



HORIZON PETROLEUM LTD.

Suite 1500, 700 4th Ave. S.W., Calgary, AB, Canada, T2P 3J4

www.horizon-petroleum.com

INFORMATION CIRCULAR

as at February 7, 2017

This Information Circular is furnished in connection with the solicitation of proxies by the management of Horizon Petroleum Ltd. ("**Horizon**") for use at the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of our common shares ("**Common Shares**") to be held on March 14, 2019 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at February 7, 2019.

In this Information Circular, references to "Horizon", "we" and "our" refer to Horizon Petroleum Ltd. "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

We have not authorized any person to give any information or make any representations in connection with the transactions herein described other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by us.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation is made on behalf of our management. The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and our regular employees. We will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "**Proxy**") are our officers. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on such Shareholder's behalf at the Meeting other than the persons named in the proxy.** You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein, and
- (iii) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matter that could come before the Meeting.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (i) completing, dating and signing the enclosed form of proxy and returning it to our transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, or by mail or hand delivery at the address set out on the enclosed proxy form;
- (ii) using a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (iii) using the internet through the website of Computershare at www.computershare.com/ca/proxy. Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on our records as the registered holders of Common Shares).

If your Common Shares are listed in an account statement provided to you by a broker, then in almost all cases those Common Shares will not be registered in your name on the records of Horizon. Such Common Shares will more likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co (the registration

name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. We do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients. If you have any questions with respect to your voting instructions, please contact your broker or representative.

We are sending proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101. We do not intend to pay for intermediaries to forward the proxy-related materials to objecting beneficial owners. In the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The voting instruction form supplied to you by your broker will be similar to the Proxy provided to our registered shareholders. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy we provided. The voting instruction form will name the same persons as the proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker and this should be done well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

Revocation of Proxies

A Shareholder who has given a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it by:

- (i) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **Computershare or at our office, Suite 1500, 700 4th Ave. S.W., Calgary, AB, T2P 3J4**, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (ii) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of Horizon, or any person who has held such a position since the beginning of our last completed financial year, nor any nominee for election as a director, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

Conflicts, if any, will be subject to the procedures and remedies available under the *Business Corporations Act* (Alberta) (the "**ABCA**"). The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

RECORD DATE AND QUORUM

Our board of directors (the "**Board**") has fixed the record date for the Meeting at the close of business on February 7, 2019 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, except to the extent that any such shareholder transfers any shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Under our current By-Laws the quorum for the transaction of business at the Meeting consists of at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder is entitled to vote at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

We are authorized to issue an unlimited number of Common Shares. As of February 7, 2019, there were 59,857,176 Common Shares issued and outstanding, each carrying the right to one vote. Our Common Shares are listed on the TSX Venture Exchange (the "TSXV") under the trading symbol "HPL".

As at February 7, 2019, to the knowledge of our directors and senior officers, and based on our review of the records maintained by Computershare, electronic filings with System for Electronic Document Analysis and Retrieval (SEDAR) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), no person owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all our outstanding shares other than as set forth below:

Name	Number of Horizon Shares	Percent of Issued and Outstanding
CruzSur Energy Corp.	12,250,000	20.46%

STATEMENT OF EXECUTIVE COMPENSATION

Interpretation

For the purposes of this information circular the following terms have the corresponding meanings:

CEO means our Chief Executive Officer, or the person who acted in a similar capacity for any part of the most recently completed financial year;

CFO means our Chief Financial Officer, or the person who acted in a similar capacity for any part of the most recently completed financial year;

Executive Officer means an individual who is: (a) our chairman; (b) our vice-chair; (c) our president; (d) any of our vice-presidents in charge of a principal business unit, division or function including sales, finance or production; (e) any of our officers who performs a policy-making function; or (f) any other individual who performs a policy making function.

Named Executive Officer or **NEO** means: (a) our CEO; (b) our CFO; (c) each of our three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than our CEO and CFO, at the end of our most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) any additional individuals for whom disclosure would have been provided under (c) above, except that such individual was not serving as an executive officer, nor in a similar capacity, as at the end of our most recently completed financial year end.

Our Named Executive Officers

As of August 31, 2018, we had two NEOs, namely Dr. David Winter, our CEO and Matt Janisch, our Interim CFO.

DIRECTOR AND NAMED OFFICER COMPENSATION

The following table is a summary of all compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to our directors and NEOs for our two most recently completed financial years.

Table of Compensation (excluding compensation securities)

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee of Meeting Fees (\$)	Value of Perquisites (\$) ⁽¹⁾	Value of all other compensation (\$)	Total Compensation (\$)
David Winter CEO/Director	2018	120,000 ⁽⁵⁾	-	-	n/a	-	120,000
	2017	120,000 ⁽⁶⁾	-	-	n/a	-	120,000
Matt Janisch Interim Interim CFO/Director	2018	83,333 ⁽⁷⁾	-	-	n/a	-	83,333
	2017	n/a ⁽⁸⁾	-	-	n/a	-	n/a
Mark Gelmon ⁽²⁾ Former CFO	2018	39,000	-	-	n/a	-	39,000
	2017	78,000	-	-	n/a	-	78,000
Darren Moulds ⁽³⁾ Former CFO	2018	n/a	-	-	n/a	-	n/a
	2017	3,000	-	-	n/a	-	3,000
Yogeshwar Sharma Chairman/ Director	2018	36,000	-	-	n/a	-	36,000
	2017	15,000	-	-	n/a	-	15,000
Charle Gamba Director	2018	24,000	-	-	n/a	-	24,000
	2017	10,000	-	-	n/a	-	10,000
Harry Wilson ⁽⁴⁾ Director	2018	24,000	-	-	n/a	-	24,000
	2017	10,000	-	-	n/a	-	10,000

Notes:

- (1) The value of perquisites and benefits, if any, for each NEO or director was less than (a) \$15,000, if the NEO or director's total salary for the financial year was \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year was greater than \$150,000 but less than \$500,000; or (c) \$50,000, if the NEO or director's total salary for the financial year was \$500,000 or greater.
- (2) On November 9, 2017, Mr. Gelmon tendered his resignation as CFO and Mr. Matt Janisch was appointed as our Interim CFO and member of our board of directors. Mr. Gelmon acted as our CFO pursuant to a services agreement with iO Corporate. The amounts shown in the table represent the fees paid to iO Corporate. We do not have information as to what portion of this amount was received by Mr. Gelmon.
- (3) On September 29, 2016, Mr. Moulds tendered his resignation as CFO. Following the resignation of Mr. Moulds, Mr. Gelmon was appointed as CFO.
- (4) Mr. Wilson was appointed as director on March 14, 2017.
- (5) In 2018, Mr. Winter received compensation in the amount of \$120,000 for his role as CEO and \$nil for his role as director.
- (6) In 2017, Mr. Winter received compensation in the amount of \$120,000 for his role as CEO and \$nil for his role as director.
- (7) In 2018, Mr. Janisch received compensation in the amount of \$83,333 for his role as CFO and \$nil for his role as director.
- (8) In 2018, Mr. Janisch received compensation in the amount of \$nil for his role as CFO and \$nil for his role as director.

External Management Companies

None of our NEOs or directors have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with us to provide executive management services to us, directly or indirectly. (for further information, refer to “*Employment, Consulting and Management Agreements*” below).

Stock Options and Other Compensation Securities

During the year ended August 31, 2018 no stock options were issued to our NEOs or directors.

The following table discloses the total amount of compensation securities held by our NEOs and directors as at the financial year ended August 31, 2018.

Name and Position	Number of Options	Vesting Provisions
David A. Winter CEO/Director	166,666	1/3 on each of December 4, 2016, December 4, 2017 and December 4, 2018
	450,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019
Matt Janisch Interim CFO/Director	325,000	1/3 on each of November 8, 2017, November 8, 2018 and November 8, 2019
Yogeshwar Sharma Chairman/ Director	43,333	1/3 on each of August 4, 2014, August 4, 2015 and August 4, 2016
	120,833	1/3 on each of December 4, 2016, December 4, 2017 and December 4, 2018
	250,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019
Charle Gamba Director	54,166	1/3 on each of December 4, 2016, December 4, 2017 and December 4, 2018
	200,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019
Harry Wilson Director	200,000	1/3 on each of November 6, 2017, November 6, 2018 and November 6, 2019

No compensation securities were re-priced, extended, cancelled and replaced, or otherwise materially modified during the financial year ended August 31, 2018.

Other than any vesting restrictions noted above, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

Exercise of Compensation Securities by NEOs

No compensation securities were exercised by the NEOs or directors during the financial year ended August 31, 2018.

Stock Option Plans and Other Incentive Plans

We have adopted a 10% rolling stock option plan (the “**Stock Option Plan**”). Pursuant to the Stock Option Plan, the Board may, from time to time, in its discretion, and in accordance with the requirements of the TSXV, grant to our directors, officers, employees and consultants options to purchase Common Shares (“**Options**”), provided that the number of Common Shares reserved for issuance, together with those to be issued pursuant to options previously granted, does not exceed 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of Common Shares that may be reserved for issuance to any one individual may not exceed 5% of the issued Common Shares, on a yearly basis; or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan must be approved and ratified by our shareholders on an annual basis. The Stock Option Plan was most recently ratified and approved by shareholders at the annual general and special meeting held on March 14, 2017.

Options are exercisable over a period of up to ten years as determined by the Board and are required to have an exercise price of no less than the closing market price of the Common Shares prevailing on the day that the Option is granted less a discount in accordance with the policies of the TSXV. Options held by an officer, director or service provider (not conducting investor relations) expire 90 days after the option holder has left office or the service provider ceases providing services; and for Options held by service providers conducting investor relations, immediately upon us terminating that relationship. In the case of the death of an employee, officer, director or other service provider, the Option may be exercised by a personal representative or heir until the earlier of the Option’s expiry or up to one year after the option holder died.

Pursuant to the Stock Option Plan, the Board may from time to time authorize the grant of Options to our directors, officers, employees and consultants or employees of companies providing management or consulting services to us. Other than Options granted to consultants performing investor relations activities which must vest in stages over at least 12 months with no more than one-quarter of the Options vesting in any three month period, the Stock Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion.

A copy of the Stock Option Plan will be available for inspection at the Meeting and will be sent to any Shareholder upon request.

Employment, Consulting and Management Agreements

We do not have any contracts, agreements, plans or arrangements that provide for payments to a director or NEO upon, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change of control or change in such NEO’s responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

Horizon does not have a formal compensation committee. The independent directors consider and determine all compensation matters in respect of our NEOs and directors. The objective of our compensation arrangements is to compensate the executive officers for their services at a level that is both in line with our fiscal resources and competitive with companies at a similar stage of development.

We compensate our executive officers based on their skill, qualifications, experience, level of responsibility involved in their position, our existing stage development, our resources, industry practice and regulatory guidelines regarding executive compensation.

At this time, we do not have a formal compensation program with specific performance goals or similar conditions. Executive compensation is based upon the need to provide a compensation package that will allow us to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The Stock Option Plan will continue to be used to provide share-purchase Options to executives. The share-purchase Options are granted in consideration of the level of responsibility of the executive as well as his or her impact to our long-term operating performance. In determining the number of Options to grant to an executive officer, the Board takes into account the number of options, if any, previously granted to such executive officer and the exercise price of any outstanding options in order to ensure that each grant is in accordance with the policies of the TSXV, and to closely align the interests of each executive officer with the interests of our shareholders.

We plan to continually assess and, if required, revise our compensation plans in accordance with our growth and activity level. We believe this flexible approach is required for a company in our current state of development.

Pension Disclosure

We do not have any pension or retirement plans that are applicable to the NEOs or directors. We have not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO, in connection with or related to the retirement, termination or resignation of such person, and we have not provided any compensation to any such person as a result of a change of control.

Securities Authorized For Issuance under Equity Compensation Plans

The following table sets out equity compensation plan information as at the financial year ended August 31, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders (the Stock Option Plan)	2,828,664	\$0.20	3,157,053
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	2,828,664	\$0.20	3,157,053

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of Horizon, no proposed nominee for election as a director of Horizon, and no associate of any of the foregoing persons has been indebted to us at any time since the commencement of our last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by us at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, to the knowledge of management, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of Horizon or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect Horizon or any of its subsidiaries during the most recently completed financial year end, or has any interest in any material transaction in the current year.

Our directors and officers have an interest in the resolutions concerning the election of directors and approval of the stock option plan. Otherwise no director or senior officer or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of our shares where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of Horizon. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, we are required to disclose our corporate governance practices, as summarized below. We will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as we deem appropriate.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with Horizon. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Our Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. Our Board requires management to provide complete and accurate information with respect to the our activities and to provide relevant information concerning the industry in which we operate in order to identify and manage risks. Our Board is responsible for monitoring our officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Currently, our Board has three independent members, being Yogeshwar Sharma, Charle Gamba and Harry Wilson. The non-independent members are Dr. David Winter and Matt Janisch by virtue of their roles as officers.

Directorships

The following table sets forth our directors who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer
Charle Gamba	Canacol Energy Ltd.
David A. Winter	Canacol Energy Ltd. Sonoro Energy Ltd.
Harry Wilson	The Stanley Gibbons Group plc

Orientation and Continuing Education

Each new director is given an outline of the nature of our business, our corporate strategy and our current issues. New directors are also required to meet with management to discuss and better understand our business and are given the opportunity to meet with our counsel to discuss their legal obligations as a director.

In addition, management takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies that may affect the directors, officers and committee members as a whole. We continually review the latest securities rules and policies and are on the mailing list of the TSXV to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of our directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by our governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in our best interests. Further, our auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of our financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the our Board as a whole.

Compensation

To determine compensation payable, the independent Directors review compensation paid for directors, officers and senior management of companies of similar size and stage of development in the oil and gas exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account our financial resources. In setting the compensation, the independent Directors annually review the performance of the officers, and senior management in light of our objectives and consider other factors that may have impacted our success in achieving our objectives.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Audit Committee Disclosure

Pursuant to section 171(1) of the *Business Corporations Act* (Alberta), the policies of the TSXV and National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), we are required to have an Audit Committee comprised of not less than three directors, a majority of whom are not our officers, control persons or employees. NI 52-110 requires us, as a venture issuer, to disclose annually in our information circular certain information concerning the constitution of our Audit Committee and our relationship with our independent auditor. The Audit Committee Charter is attached to this Information Circular as Schedule "A".

Composition of the Audit Committee

The following are the members of the Committee:

Harry Wilson	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Yogeshwar Sharma	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Charle Gamba	Independent ⁽¹⁾	Financially literate ⁽¹⁾

⁽¹⁾As defined in NI 52-110.

Relevant Education and Experience

Harry Wilson has over 40 years of business experience, initially in the oil industry but successively in a wide range of business sectors. He has been founder, CEO and Chairman of a number of independent oil companies and led public listings for five companies including Dragon Oil Plc and Eland Oil & Gas Plc. He has been an executive and non-executive director of listed companies in the UK and abroad and has built up an extensive range of London and international contacts in investment, broking and advisory communities. Mr. Wilson received a BSc in physics from Manchester University in 1973. Following graduation, he spent 17 years in various roles at British Petroleum and attended the Executive Programme at the INSEAD Business School in France in 1985.

Yogeshwar Sharma has over 40 years of broad international oil and gas industry experience. He is the co-founder of LSE-listed Hardy Oil and Gas plc, and served as its CEO until May 2012. Prior to founding Hardy, Yogeshwar worked at Elf International as the Manager of Reservoir Engineering and also served as an External Examiner at the Heriot Watt University in Edinburgh. He is a Registered Professional Engineer in Alberta and a member of the Society of Applied and Industrial Mathematics. Mr. Sharma graduated from the University of Alberta with a BSc in Mechanical Engineering.

Charle Gamba has been the Chief Executive Officer and President of Canacol Energy Ltd., since October 2008. He is a senior executive with almost 20 years working experience in the US and international upstream oil and gas industry. Charle served as a Vice President of Exploration at Occidental Oil & Gas Company from 2001 to 2008. In his seven years with Occidental, he worked in Ecuador, Qatar, Colombia, and the United States in a variety of technical management roles. Charle started his professional career as a geologist with Imperial Oil in Calgary in 1994.

Audit Committee Oversight

At no time since the commencement of our most recent completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

Other than as disclosed herein, at no time since the commencement of our most recently completed financial year have we relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

We are relying on section 6.1 of NI 52-110.

External Auditor Service Fees (By Category)

Aggregate fees paid to the Auditor during the financial years ended August 31, 2017 and 2018 were as follows:

	<u>Year ended August 31, 2017 (\$)</u>	<u>Year ended August 31, 2018 (\$)</u>
Audit fees	35,000	72,012
Audit-related fees ⁽¹⁾	Nil	0
Tax fees ⁽²⁾	3,000	4,000
All other fees ⁽³⁾	Nil	0
TOTAL	38,000	76,012

Notes:

- (1) Audit related fees include fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Tax fees include fees charged (or estimated charges) for tax compliance, tax advice and tax planning services.
- (3) All other fees include fees for services other than disclosed in any other row above.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Financial Statements

The shareholders will receive and consider our audited financial statements for the fiscal year ended August 31, 2018 together with the auditor's report thereon. A copy of the financial statements is available for review on www.sedar.com.

B. Fixing Number of Directors

At the Meeting, Shareholders will be asked to fix the number of directors for the present time at five (5) as may be adjusted between shareholders' meetings by way of resolution of the Board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the Meeting to five (5).

C. Election of Directors

At the Meeting, Shareholders will be asked to elect the proposed directors set forth below to hold office until the next annual meeting or until their successors are elected or appointed. There are presently five (5) directors, each of whom retires from office at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of the nominees set forth below to hold office until the next annual general meeting, or until their successors are elected or appointed:

David Winter
Charle Gamba
Yogeshwar Sharma
Harry Wilson
Matt Janisch

The names and places of residence of the persons either nominated for or presently holding office as directors, the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, the period served as director and the principal occupation during the last five years of each are as follows:

Name and Place of Residence	Number of Common Shares Beneficially Owned or Controlled, Directly or Indirectly	Director Since	Principal Occupation for Past Five Years
David Winter President and CEO Alberta, Canada	2,013,333	November 4, 2014	Chief Executive Officer of Horizon Petroleum Ltd. Previously the Chief Executive Officer of Miramar Hydrocarbons Ltd.
Charle Gamba ⁽¹⁾ Texas, USA	828,333	April 11, 2014	President and CEO of Canacol Energy Ltd.
Yogeshwar Sharma ⁽¹⁾ Aix-en-Provence, France	1,256,388	April 30, 2013	Independent Businessman.
Harry Wilson ⁽¹⁾ Hertfordshire, UK	Nil	March 14, 2017	Businessman and Founder/Chairman of several public companies in the oil and gas sector.
Matt Janisch Interim CFO Alberta, Canada	1,000,000	November 9, 2017	Interim CFO of Horizon Petroleum Ltd. Previously the VP Finance and CFO of Legacy Oil + Gas Inc.

Note:

(1) Members of the Audit Committee.

We do not have an Executive Committee. Our Board has established an Audit Committee, details of which are provided under the heading "Statement of Corporate Governance".

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

As at the date of this Information Circular and within the ten years before the date of this Information Circular, other than as set out below, no proposed director:

- (a) is or has been a director or executive officer of any corporation (including Horizon), that while that person was acting in that capacity:

- (i) was the subject of a cease-trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within 10 years before the date of the Information Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

Mr. Wilson was a director of Xcite Energy Limited (“**Xcite**”), a British Virgin Islands company that was listed on the London AIM market. Xcite was put in to liquidation on December 5, 2016. Mr. Wilson resigned from the board of directors of Xcite approximately 6 months before it was put in to liquidation. Mr. Wilson was also a director of Stanley Gibbons (Guernsey) Limited (“**SGGL**”), a private subsidiary of Stanley Gibbons Group PLC, a company listed on the London AIM market. SGGL was placed in administration on November 21, 2017, with PricewaterhouseCoopers LLP, as insolvency practitioners, being appointed administrator to manage the affairs, business and property of SGGL.

D. Appointment of Auditor

Management recommends the re-appointment of KPMG LLP, Chartered Accountants, the present auditor, as our auditor to hold office until the close of the next annual meeting of the Shareholders.

Shares represented by proxies in favour of the management nominees will be voted in favour of the appointment of KPMG LLP, Chartered Accountants, as our auditor and authorizing the Board to fix the auditor’s remuneration, unless a Shareholder has specified in his/her proxy that his/her shares are to be withheld from voting on the appointment of auditor.

E. Ratification of 10% Rolling Stock Option Plan

Management is seeking re-ratification by the Shareholders of our existing stock option plan (the “**Stock Option Plan**”) in accordance with the policies of the TSXV. At the Meeting, Shareholders will be asked to consider and, if thought fit, pass the following ordinary resolutions:

“BE IT RESOLVED THAT:

- (i) the Stock Option Plan be ratified, confirmed and approved, including reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding Common Shares of Horizon;

- (ii) Horizon is authorized to grant stock options pursuant to and subject to the terms and conditions of the Stock Option Plan to qualified directors, officers, employees and consultants or management company employees of Horizon, or any affiliate thereof; and
- (iii) any one director or officer of Horizon, for and on behalf of Horizon, be and is hereby authorized to execute and deliver all documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.”

In order to be passed, the foregoing resolution must be approved by the affirmative vote of a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **The persons named in the accompanying Instrument of Proxy intend, unless otherwise directed, to vote in favour of the resolution approving the Stock Option Plan.**

The Board unanimously recommends that Shareholders ratify, confirm and approve the Share Option Plan by voting in favour of the resolution to be submitted at the Meeting.

For further information concerning our stock option plan, refer to *Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans* above.

OTHER MATTERS COMING BEFORE THE MEETING

Our management is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to Horizon is available through the Internet SEDAR at www.sedar.com. Financial information is provided in our annual audited comparative financial statements for the year ended August 31, 2018 and the related management’s discussion and analysis. Copies of our financial statements and related management discussion and analysis are available upon request from our CEO at (403) 619 2957.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Calgary, Alberta, February 7, 2019.

BY ORDER OF THE BOARD

/s/ “David Winter”

David Winter, Chief Executive Officer

SCHEDULE "A"

Audit Committee Charter

Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition, Procedures and Organization

The Committee must consist of at least three members; and each member must be a director of the Company. A majority of the members of the Committee should be independent (not executive officers or employees of the Company or of an affiliate of the Company). At least one member of the Committee must be financially literate; and all members of the Committee who are not financially literate must work towards becoming financially literate. For the purposes of this Charter, the term "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair must be financially literate.

The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

Meetings of the Committee

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members at least 24 hours' advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the auditor, the Chair shall call a

meeting of the Committee to consider any matter that the auditor believes should be brought to the attention of the Committee, the Board of Directors or the Shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are independent. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with management or the auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee must meet with the auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Review the Company's financial statements, including any certification, report, opinion, or review rendered by the auditor, management's discussion and analysis of the financial statements, and any annual and interim earnings press releases before the Company publicly discloses such information.
2. Review and satisfy itself that adequate procedures are in place and review the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
3. Be directly responsible for overseeing the work by the auditor (including resolution of disagreements between management and the auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Company.
4. Require the auditor to report directly to the Committee.
5. Review annually the performance of the auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Company.
6. Review and discuss with the auditor any disclosed relationships or services that may impact the objectivity and independence of the auditor.
7. Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the auditor.
8. Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment and the auditor for the ensuing year and the compensation for the auditor, or, if applicable, the replacement of the auditor.
9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the auditor and former independent external auditors of the Company.
10. Review with management and the auditor the audit plan for the annual financial statements.

11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - a. the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the auditor during the fiscal year in which the non-audit services are provided;
 - b. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - c. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.
12. In consultation with the auditor, review with management the integrity of the Company's financial reporting process, both internal and external.
13. Consider the auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
14. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the auditor and management.
15. Review significant judgments made by management in the preparation of the financial statements and the view of the auditor as to the appropriateness of such judgments.
16. Following completion of the annual audit, review separately with management and the auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.
17. Review any significant disagreement among management and the auditor in connection with the preparation of the financial statements.
18. Review with the auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
19. Discuss with the auditor the auditor's perception of the Company's financial and accounting personnel, any material recommendations which the auditor may have, the level of cooperation which the auditor received during the course of its review and the inadequacy of its access to records, data or other requested information.
20. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as set forth in Annex A attached to this Charter.
21. Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
22. Report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee.

23. Review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

Authority

The Committee is authorized to:

- (iii) seek any information it requires from any employee of the Company in order to perform its duties;
- (iv) to engage, at the Company's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- (v) set and pay compensation for any advisors engaged by the Committee; and
- (vi) communicate directly with the internal and external auditors of the Company.

The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

ANNEX A

**PROCEDURES FOR THE SUBMISSION OF
COMPLAINTS AND CONCERNS REGARDING
ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR AUDITING MATTERS**

1. Horizon Petroleum Ltd. (the "Company") has designated the Audit Committee of its Board of Directors (the "Committee") to be responsible for administering these procedures for the receipt, retention, and treatment of complaints received by the Company or the Committee directly regarding accounting, internal accounting controls, or auditing matters.
2. Any employee of the Company may on a confidential and anonymous basis submit concerns regarding questionable accounting controls or auditing matters to the Committee by setting forth such concerns in a letter addressed directly to the Committee with a legend on the envelope such as "Confidential" or "To be opened by Committee only". If an employee would like to discuss the matter directly with a member of the Committee, the employee should include a return telephone number in his or her submission to the Committee at which he or she can be contacted. All submissions by letter to the Committee can be sent to:
Horizon Petroleum Ltd.
Suite 1500, 700 4th Avenue SW
Calgary, AB T2P 3J4
3. Any complaints received by the Company that are submitted as set forth herein will be forwarded directly to the Committee and will be treated as confidential if so indicated.
4. At each meeting of the Committee, or any special meetings called by the Chair of the Committee, the members of the Committee will review and consider any complaints or concerns submitted by employees as set forth herein and take any action it deems necessary in order to respond thereto.
5. All complaints and concerns submitted as set forth herein will be retained by the Committee for a period of seven years.