

EAST WEST PETROLEUM CORP.
(the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended March 31, 2019)

General

The following information, dated as of September 26, 2019, is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Form, a “Named Executive Officer” (a “NEO”) means the following persons:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CFO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

During the financial year ended March 31, 2019, the Company had two NEOs, namely: Nick DeMare, CFO and interim CEO of the Company and David Sidoo, former CEO.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended March 31, 2019 and 2018. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
Nick DeMare Interim CEO, CFO, Corporate Secretary and Director	2019	36,000	-	-	-	37,750 ⁽³⁾	73,750
	2018	36,000	-	-	-	41,400 ⁽³⁾	77,400
Ross McElroy ⁽⁴⁾ Director	2019	6,000	-	-	-	-	6,000
	2018	-	-	-	-	-	-

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
David Sidoo ⁽⁵⁾ Director, former President and former CEO	2019	72,000	-	-	-	-	72,000
	2018	72,000	-	-	-	-	72,000
Dylan Sidoo ⁽⁶⁾ Former Director	2019	6,000	-	-	-	-	6,000
	2018	-	-	-	-	-	-
David R. Taylor ⁽⁷⁾ Former Director	2019	900	-	-	-	-	900
	2018	15,900	-	-	-	-	15,900

NOTES:

- (1) Financial years ended March 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Paid to Chase Management Ltd. (“Chase”), a company wholly-owned by Mr. DeMare, for administrative and accounting services provided by Chase personnel, exclusive of Mr. DeMare.
- (4) Mr. Ross McElroy was appointed as director of the Company on November 14, 2016.
- (5) Mr. David Sidoo resigned as President and CEO on March 14, 2019.
- (6) Mr. Dylan Sidoo served as director from December 30, 2016 to April 2, 2019.
- (7) Mr. David Taylor resigned as director on June 15, 2018.

Stock Options and Other Compensation Securities and Instruments***Compensation Securities of NEOs and Directors***

No compensation securities were granted or issued by the Company to the NEOs and directors of the Company for the financial year ended March 31, 2019.

Exercise of Compensation Securities by NEOs and Directors

No compensation securities were exercised by the NEOs and directors of the Company for the financial year ended March 31, 2019.

Stock Option Plans and Other Incentive Plans

The Company has no other incentive plans other than its stock option plan (the “Plan”) whereby the maximum number of common shares that may be reserved for issuance pursuant to the Plan will not exceed 12,408,697 shares, being 15% of the Company’s issued and outstanding share capital (on a non-diluted basis) on June 26, 2013, the date on which the Plan was approved by the shareholders.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, which will be available for review at the Meeting:

- (a) the maximum aggregate number of shares that can be issued pursuant to the exercise of options granted under the Plan is 12,408,697 shares, being 15% of the Company’s issued and outstanding share capital (on a non-diluted basis) on June 26, 2013, the date the Plan was approved by the shareholders;
- (b) stock options granted under the Plan will have an expiry date not to exceed ten years from the date of grant;
- (c) any stock options granted that expire or terminate for any reason without having been exercised will again be available under the Plan;

- (d) stock options will vest as required by the TSX Venture Exchange (the “Exchange”) and as may be determined by the administrator of the Plan, or in the absence of such body, the Board;
- (e) the minimum exercise price of any stock options issued under the Plan will be determined by the Board at the time of grant, subject to the requirements of the Exchange;
- (f) stock options granted will expire 90 days after an optionee ceases to be involved with the Company, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Company;
- (g) the Board is authorized to grant stock options to any one person in any 12 month period which could, when exercised, result in the issuance of shares exceeding 5% of the issued and outstanding shares of the Company;
- (h) the Board is authorized to grant to insiders, within a 12 month period, that number of stock options under the Plan exceeding 10% of the Company’s then issued and outstanding share capital;
- (i) the Company cannot grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding shares of the Company;
- (j) the Company cannot grant options in any 12 month period to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Company and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three month period; and
- (k) in connection with the exercise of an Option, as a condition to such exercise the Company shall require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option.

The Plan provides that if a change of control, as described therein, occurs, all unvested options shall immediately become vested and may thereon be exercised in whole or in part by the option holder, subject to any required approval by the Exchange.

As at the date of this Form, there are 5,615,000 stock options outstanding under the Plan leaving 6,793,697 common shares available for grant of further options under the Plan.

Employment, Consulting and Management Agreements

No management functions of the Company are, to any substantial degree, performed by a person or company other than the directors or NEOs of the Company.

Oversight and Description of Director and NEO Compensation

Compensation, Philosophy and Objectives

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all NEO is fair and reasonable. The Board as a whole recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent

by executive officers in meeting their obligations. While the Board does not have direct experience related to executive compensation, the Board relies on their experience as officers and directors.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's Option Plan. A description of the significant terms of the Option Plan is found under the heading "*Stock Option Plans and Other Incentive Plans*".

The Company does not determine executive compensation based on the share price performance. Overall the salaries or consulting fees payable to the NEOs, in particular to the Company's CEO, have had a minor upward trend in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

The Board has considered the implications of the risks associated with the Company's compensation practices. The Board acknowledges that the Company, as a junior natural resource company, does not presently generate any revenues, and that all management compensation to date has been derived solely from cash in the Company's treasury, acquired by way of equity financings to date, and the grant of incentive stock options to directors, management, contractors and employees. Salary compensation to the NEOs is provided for under verbal understandings or written consulting agreements with the NEOs or management companies under their control. Upon the occurrence of certain events, the Company's early termination of these contracts may also trigger additional balloon payments, which could adversely impact the Company's working capital.

Option-Based Awards

The Company has no long-term incentive plans other than the Option Plan. The Company's directors, employees, officers and certain consultants are entitled to participate in the Option Plan. The Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Option Plan aligns the interests of the NEOs and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the Exchange from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Option Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

There is no restriction on NEOs or Directors regarding the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units or exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the NEO or Director for the financial year ended March 31, 2019.

No NEO or Director, directly or indirectly, purchased any financial instruments or employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

Termination And Change Of Control Benefits

During the financial year ended March 31, 2019, the Company did not have any contracts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities.

Pension

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.