration and development drilling"

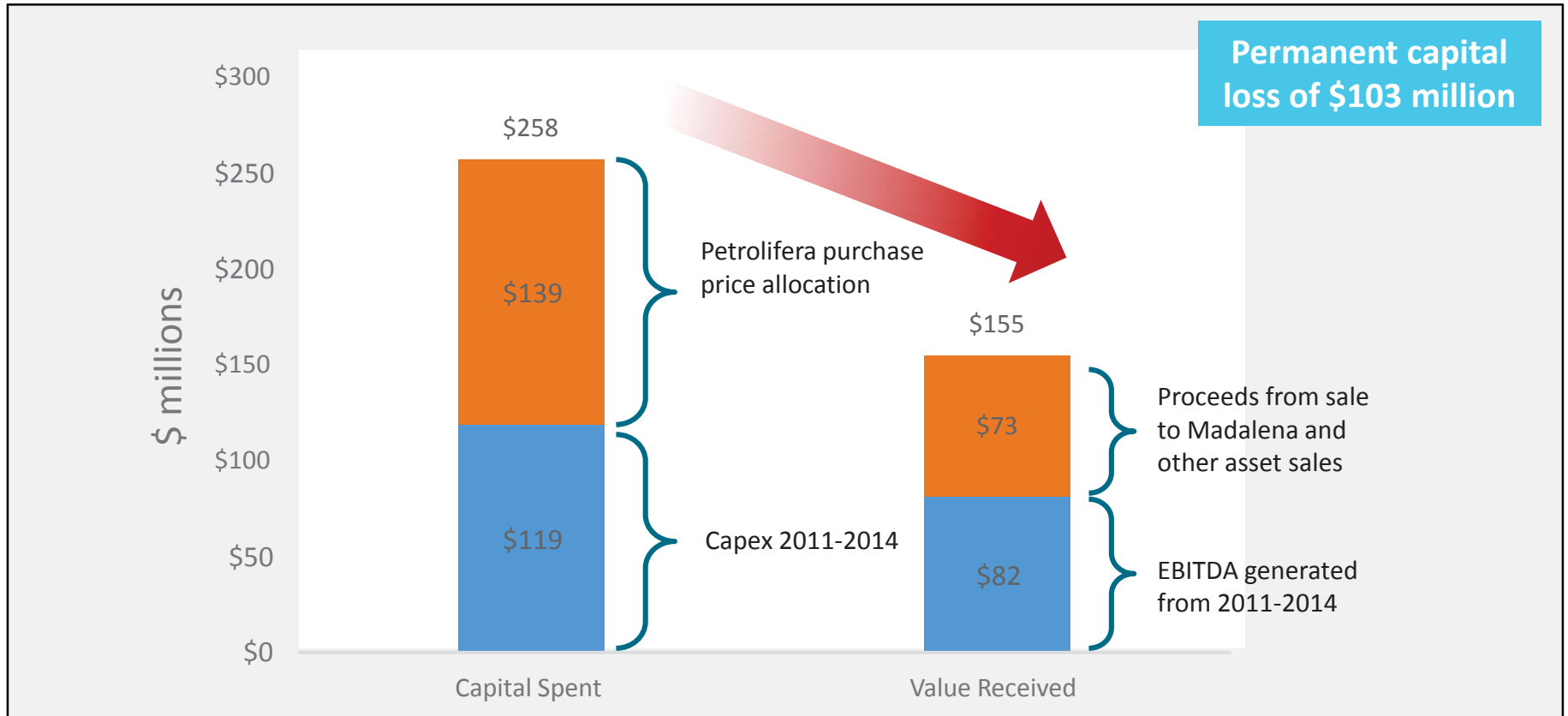
**Was the Board's decision to continue to invest in Argentina sound?**

**GTE Purchased Petrolifera For \$195 Million,  
Of Which ~71% Was Attributable To Assets In Argentina**



# CASE 1: ARGENTINA – \$103 MILLION LOST

## Cumulative Sources & Uses of Funds in Argentina (2011-14)



## The Board Eventually Capitulated In Argentina And Sold At A Loss

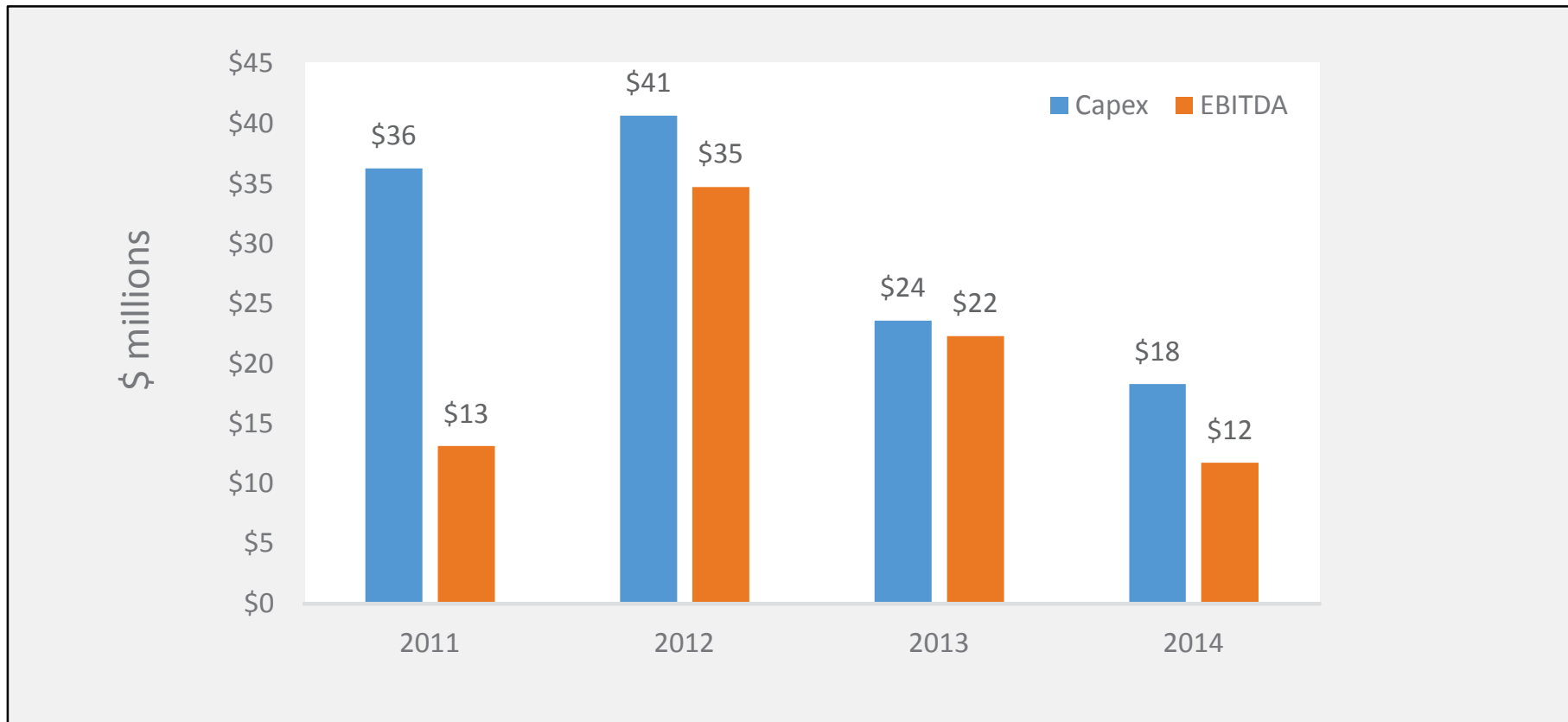
Source: GTE 10-K filings from 2011 to 2014

Note: Capital spent in 2011 includes the Petrolifera acquisition which we allocated based on geographic distribution of 2P PV10 reserve value as disclosed in Petrolifera's December 31, 2010 Annual Information Form. Share consideration received from Madalena valued as of April 20, 2015.



# CASE 1: ARGENTINA – \$103 MILLION LOST

## Annual Cash Flow Summary

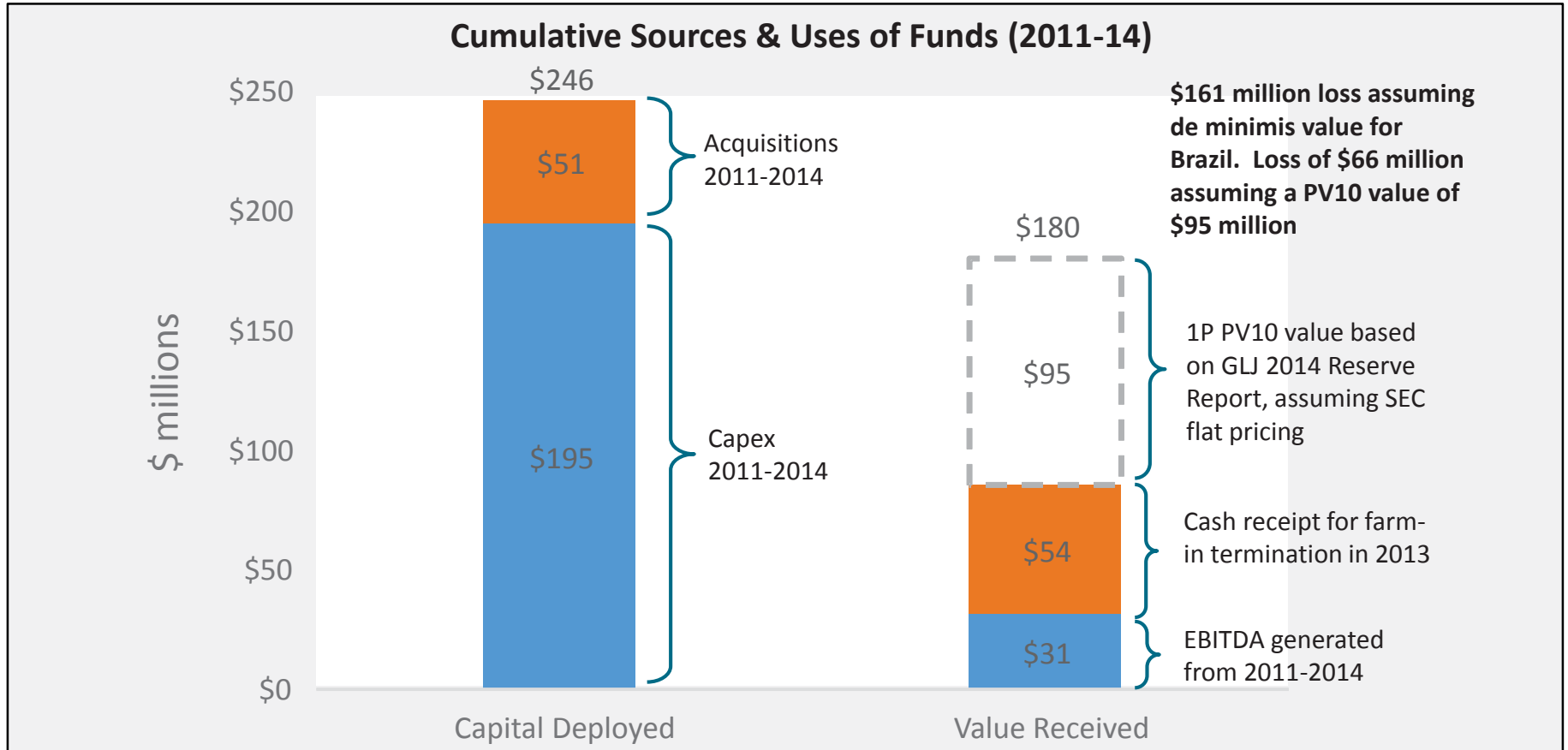


**The Board Continued To Approve Spending In The Face Of Losses**



# CASE 2: BRAZIL – \$66 MILLION LOST

Since 2011, GTE Invested \$246 Million And Received \$85 Million In Cash Proceeds



**After Factoring In Remaining 1P PV10 Reserves, We Believe The Total Value Lost In Brazil Was \$66 Million**

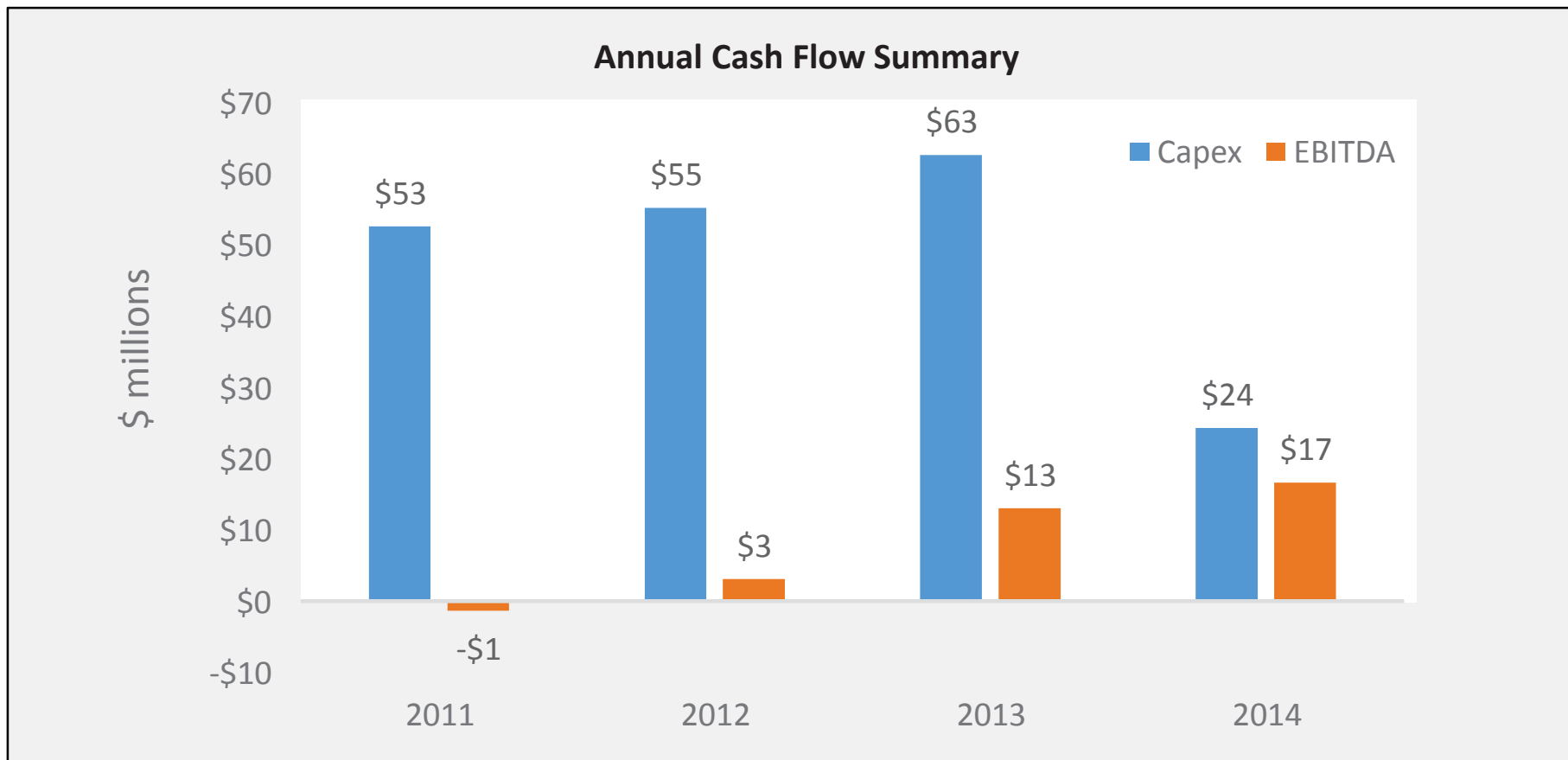
Source: GTE 10-K filings from 2011 to 2014

Note: The \$66 million loss is our estimate which assumes that the current value of GTE’s Brazilian assets is equal to GLJ’s 1P PV10 reserve value estimate based on SEC flat pricing



# CASE 2: BRAZIL – \$66 MILLION LOST

**Total Capex: \$195 Million. Total Gross Wells Drilled: 6**

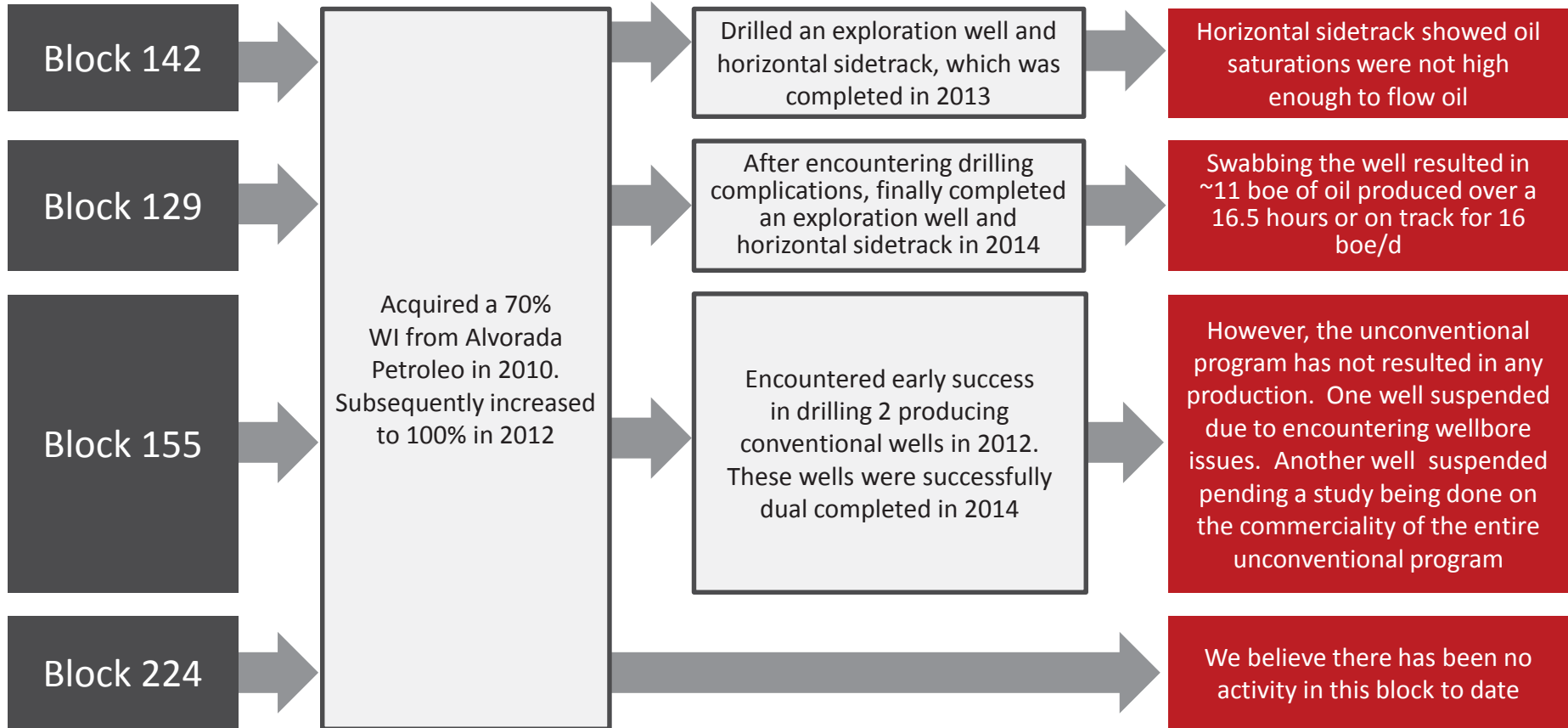


**As In Argentina, The Board Repeatedly Approved Capital Outlays In The Face Of Losses. The High-Risk / High-Cost Was Reflected In Low Number Of Wells Drilled**



# CASE 2: BRAZIL – \$66 MILLION LOST

## After Early Success In Block 155, We Believe All Other Activities In The Reconcavo Basin Have Resulted In Failure



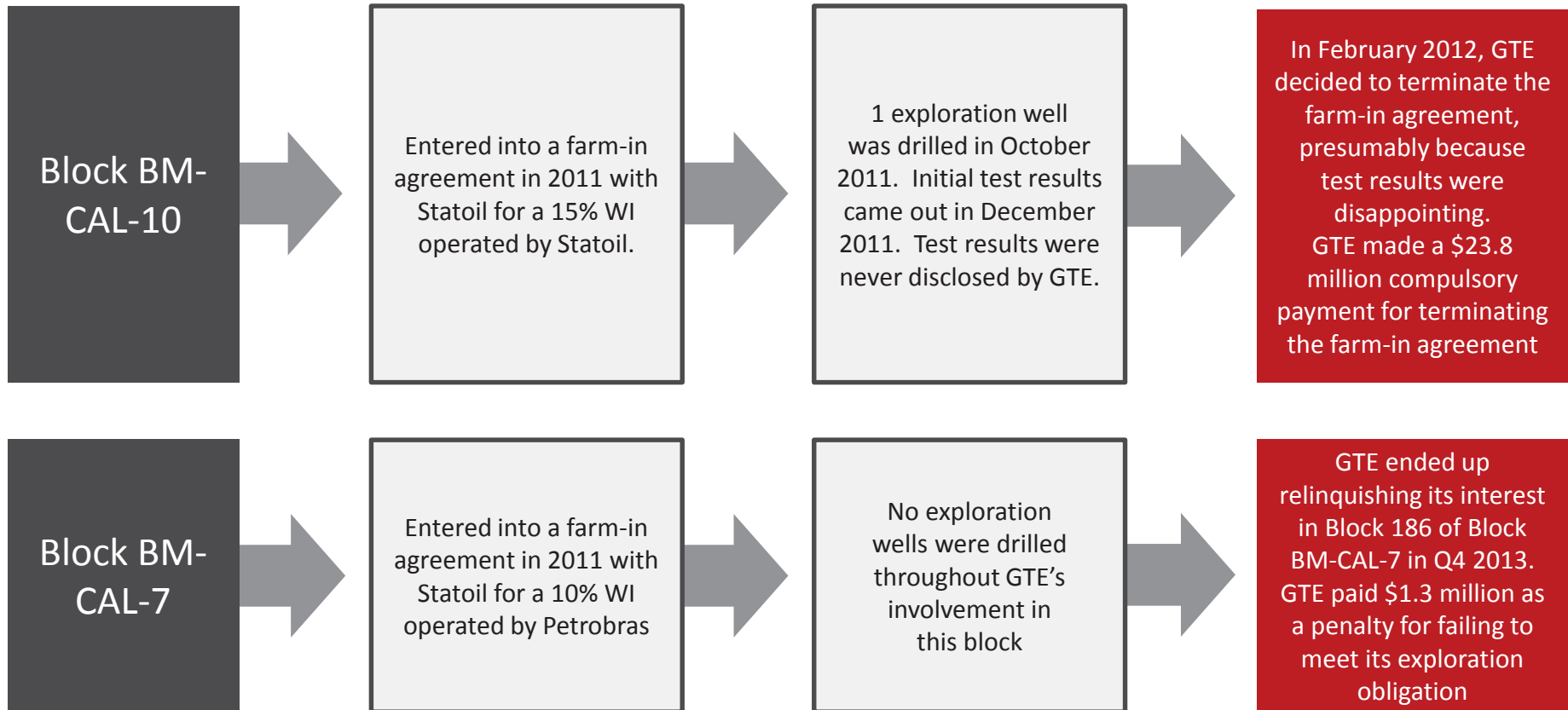
## Why Did The Board Keep Spending In Brazil?





## CASE 2: BRAZIL – \$66 MILLION LOST

### GTE's Farm-in Agreements In The Camamu Basin Have Resulted In Nothing But Penalty Payments...



**Farm-in Arrangements Have Resulted In Penalty Payments And No Material Increase In Reserves**



## CASE 2: BRAZIL – \$66 MILLION LOST

**We Believe The Board's Past Risk Assessment Was Seriously Deficient.  
But What Is The Current Strategy?**

**The Company has acquired 3 new exploration blocks in the Reconcavo Basin from the ANP in the 2013 Brazil Bid Round 11**

**In March 2015, the Company initiated a 3D seismic acquisition program for these blocks**

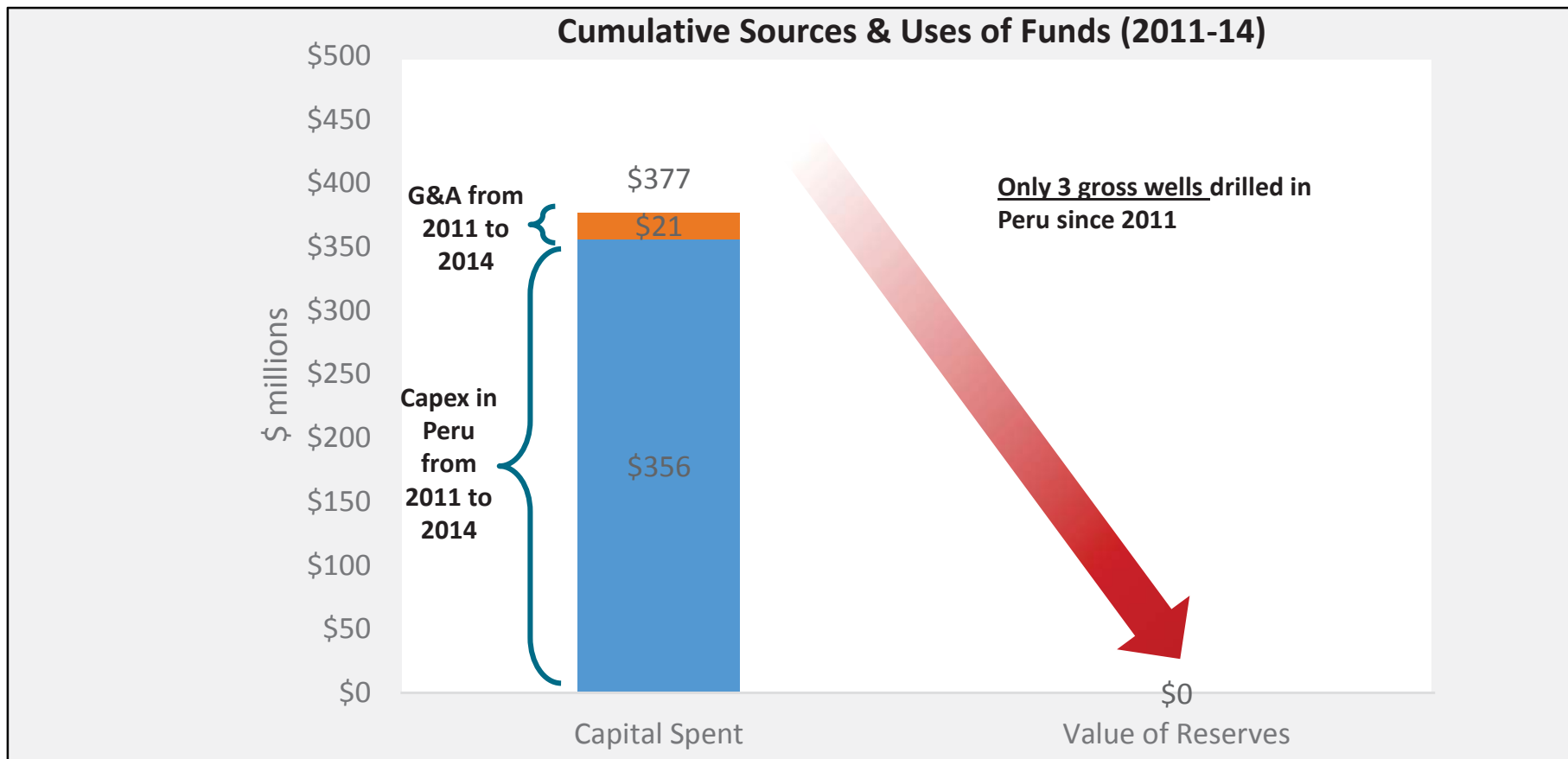
**In our view, the Board seems intent on contributing more capital to Brazil despite past losses**

**The Board Has Approved Moves Consistent With More Spending In Brazil**



# CASE 3: PERU – \$377 MILLION LOST

## Did The Board Exercise Sound Judgment By Investing In Peru?

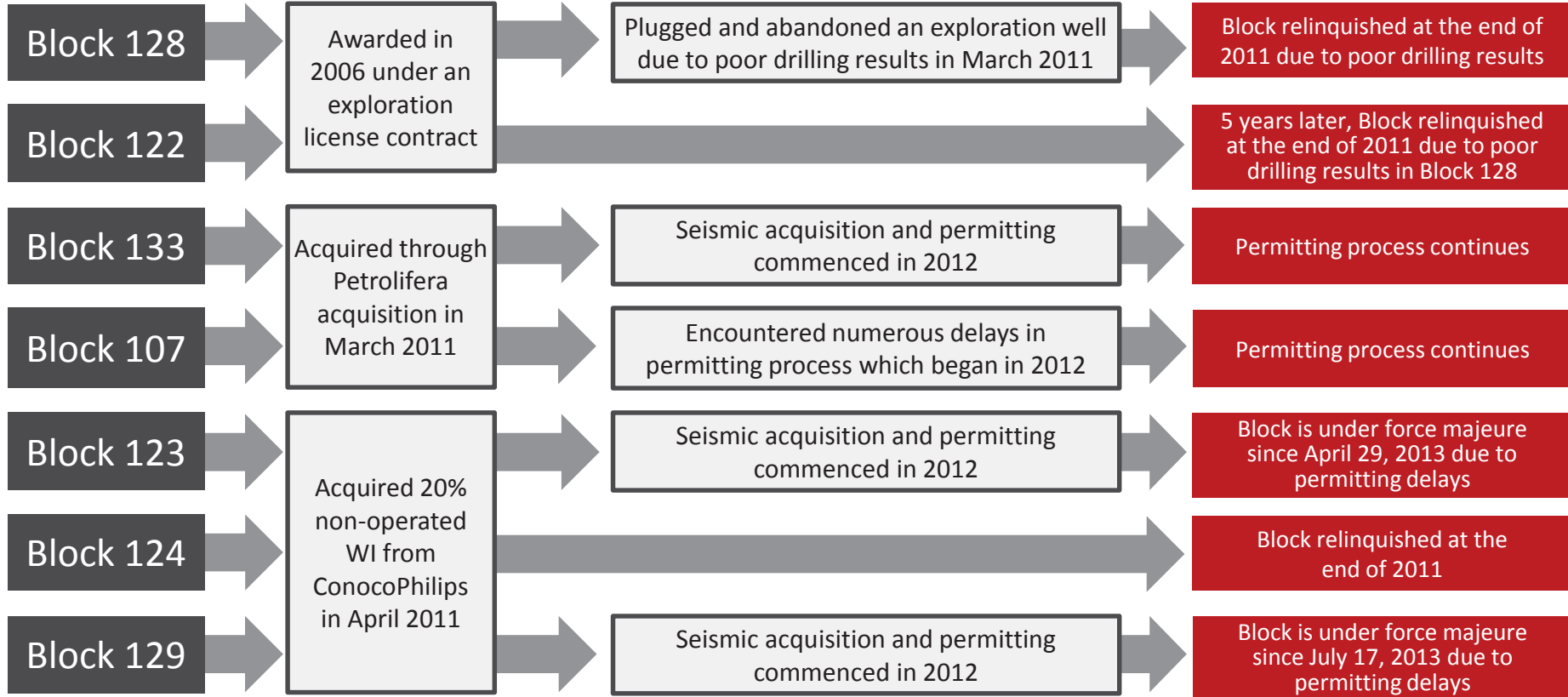


**We Estimate The Venture Into Peru Resulted In A Value Loss Of \$377 Million**



# CASE 3: PERU – \$377 MILLION LOST

## High-Risk Spending in Peru: The Board's Risk Management Was Deficient In Our View.



Each of these blocks have exploration commitments (usually in the form of drilling exploration wells or acquiring seismic data) which, if not met, result in relinquishment of the block.

GTE spent ~\$110 million on seismic acquisition alone in the years 2011 to 2014.

Source: Company filings

**The Board Approved Spending \$110 Million On Seismic Alone From The Beginning Of 2011**



# CASE 3: PERU – \$377 MILLION LOST

**“The commitments on... Blocks 107, 123, 129, and 133, [are] somewhere in the order of about \$160 million over the next 2 to 3 year period.” – Interim CEO (Q4 2014 Conference Call)**

## Excerpt From April 22, 2015 Presentation

In Blocks 107 and 133, the Board currently intends to continue seismic acquisition with an eye toward commencing exploration drilling activity starting in H2 2016. **We do not believe this will be a value added activity.**

### Blocks 133 and 107

#### Block 107 and 133

- New 2D seismic acquired, five new prospects and leads identified on Block 107
- Osheki-1 exploration well expected to be drilled in 1H 2017
- Pre-drill civil contracts possibly to commence in 2H 2016

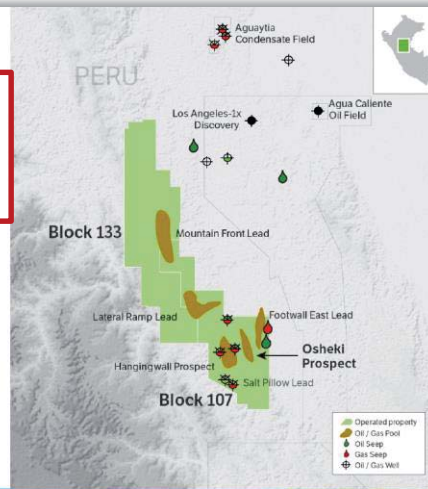
On trend with prolific hydrocarbon accumulations

- Camisea to the Southeast
- Recent oil discovery at Los Angeles-1x on Block 131 = 2,258 bopd (at October 23, 2014)\*

PROSPECTIVE RESOURCE POTENTIAL(MMboe)\*\*

PROSPECT	BLOCK	LOW ESTIMATE (P90)	BEST ESTIMATE (P50)	HIGH ESTIMATE (P10)	PROBABILITY OF SUCCESS
Osheki	107	70.5	252.1	622.7	20%

\*Source: Pacific Rubiales press release dated October 27, 2014. Readers are cautioned that Gran Tierra is unable to confirm whether such disclosure has been prepared by, or in consultation with, a qualified reserves evaluator or auditor or in compliance with the COSG Handbook. There can be no assurances about the accuracy or reliability of this information.  
\*\*Per report prepared October 1, 2013 by independent reserves auditors CLJ. Refer to Prospective Resource Advisory in the Appendix section at the end of this presentation.



## Excerpt From April 22, 2015 Presentation

The permitting process for Blocks 123 and 129 started in 2012. Three years later, the permitting process still continues. The Board expects that exploratory drilling will begin in H1 2017.

**We do not have confidence in the Board's stated strategic direction.**

### Blocks 123 and 129

#### Block 123 and 129

- Immediately up-dip and along strike from prolific Marañon Basin producing fields
- New 2D seismic acquired, prospects mapped
- Well permitting process to begin in June
- Potential drilling in 1H 2017

PROSPECTIVE RESOURCE POTENTIAL (MMboe) \*

PROSPECT	BLOCK	LOW ESTIMATE (P90)	BEST ESTIMATE (P50)	HIGH ESTIMATE (P10)	PROBABILITY OF SUCCESS
Cacique	129	23.6	161.8	658.3	15%
Saltarin-Harpia	123/129	66.9	468.3	1974.1	29%

\*Per report prepared October 1, 2013 by independent reserves auditors CLJ. Refer to Prospective Resource Advisory in the Appendix section at the end of this presentation.



**Based on April 2015 Presentation Materials, The Board Seems Intent On Continuing Exploration Activities In Peru**



## CASE 3: PERU – \$377 MILLION LOST

### Deep Dive: Risk Management And Block 95

Management and the Board made a company-transforming bet in 2010 by farming into a 60% working interest in Block 95, which was subsequently increased to 100% in June 2012

Known facts about Block 95:

1. Block 95 is located at the edge of the Amazon River where flooding frequently occurs
2. Infrastructure and access to the location are limited
3. A previous oil discovery made in Block 95 in 1974 flowed a low grade, heavy crude oil with an API gravity between 13° and 18°
4. The Board approved 100% of the costs and risks associated with this venture

**We believe that even if the Company had been successful in booking reserves in Block 95, the difficult operating environment would have made the economics of such an undertaking challenging**

- The Company has spent approximately \$200 million drilling in Peru since 2011. We believe the vast majority of this amount was spent in Block 95

**We Believe The Board's Decision To Enter Block 95 Was Another Error In Judgement**



## CASE 3: PERU – \$377 MILLION LOST

### Deep Dive: Risk Management and Block 95 (...continued)

**In December 2010, GTE entered into a farm-in agreement with Global Energy Development PLC for a 60% working interest in Block 95**

**This was subsequently increased to 100% in June 2012**

**The Block had 1 exploration well drilled in 1974 (Bretana-1) that had an IP rate of 807 boe/d**

**The Board apparently deemed the risk to be much lower than it proved to be**

**The Board Took On More Risk By Increasing Its Working Interest To 100% In 2012**



## CASE 3: PERU – \$377 MILLION LOST

### Deep Dive: Risk Management and Block 95 (...continued)

A new exploration well (Bretana Norte 95-2-1XD) was completed in February 2013. Initial testing resulted in 1,082 boe produced over 21 hours

A long-term test program was designed for the well, which involved drilling a horizontal sidetrack which was completed in May 2013. A production test was conducted which resulted in an IP rate of up to 3,095 boe/d

Based on these results, the Company was able to book 2P working interest reserves of 62 mmboe and 3P reserves of 114 mmboe

GTE immediately began construction of crude oil processing and loading facilities to facilitate oil production of up to 2,500 boe/d and gave guidance that production would begin in September 2014

**Based On A Production Test, The Board Approved Booking Reserves And Approved 'Street Guidance' That Production Would Start In September 2014**





## CASE 3: PERU – \$377 MILLION LOST

### Deep Dive: Risk Management and Block 95 (...continued)

In December 2014, the Company commenced drilling an appraisal well on the L4 lobe (Bretana Sur 95-3-4-1X) to prove out the extent of the oil formation

The results from this well were significantly less than initially estimated, which necessitated a reversal of all reserves booked to Block 95

As a result, the Board decided to halt all activity in Peru. Importantly, this was after the Company had completed construction of the crude oil processing and loading facilities

All activities in Peru to date have resulted in zero contribution to booked reserves despite an outlay of ~\$377 million in capital

**The Board Had To Acknowledge The Failure With A Material Write-down in Q4 2014**

**Block 95 is in a remote area with limited infrastructure and high implied costs for exploration, development and servicing.**



“[Block 95 is] on the... Amazon River, so it’s flooded for a good part of the year. So it’s going to take a lot of work to build a drilling platform above the flood line.”

- CEO  
(Q1 2011 Conference Call)

**Did the Board Exercise Good Judgment in Peru?**



# CASE 3: PERU – \$377 MILLION LOST

For the last 5 years, the Board has approved an “elephant hunting” strategy in Peru - In other words, taking extraordinary risks for a potentially outsized find.

## Excerpt From May 14, 2013 Presentation

Management and the Board actually believed and communicated to shareholders that Peru had “unlimited” opportunities

**GTE Peru - The Next Step in Growth**

Gran Tierra Energy entered Peru in 2005

- Starting with no staff, direct employment has grown to 44 people with offices in Lima and Iquitos, and by year-end expected to reach 66 people
- Initially acquiring one exploration block, GTEP today is Operator and 100% working interest holder in 5 exploration blocks, encompassing 6.4 million acres, third largest E&P acreage holder in Peru
- Investments to date have totaled \$156 million
- 2013 GTEP budget has just been increased from \$38 million to \$101 million due to exploration drilling success

**Peru Opportunities - Unlimited**

Underexplored land position in a proven prolific basin

- Marañon Basin historical commercial exploration success rate of 42% (\*)
  - Commercial fields ranging from 18 MMBO to 226 MMBO recoverable
  - Mean field size of 71 MMBO recoverable
- Approximately 21 exploration prospects and leads have been identified on Gran Tierra's acreage
- Recent Breña Norte discovery well has the potential to transform Gran Tierra Energy's reserve base and future growth potential

(\*) Based on IHS Energy data

## Excerpt From January 21, 2015 Presentation

This language can be seen as early as their January 2012 corporate presentation and was still in their January 21, 2015 corporate presentation, which was 1 day after Management and the Board had disclosed that a material restatement of Peru reserves was imminent.

**Elephant hunting in Peru**

Gran Tierra Energy Inc.

Mid Term Growth Opportunity

5.7 million gross acres

Map labels: Putumayo Basin, Ecuador, Colombia, Blocks 123 & 129, Iquitos, Marañon Basin, Block 95, Peru, Andes Mountains, Pipelines, Blocks 133 & 107, Ucayali Basin, Brazil.

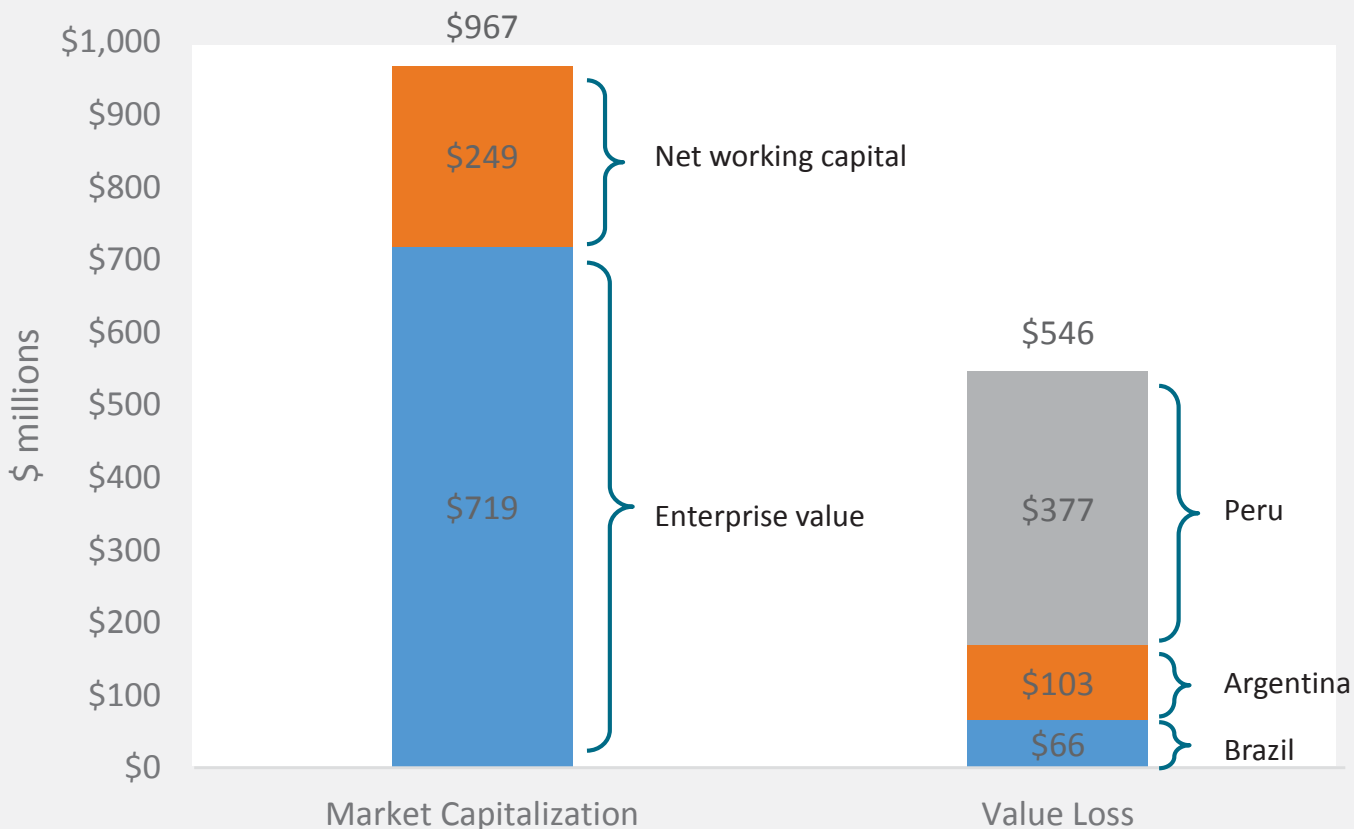
### Was “Elephant Hunting” Evidence of Prudent Risk Management By The Board?



# QUANTIFYING VALUE LOSS AT GTE



# WE ESTIMATE THE BOARD HAS OVERSEEN \$546 MILLION IN CAPITAL LOSS



**We Estimate Value Loss In Peru, Argentina, And Brazil Of ~56% Of GTE's Market Cap And ~76% Of Its Enterprise Value (~\$1.90 Per Share)**

Note: Market capitalization and enterprise value calculated as of April 20, 2015.



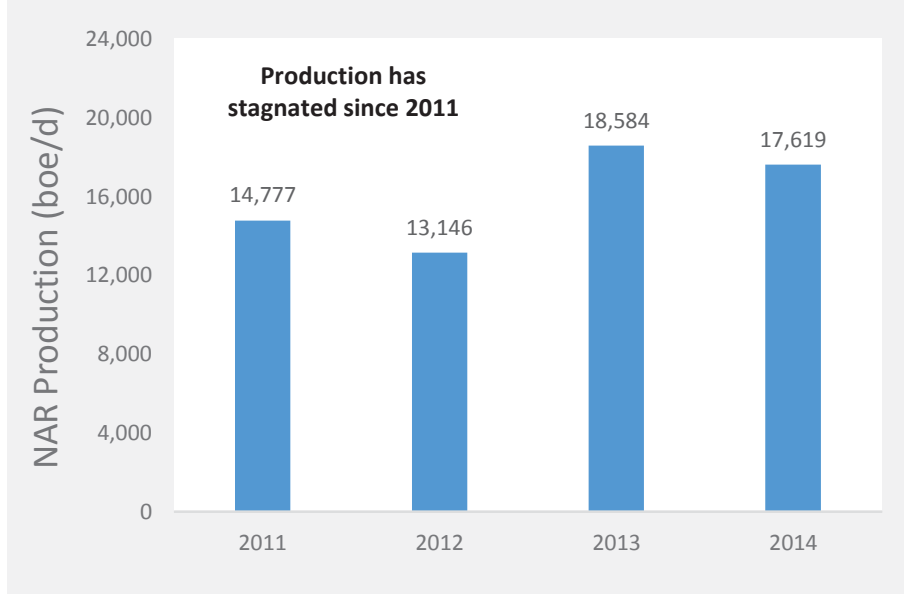
# COLOMBIAN OPERATIONS



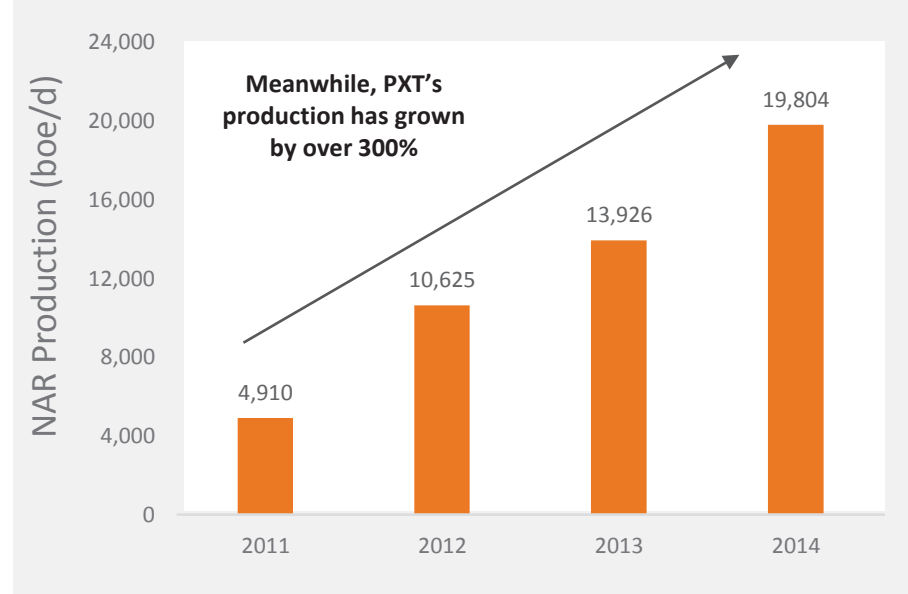
# THE BOARD MISSED THE OPPORTUNITY TO CREATE VALUE IN COLOMBIA THAT OTHERS SAW

- Parex Resources (“PXT”) Is A Pure Play Colombian Producer That Began Operations In 2009
- Starting With A Much Smaller Base, PXT Has Been A Focused Operator In Colombia, Growing Production By Over 300% (2011-14) And Surpassing GTE

### GTE Colombia Production



### PXT Production



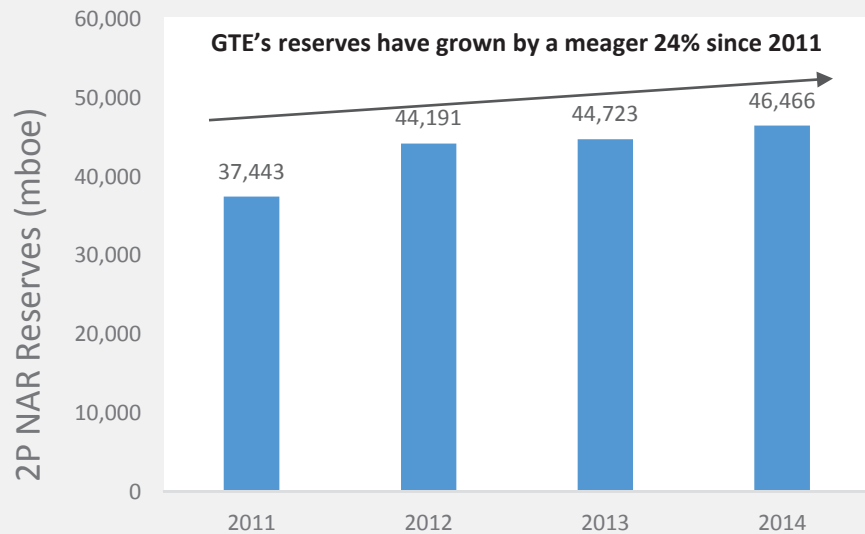
**By Focusing Elsewhere, GTE Failed To Grow Production Materially In Colombia, While Peers Like Parex Resources Did**



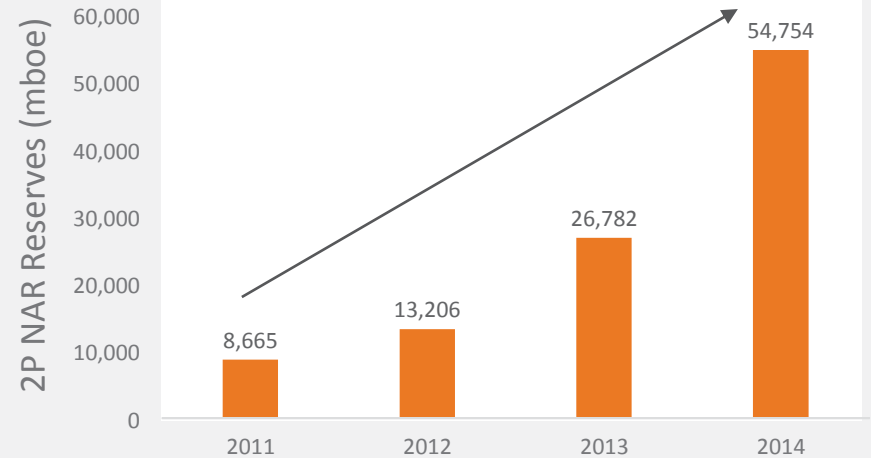
# THE BOARD UNDERINVESTED IN DEVELOPING RESERVES IN COLOMBIA

Growth In Reserves Also Was Far Less Favorable By Comparison To PXT

### GTE Colombia 2P Reserves



### PXT 2P Reserves



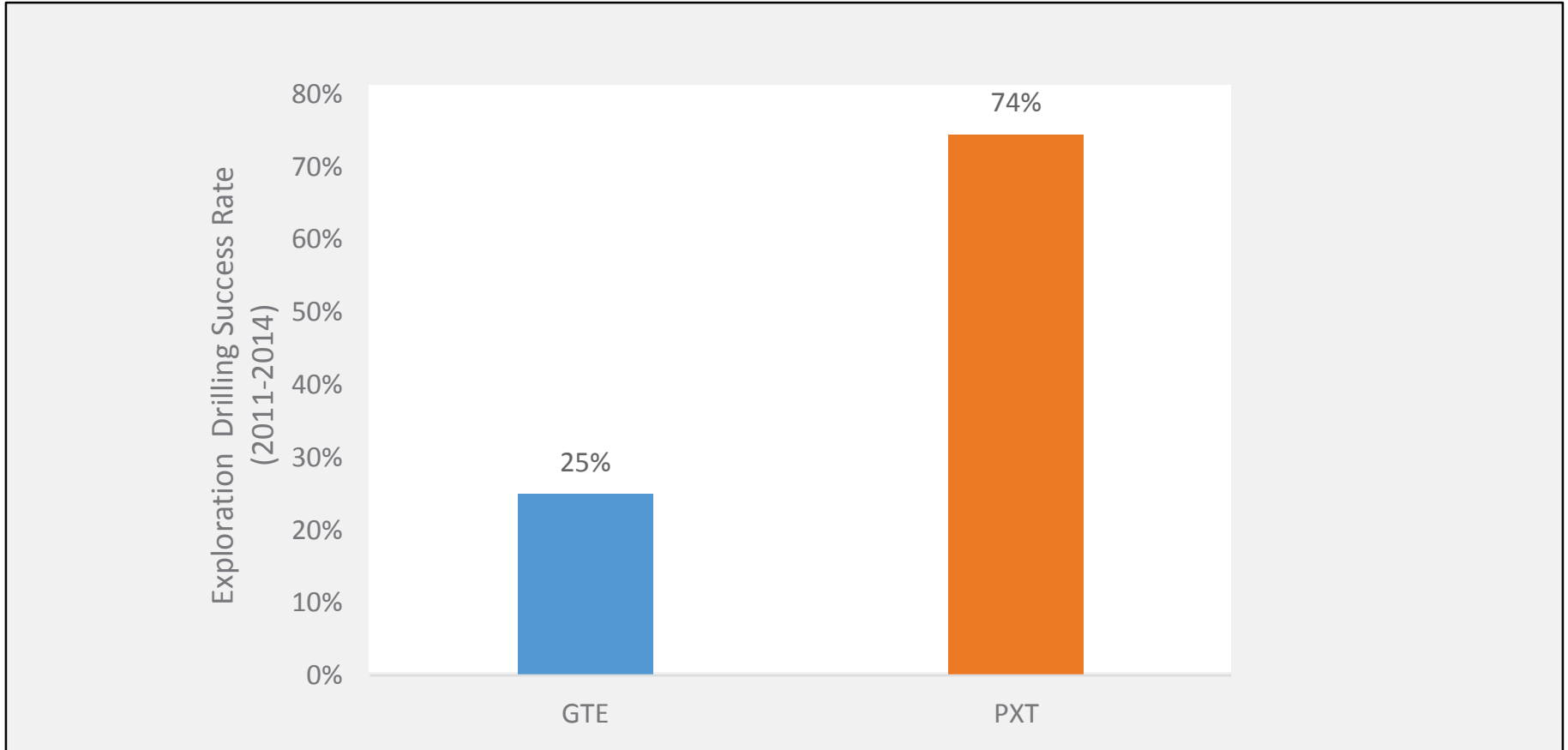
**PXT's Reserves Grew 530% While GTE's Colombia Reserves Grew 24%**





# OVERALL, GTE HAS OPERATED LESS EFFICIENTLY THAN PXT IN COLOMBIA

## Exploration Drilling Success Rate in Colombia



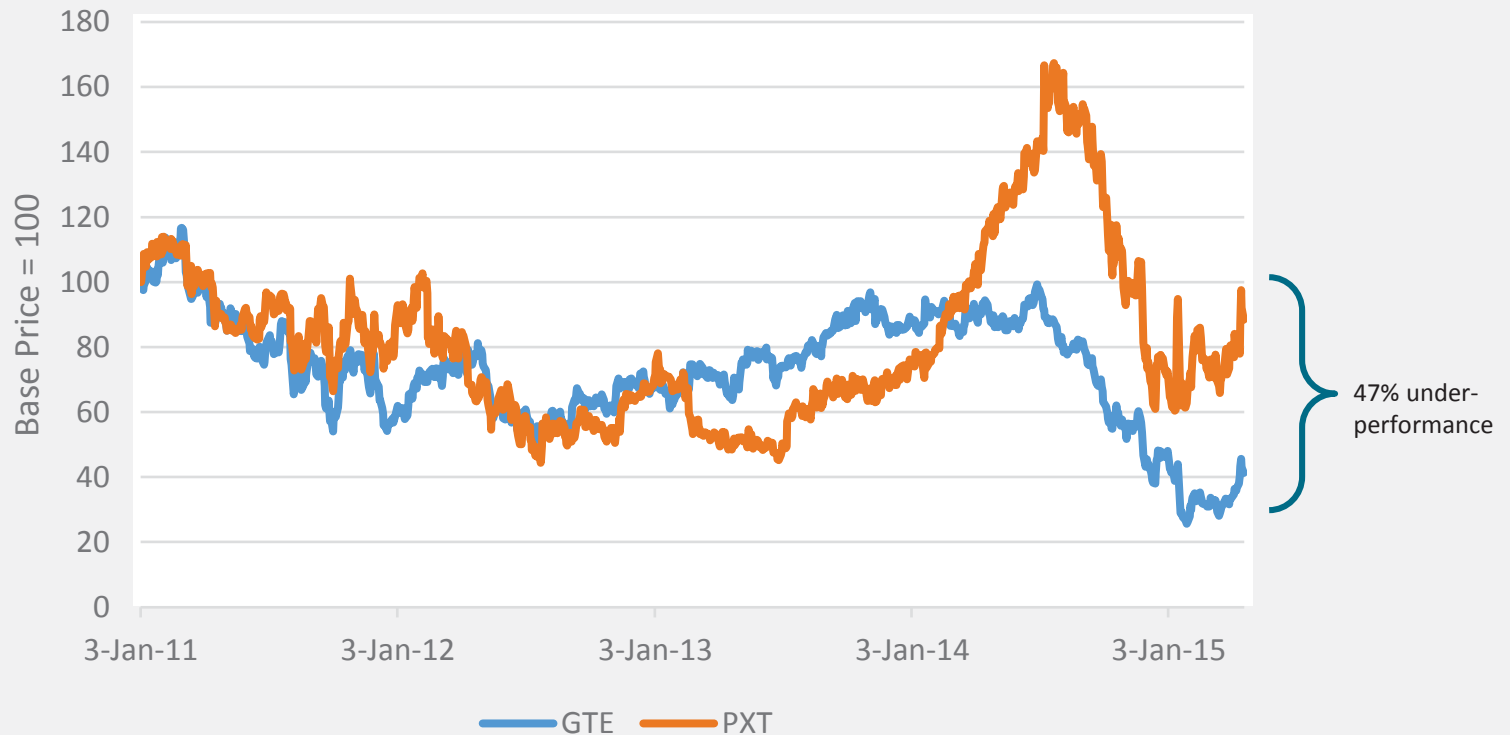
**GTE's Exploration Drilling Success Rate Has Significantly Lagged PXT's Over The Last 4 Years**

Source: GTE 10-K filings from 2011 to 2014. PXT Annual Information Forms from 2011 to 2014.

Note: Exploration drilling success rate compares the number of productive exploration wells drilled to the number of productive and dry holes drilled.



# GTE'S STOCK PRICE HAS SIGNIFICANTLY UNDERPERFORMED PXT'S



**GTE's Stock Has Lost 59% Of Its Value Since 2011, Underperforming PXT By 47%**



# GTE IS SIMILAR IN SIZE YET TRADES AT A MUCH CHEAPER VALUATION

## Why Do Investors Assign A Discount To GTE's Valuation?



	Gran Tierra	PAREX	Difference	
2014 Production (boe/d)	19,884	19,804	+0%	} Similar size...
2P Reserves (mboe)	51,218	54,754	-6%	
2P PV10 (\$ millions)	\$1,049	\$1,098	-4%	
Enterprise Value	\$719	\$1,014	-29%	} At a cheaper valuation
EV/2P PV10	0.7x	0.9x	-26%	

**We Believe Investors Assign A Greater Discount To GTE Because of The Board's Poor Capital Allocation Record and Concern About Future Allocations**



**WHAT CAN WE CONCLUDE  
ABOUT THE BOARD'S CAPITAL  
ALLOCATION RECORD?**



# IN OUR VIEW, THE BOARD HAS BEEN A POOR STEWARD OF CAPITAL

## For More Than 4 Years, The Board Has Failed To Create Value For Shareholders

### The Facts Support Our Contention That Management And The Board Are Poor Capital Allocators

- \$546 million in capital lost in Argentina, Brazil, and Peru
- Value loss is equivalent to 56% of the Company's market capitalization and 76% of its enterprise value
- More than 4 years spent chasing high-risk exploration targets
- Persistent pursuit of negative IRR projects

### The Board Has Failed To Execute In Colombia

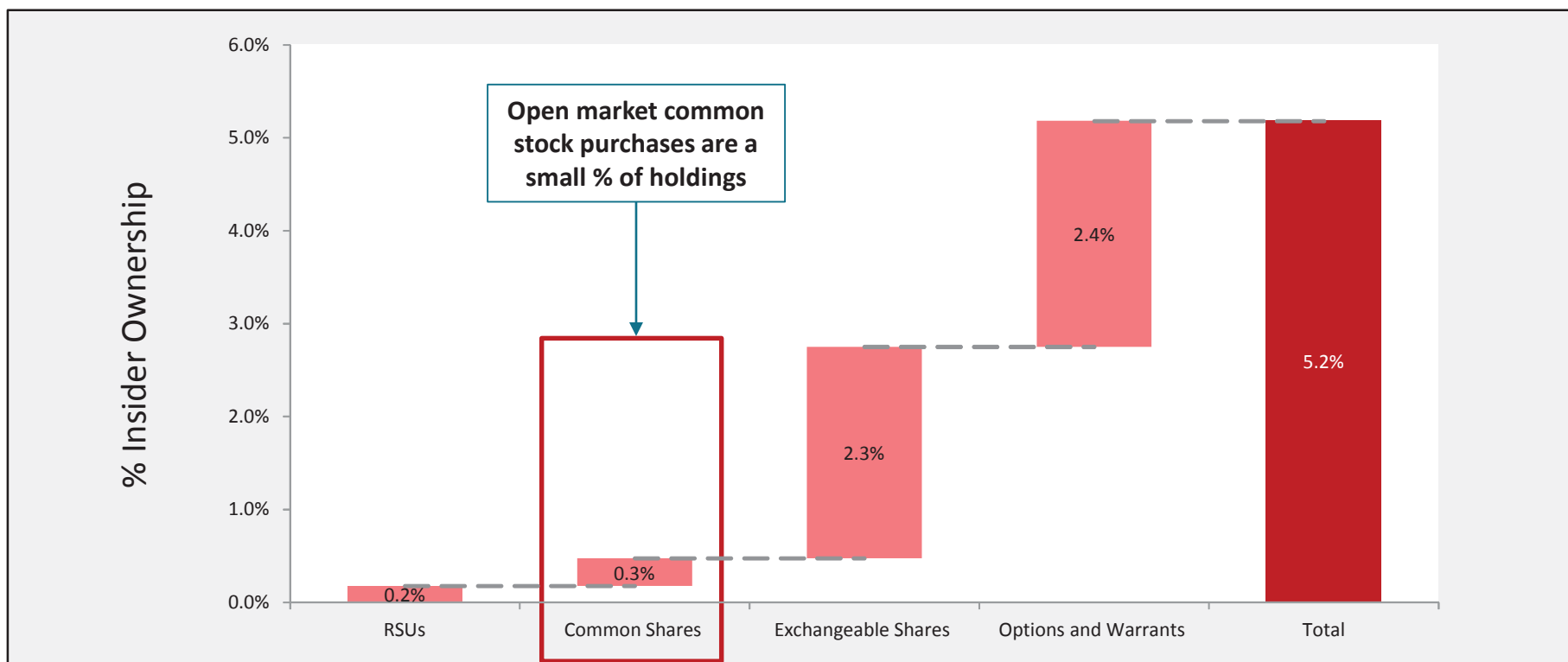
- Underperformed PXT in production growth in Colombia
- Underperformed PXT in reserve growth in Colombia
- Underperformed PXT in exploration drilling efficiency in Colombia



# IN OUR VIEW, DIRECTORS HAVE NOT ACTED LIKE OWNERS WITH DOWNSIDE EXPOSURE

## Gary Guidry Has Personally Purchased Approximately 40x More Common Shares In The Open Market In The Last 2 Months Than All Of GTE's Current Insiders Combined Have Purchased Since 2008

- Insider ownership is mostly comprised of RSU grants, option grants, and exchangeable shares acquired by way of business combinations and founders' shares
- Since 2008, only 66,561 common shares have been purchased by current insiders in the open market, which represents 0.02% of shares outstanding

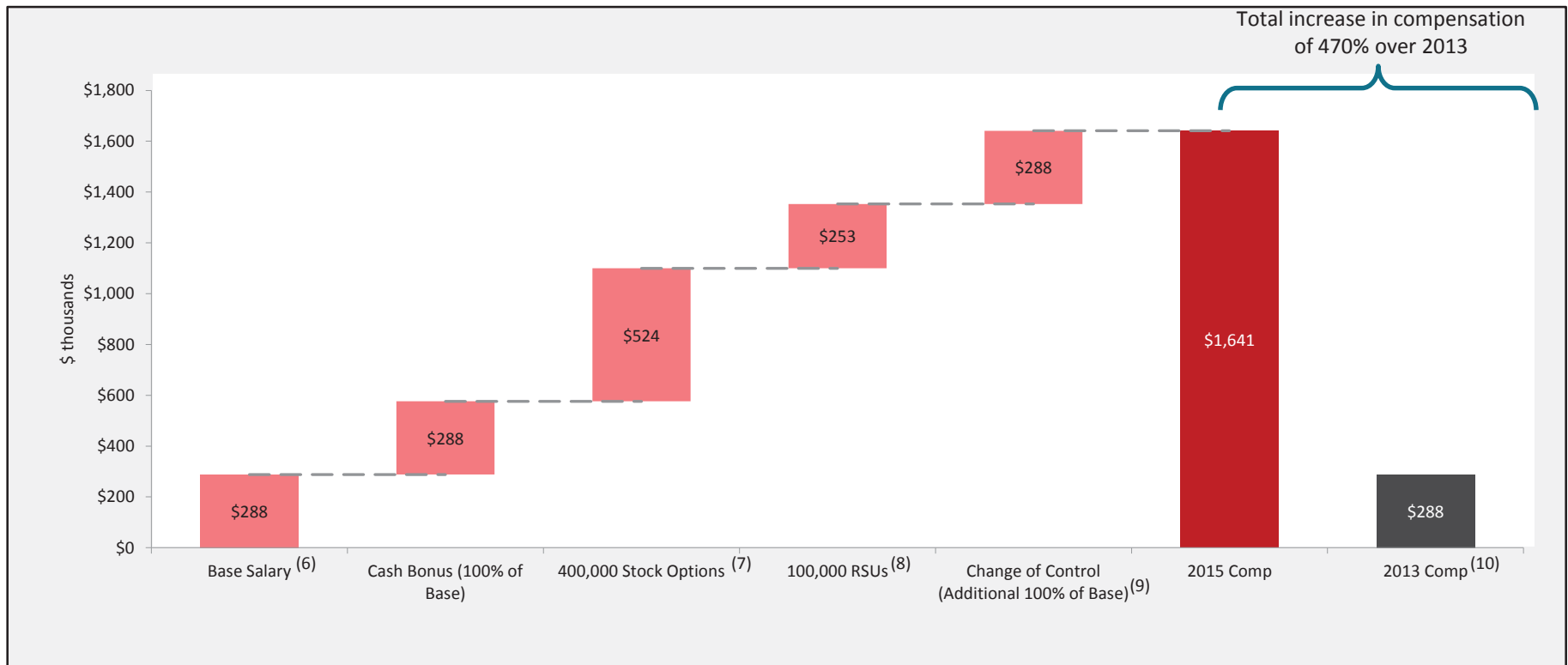




# THE BOARD REWARDED THE EXECUTIVE CHAIRMAN WITH A RICH COMPENSATION PACKAGE

## The Board Awarded The Executive Chairman With A Lucrative Compensation Package in Q1 2015 Upon Adding 'Executive' To His Title

- CAD\$360,000 Base Salary
- Annual Cash Bonus Target 100% of Base Salary
  - 200% in the event of a change of control
- 400,000 Stock Options (granted near 52-week lows)
- 100,000 RSU's

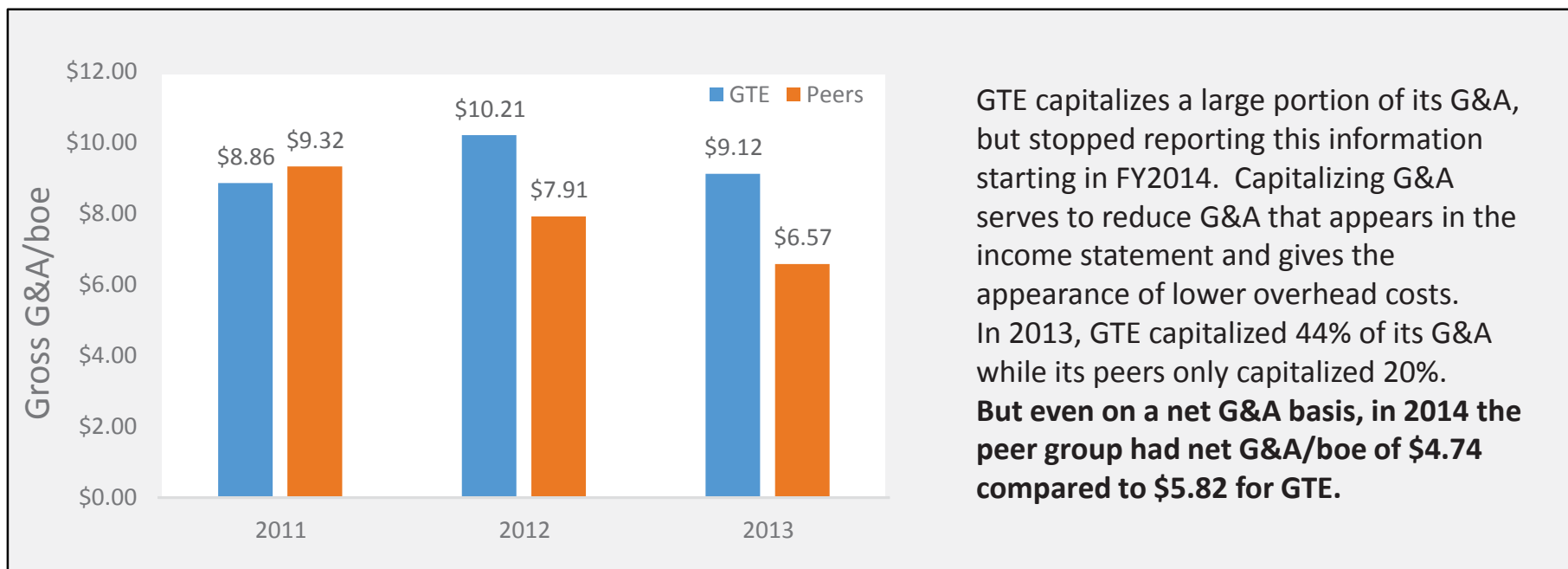


6, 7, 8, 9, 10) See endnotes.



# WHY ARE CORPORATE COSTS SO HIGH?

- We examined a comparable peer group of international E&P companies headquartered in Canada
- We believe GTE's high-cost, high-risk exploration strategy is the main reason for its higher corporate overhead costs by comparison



**We Believe The Board's Exploration Strategy Is The Main Reason For Higher Than Necessary Overhead Costs**

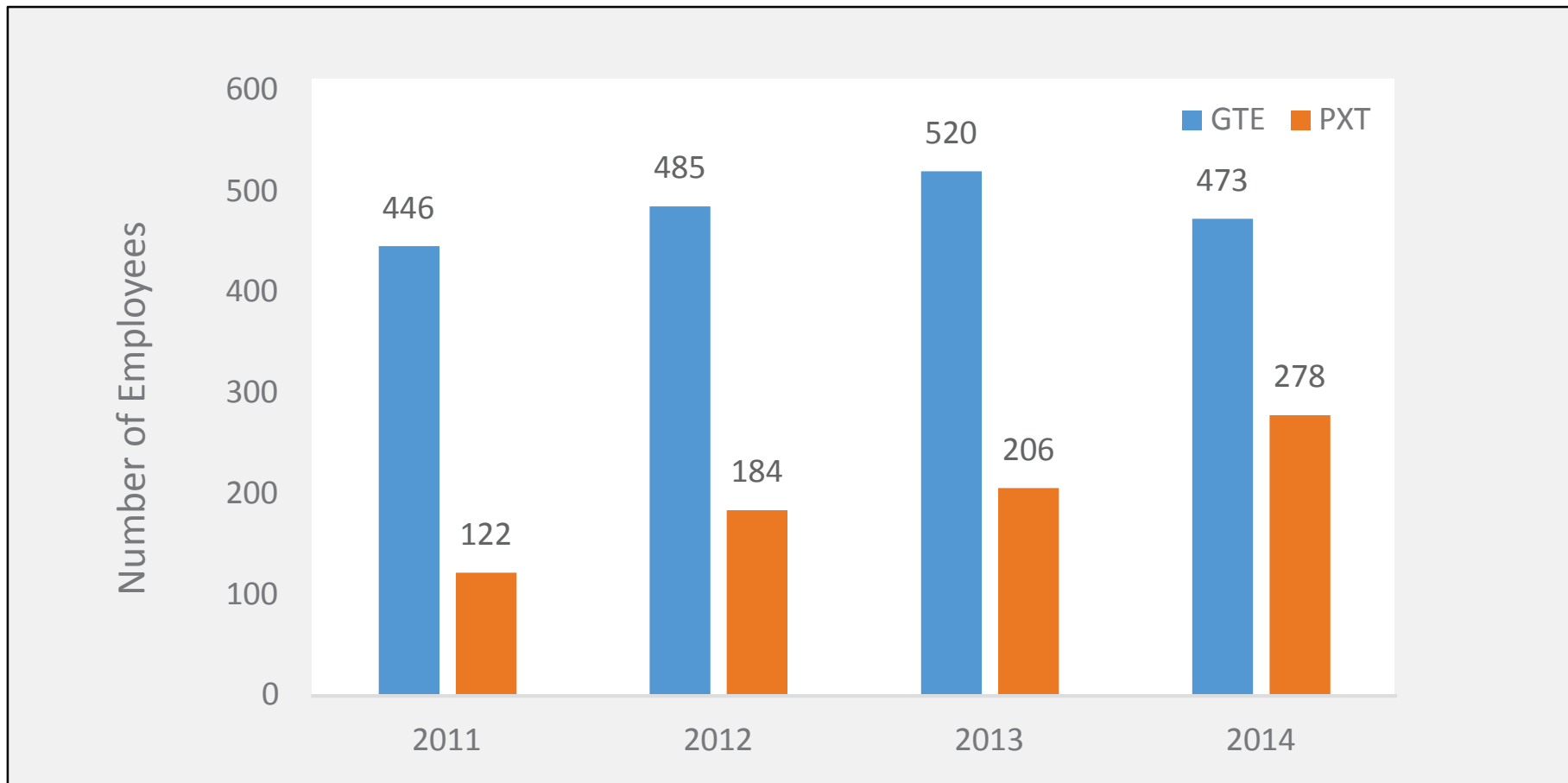
Source: GTE, PXT, TransGlobe Energy Corporation, and Bankers Petroleum filings

Note: Gross G&A includes capitalized G&A. Stock option expense is included in all G&A calculations for consistency. Peers include PXT, TransGlobe Energy Corporation, and Bankers Petroleum. Peers were filtered based on companies that have Canadian headquarters with international operations and at least 15,000 boe/d in production in 2014.





# WHY ARE CORPORATE COSTS SO HIGH? (...CONTINUED)



**Although GTE And PXT Are Similarly Sized Companies, GTE Currently Has 70% More Employees Than PXT**



# OUR PLAN



# WHAT IS WEST FACE'S PLAN?

## West Face Proposes A Refocused Strategy

- 1 Refocus on Colombia**

GTE has an operating advantage in the Putumayo basin as well as many opportunities for value creation in the Middle and Lower Magdalena basins as well as the Llanos basin
- 2 Address cost structure**

GTE's operating and capital efficiency will be optimized by refocusing strategy on development, production, and exploration in Colombia
- 3 Improve capital allocation**
  - No need for "bet-the-farm" risks in frontier basins
  - Considerable value to be realized within Colombia with emphasis on development
  - If attractive projects are not identified, then capital should be returned to shareholders

## West Face Proposes A Newly Reconstituted Board And New Management

- 1 New leadership is required**

No credible succession plan has been put forth by the current Board
- 2 Gary Guidry is a proven value creator**

Gary Guidry's track record for value creation is outstanding among his peers
- 3 West Face's Board candidates are well qualified to oversee GTE's development**

Each of our Board candidates is an independent thinker and high performer

1

## Economic Environment

- ✓ Colombia has a strong economic environment with a pro-western government that ensures contract stability
- ✓ Well-educated, high-quality national workforce

2

## Fiscal Regime

- ✓ Colombia has a very competitive flexible and progressive fiscal regime
- ✓ Sliding scale royalty: Operators pay royalties proportionate to the level of production, thus increasing their profitability
- ✓ No signature or discovery bonuses allows for more capital invested in exploration and development
- ✓ Colombia receives world prices on all oil production

3

## Access To Infrastructure

- ✓ Colombia has 6 major oil pipelines and more than 2,000 miles of natural gas pipelines
- ✓ Four of these pipelines connect to the Caribbean export terminal at Covenas

**Colombia Has A Favorable Economic And Fiscal Environment With Extensive Infrastructure In Place**

4

## Great Potential For Reserve And Production Growth

- ✓ Recent discovery by Parex in Tigana (170 mmboe of oil in place)
- ✓ We believe development projects are still economic below \$50/boe Brent pricing
- ✓ Colombian E&P landscape dominated by large number of small producers

5

## Reduction In Foreign Investment Risk

- ✓ Security issues are being resolved with President Santos progressing on peace negotiations with the FARC
- ✓ Ministry of Environment committed to shortening environmental permitting process

**Tremendous Growth Potential And Reduction Of Risk For Foreign Investors**







# GARY GUIDRY'S TRACK RECORD: EXCEPTIONAL



## Gary Guidry

- ✓ Accomplished CEO
- ✓ Proven leadership
- ✓ Results oriented
- ✓ Purchased more common shares than all GTE insiders combined since 2008<sup>(1)</sup>
- ✓ Oil Council Executive of the year in 2014

Company	Role	Tenure	Annualized Return
 <b>CARACAL</b> ENERGY INC.	CEO	3 years	24% <sup>(2)</sup>
 <b>ORION</b> OIL & GAS CORPORATION	CEO	2 years	52% <sup>(3)</sup>
 <b>TANGANYIKA</b> OIL COMPANY LTD	CEO	4 years	53% <sup>(4)</sup>
 <b>Calpine</b> Natural Gas Trust	CEO	2 years	48% <sup>(5)</sup>

**Shareholders Made An Average Annual Return of ~45%  
At The 4 Prior Companies Where He Was CEO**



# GARY GUIDRY: STRONG SOUTH AMERICAN EXPERIENCE

## Colombia:

- **Oxy** ~200kbopd\* E&P operation in Caño Limon field in Llanos Basin.
- **AEC** ~5kbopd\* E&P operation in Orito field (EOR Contract) in Putumayo Basin, ~4kbopd\* operation in Neiva field (EOR Contract) in Upper Magdalena Basin

## Ecuador

- **AEC** ~45kbopd\* E&P operation in Oriente Basin (extension of the Putumayo Basin from Colombia)



## Venezuela

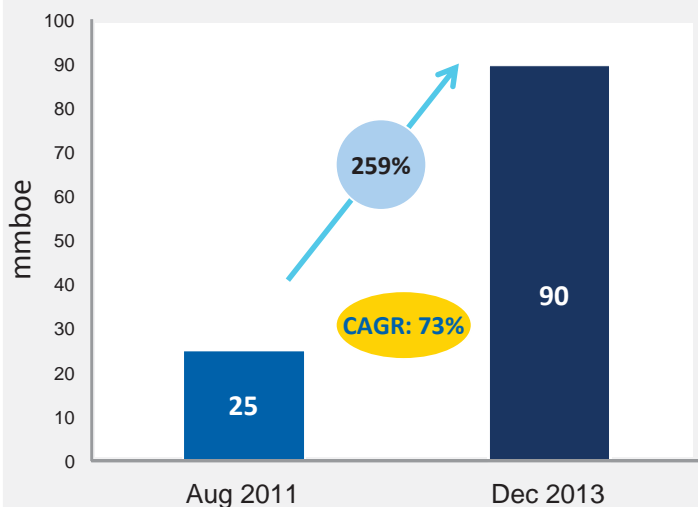
- **Oxy** ~35kbopd\* E&P operation in Maracaibo
- **Benton** ~27kbopd\* E&P operation in Maturin

## Argentina

- **Oxy** ~20kbopd\* Waterflood operation in Mendoza
- **AEC** ~5kbopd\* E&P operation in Neuquen

Gary Guidry's prior involvement at Occidental Petroleum and Alberta Energy Company has given him valuable technical experience operating in Colombia and other parts of South America

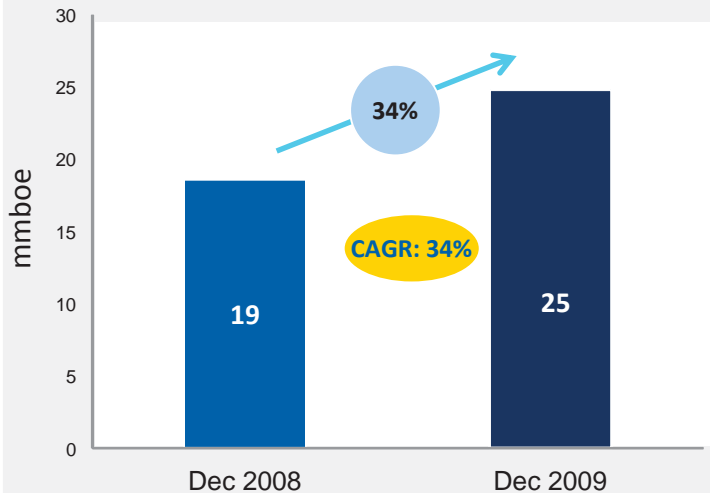
## 2P Reserve Growth (Working Interest)



- **Mr. Guidry was President and CEO from July 2011 until July 2014**
- Location of operations: Republic of Chad, Africa
- Grew gross production from zero to 14,000 boe/d at the time of sale and exit production of over 20,000 boe/d. From discovery to first production was only 18 months
- Un-risked gross prospective resources increased from zero to 4.1 billion boe
- Built 116 km pipeline, two production facilities, permanent camps and shot two large 3D seismic programs
- Mobilized ten rigs at the time of acquisition
- Negotiated \$331 million farm-out to Glencore
- Listed the Company on the London Stock Exchange (premium list)
- Secured \$250 million reserve-based lending facility which was awarded several finance deals of the year in 2014
- **Average Annual Shareholder return of 24%**

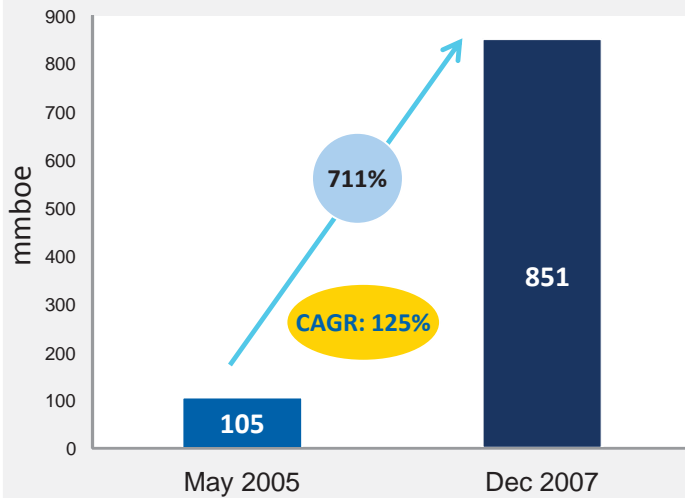


## 2P Reserve Growth (Working Interest)



- **Mr. Guidry was President and CEO from October 2009 until July 2011**
- Location of operations: Alberta, Canada
- Production grew from 2,343 boe/d to 5,500 boe/d at the time of sale
- Drilled 46 development wells
- WI Reserves increased by 34% from 2009 to 2010
- **Average annual shareholder return of 52%**

## 2P Reserve Growth (Working Interest)

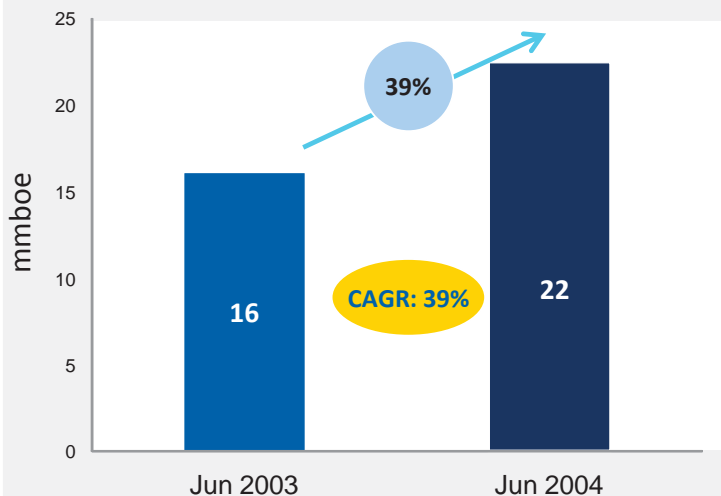


- **Mr. Guidry was President and CEO from May 2005 until January 2009**
- Location of operations: Syria
- Successful drilling and EOR Program:
- Appraisal and Development Drilling program of 10 wells in 2005, 26 wells in 2006, 53 wells in 2007
- As of September 2008 the company was operating 6 drilling rigs and 10 steam generators for steam injection. 39 wells were in the steam pilot of 2008
- WI Reserves increased by 711% during Gary's tenure
- **Average annual shareholder return of 53%**



# CALPINE NATURAL GAS TRUST – CASE STUDY

## 2P Reserve Growth (Working Interest)



- **Mr. Guidry was President and CEO from October 2003 until February 2005**
- Location of operations: Alberta, Canada
- In October 2003 Calpine Corporation spun out the natural gas assets in Alberta into Calpine Natural Gas Trust. Mr. Guidry was recruited to be CEO
- The IPO price was C\$10.00 per share
- On November 24, 2004 the Company announced that it was merging with Viking Energy Royalty Trust
- **Average annual shareholder return was 48%**



WHY NOW?



# WHY IS NOW THE TIME FOR CHANGE?

## GTE Needs The Right Leadership At This Critical Juncture

1

**The Company has had significant turnover at the leadership level**

- Dana Coffield, CEO and director was terminated in February 2015
- Verne Johnson, director and co-founder retired in August 2014
- Shane O’Leary, COO retired in July 2014

2

**The Company has come up with no credible succession plan**

- The Board promoted Jeffrey Scott from Chairman to Executive Chairman, despite his leadership role in adopting past strategy
- Duncan Nightingale has been promoted twice in the last 9 months: first to COO to replace Shane O’Leary, and then again to Interim CEO after Dana Coffield was terminated

3

**The Company’s strategy over the last 4 years has, in our view, been the wrong one**

- The consequences of the wrong strategy was missed opportunity and value loss

4

**The Company has a high cash balance and no debt**

- The consequences for shareholders of further strategy and capital allocation missteps could be very damaging if oversight and leadership is not corrected

**We Do Not Have Confidence That The Executive Chairman And The Board Have The Ability To Deploy Shareholder Capital And Execute Strategy Effectively**



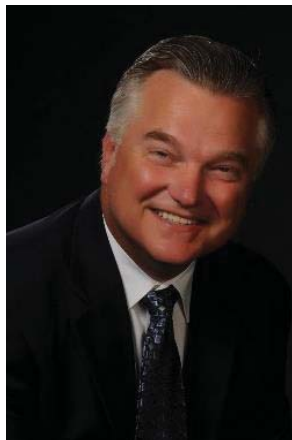
# WHAT CAN SHAREHOLDERS DO?

**Answer:**

Shareholders can make their views known to the board  
[info@grantierra.com](mailto:info@grantierra.com)



# WEST FACE'S NOMINEES FOR THE BOARD



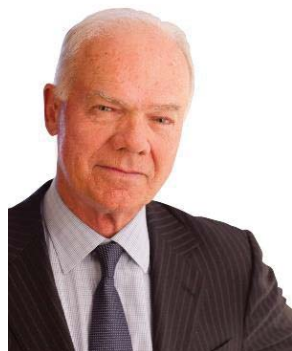
## Gary Guidry

- Currently Chief Executive Officer of Onza Energy Inc.
- Served as President and CEO of Caracal Energy Inc. from July 2011 to July 2014
- President and CEO of Orion Oil & Gas Corp. (October 2009 to July 2011), Tanganyika Oil Corp. (May 2005 to January 2009), and Calpine Natural Gas Trust (October 2003 to February 2005)
- Currently a director and audit committee member of Africa Oil Corp. (since April 2008) and Shamaran Petroleum Corp. (since February 2007)
- Formerly a director of Zodiac Exploration Corp (September 2010 to October 2011), and TransGlobe Energy Corp. (October 2009 to March 2014)
- Previously, served as Senior Vice President and then President of Alberta Energy Company International, as well as President and General Manager of Canadian Occidental Petroleum's Nigerian operations
- Mr. Guidry has directed exploration and production operations in Yemen, Syria and Egypt and has worked for oil and gas companies around the world in the U.S., Colombia, Ecuador, Venezuela, Argentina and Oman



## Robert Hodgins

- Chartered Accountant, investor and director with over 30 years of oil and gas industry experience
- Chairman of the Board of Caracal Energy Inc. until it was purchased in July 2014 for \$1.8 billion
- Chief Financial Officer of Pengrowth Energy Trust of Calgary from 2002 to 2004
- Previously, Vice-President and Treasurer of Canadian Pacific Limited and CFO of TransCanada Pipelines Limited, both of Calgary
- Currently a director and Chairman of the Audit Committee at several Calgary-based public companies including, AltaGas Ltd., MEG Energy Corp., Enerplus Corporation, Kicking Horse Energy Inc., and StonePoint Energy Inc.



## Peter Dey

- A respected corporate lawyer, investment banker and experienced corporate director known for his corporate governance expertise.
- Director of Caracal Energy Inc. from March 2013 until its sale in July 2014
- Chairman of Paradigm Capital Inc., an independent investment dealer, since November 2005
- Director of Goldcorp and Granite REIT and the Massachusetts Museum of Contemporary Art
- Former Chairman of the Ontario Securities Commission, former Chairman of Morgan Stanley Canada Limited, and was a Senior Partner of the Toronto law firm Osler, Hoskin & Harcourt LLP
- Chaired the Toronto Stock Exchange Committee on Corporate Governance, and was Canada's representative to the OECD Task Force that developed the OECD's Principles of Corporate Governance



# WEST FACE'S NOMINEES FOR THE BOARD



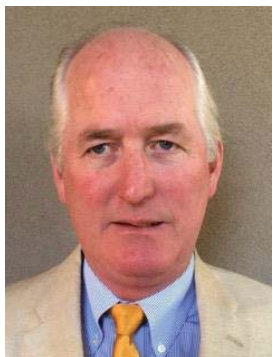
## Ronald W. Royal

- A professional engineer with more than 35 years of experience with Toronto-based Imperial Oil Limited and ExxonMobil's international upstream affiliates
- A director of Caracal Energy Inc. from July 2011 until its sale in July 2014
- Currently a director of Valeura Energy Inc. of Calgary and Oando Energy Resources Inc.
- From 2002 to 2007, he was President and General Manager of Esso Exploration and Production Chad Inc. (EEPCI) and lived in Chad
- Served on the Board of Directors of Esso REP (Exxon's exploration and production operations in France), EEPCI, Tchad Oil Transportation Company and Cameroon Oil Transportation Company
- In 2003, awarded the title "Chevalier de l'Ordre National du Chad" for his contribution to the economic development of the Republic of Chad



## Brooke Wade

- President of Wade Capital Corporation, a private investment company, and Chartered Accountant
- From 1994 until 2005, he was co-founder and Chairman and CEO of Acetex Corporation, a global chemical producer in acetyls, specialty polymers and films, acquired in 2005 by Celanese Corporation
- Prior to Acetex, founding President and CEO of Methanex Corporation, which grew into what is today the world's largest methanol producer
- A director of Caracal Energy Inc. from September 2011 until its sale in July 2014
- Currently serves on the boards of Novinium, Inc. and International Acoustics Company Limited
- Member of the Advisory Board of Network Capital Management Inc., the World Presidents' Organization, the Chief Executives Organization, and the Dean's Advisory Council of the Harvard Kennedy School



## David Smith

- Chairman of the Board of Directors of Superior Plus Corp., a diversified public company with interests in energy distribution, chemicals, and construction products distribution. Chair of the Audit Committee from March 2004 to August 2015
- A director of Xinergy Ltd. from December 2010 to February 2013, and of Jannock Properties Ltd. from 2000 to January 2011
- Formerly Managing Partner of Enterprise Capital Management Inc.
- Chartered Financial Analyst with extensive experience in the investment banking, investment research and management industry
- Other areas of expertise include corporate finance, mergers & acquisitions, project finance, and privatization





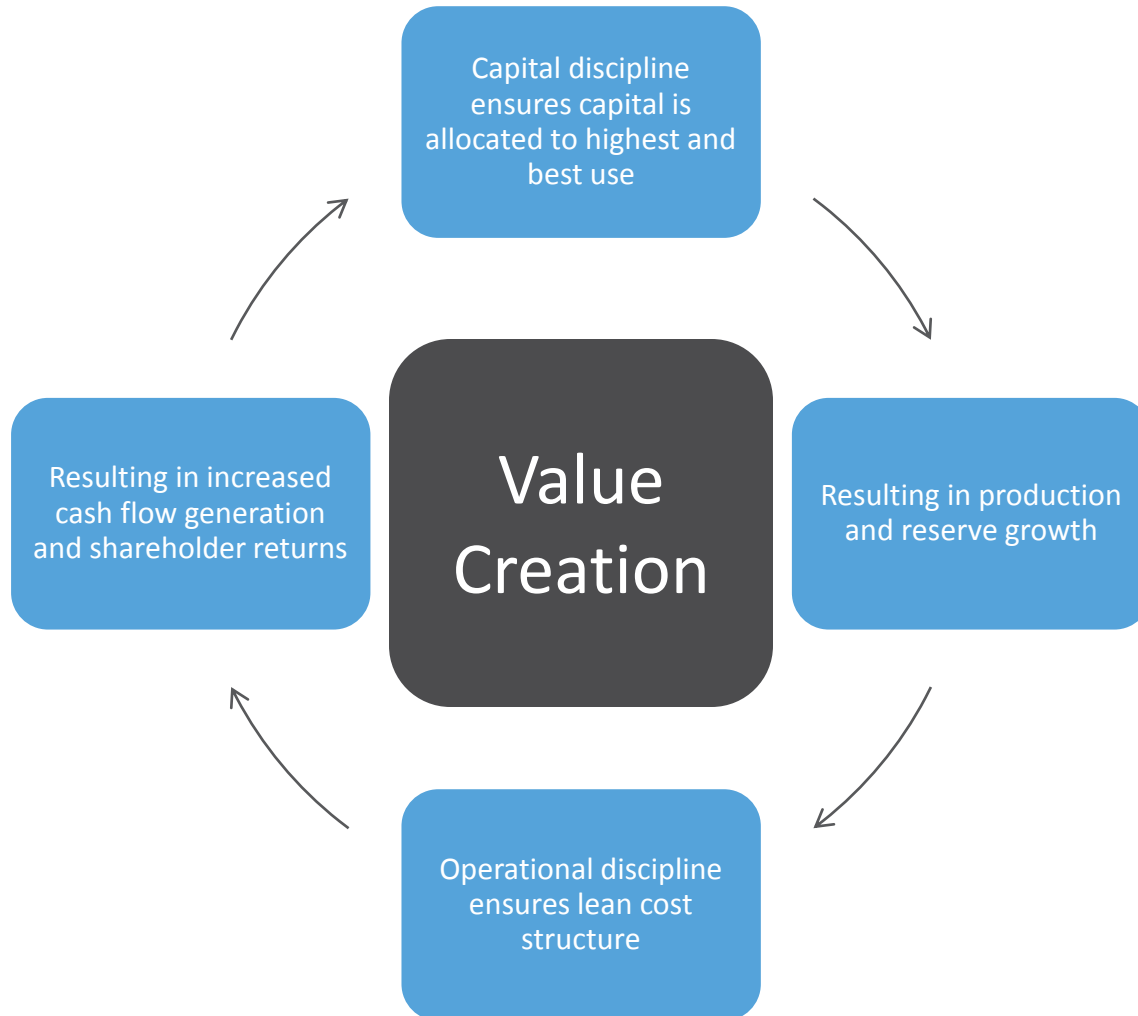
# SKILLS MATRIX – PROPOSED DIRECTORS

	Gary Guidry	Robert Hodgins	Peter Dey	Ronald Royal	Brooke Wade	David Smith
International Oil & Gas Experience	✓	✓	✓	✓	✓	
Latin American Experience	✓	✓	✓		✓	
Executive Leadership	✓	✓	✓	✓	✓	✓
Other Board Experience	✓	✓	✓	✓	✓	✓
Executive Compensation	✓	✓	✓		✓	✓
Operating Experience	✓	✓		✓	✓	
Strategic Oversight	✓	✓	✓	✓	✓	✓
Marketing & Transportation	✓	✓		✓	✓	✓
Financial & Accounting	✓	✓	✓	✓	✓	✓
Mergers & Acquisitions	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓
Human Resources	✓	✓	✓	✓	✓	✓
Legal and Capital Markets	✓	✓	✓	✓	✓	✓
Government Relations/Regulatory	✓	✓	✓	✓	✓	
Governance	✓	✓	✓	✓	✓	✓
Safety & Environment	✓	✓		✓	✓	



# WE BELIEVE OUR PLAN WILL BRING IMPROVEMENTS THAT WILL RESULT IN VALUE CREATION

We have the right plan, Management team, and Board to deliver value for shareholders



Which alternative will lead to better stewardship of your capital?

## Status Quo:

- Directors who oversaw past value loss remain in place
- No suitable CEO in place
- \$323 million of cash at their disposal
- Do you trust this Board with your capital?

## Change:

- Reconfigured Board with strong independent directors
- Reconstituted board to install Gary Guidry as new CEO
- Gary Guidry has demonstrated ability to create value for shareholders

Now is the time to fix GTE



1. Gary Guidry has purchased approximately 2 million common shares in the open market since March 17, 2015 while all current GTE insiders have purchased 66,561 common shares combined since 2008. (Source: SEDI)
2. Gary Guidry joined Caracal Energy Inc. (Caracal) as CEO on July 1, 2011. At the time, Caracal was a private company and completed a private placement on March 9, 2011 which was priced at C\$5.00/share. Performance calculation is the annualized share price return from an assumed starting share price of C\$5.00/share on March 9, 2011 to April 14, 2014 which was the date Caracal announced it would be acquired by Glencore Xstrata Plc. (Source: Caracal filings, Bloomberg)
3. Gary Guidry joined Auriga Energy Inc. (Auriga) as CEO in May 2009 which was subsequently acquired by Orion Oil & Gas Corporation (Orion), a subsidiary of Sprott Resource Corp. (Sprott), in October 20, 2009. In conjunction with the acquisition, Orion completed a private placement that was priced at C\$0.44/share. Performance calculation is the annualized share price return from an assumed starting price of C\$0.44/share in May 2009 to May 11, 2011 when Orion announced it would be acquired by WestFire Energy Ltd. (Source: Orion and Sprott filings, Bloomberg)
4. Gary Guidry joined Tanganyika Oil Company Ltd. (Tanganyika) on May 5, 2005. Performance calculation is the annualized share price return from an assumed starting price of C\$6.90/share on May 5, 2005 to September 25, 2008 when Tanganyika announced it would be acquired by Sinopec International. (Source: Tanganyika filings, Bloomberg)
5. Performance calculated from Calpine Natural Gas Trust's (Calpine) IPO at a price of C\$10.00/unit to November 24, 2004 when Calpine announced it would be acquired by Viking Energy Royalty Trust. Also included is C\$1.875/unit in distributions paid over this timeframe. (Source: Calpine filings, Bloomberg)
6. Base salary converted into USD, assuming a March 5, 2015 exchange rate of 1.2484. (Source: GTE 8-K filed on February 5, 2015)
7. Value of options have not been disclosed by GTE. We have priced these options using Bloomberg with the following assumptions: assumed grant date of March 5, 2015, strike price of \$2.69/share, dividend yield of 0%, volatility of 55%, risk free interest rate of 1.57%, and term of 5 years. (Source: GTE 8-K filed on February 25, 2015)
8. Value of RSUs have not been disclosed by GTE. We have assumed grant date of March 1, 2015 at a share price of \$2.53/share. (Source: GTE 8-K filed on February 25, 2015)
9. We have assumed that a change of control would be triggered upon replacement of majority of the board. In such a circumstance, the change of control payment would pay 200% of base and would be in lieu of the regular cash bonus. (Source: GTE 8-K filed on February 5, 2015)
10. GTE has not disclosed the Executive Chairman's compensation for FY2014. We do not believe FY2014 will be significantly different than FY2013 compensation.