

EAST WEST PETROLEUM CORP.
(the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended March 31, 2022)

General

The following information, dated as of September 26, 2022, 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, 2022, the Company had one NEO, namely: Nick DeMare, CFO and interim CEO of the Company.

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, 2022 and 2021. 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	2022	18,000	-	-	-	36,800 ⁽³⁾	54,800
	2021	25,000	-	-	-	38,100 ⁽³⁾	63,100
Mark T. Brown Director	2022	12,000	-	-	-	-	12,000
	2021	12,000	-	-	-	-	12,000
Kevin William Haney Director	2022	12,000	-	-	-	-	12,000
	2021	12,000	-	-	-	-	12,000

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⁾
Ross McElroy ⁽⁴⁾ Former Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	4,000	-	-	-	-	4,000

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 served as director of the Company from November 14, 2016 to August 11, 2020.

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

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company to each NEO and director of the Company for the financial year ended March 31, 2022, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end ⁽¹⁾ (\$)	Expiry Date
Nick DeMare ⁽²⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Mark T. Brown ⁽³⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Kevin William Haney ⁽⁴⁾	N/A	Nil	N/A	N/A	N/A	N/A	N/A

NOTES:

- (1) The closing trade price on March 31, 2022, being the last trading day during the Company’s March 31, 2022 year end.
- (2) As at March 31, 2022, Mr. DeMare held 500,000 stock options of the Company entitling him to acquire, upon exercise, 500,000 common shares in the capital of the Company. All of these stock options were vested as at March 31, 2022.
- (3) As at March 31, 2022, Mr. Brown held 600,000 stock options of the Company entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Company. All of these stock options were vested as at March 31, 2022.
- (4) As at March 31, 2022, Mr. Haney held 400,000 stock options of the Company entitling him to acquire, upon exercise, 400,000 common shares in the capital of the Company. All of these stock options were vested as at March 31, 2022.

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, 2022.

Stock Option Plans and Other Incentive Plans

The Company has no other incentive plans other than its stock option plan. On February 7, 2019, the Board approved the adoption of a new rolling stock option plan (the “Plan”), which allows for the reserve of a maximum of 10% of the

issued and outstanding Common Shares of the Company, from time to time, for issuance pursuant to the exercise of options (“**Options**”) granted. In accordance with Policy 4.4 of the TSX Venture Exchange, all rolling stock option plans, such as the Company’s requires shareholder approval on an annual basis. On January 21, 2022 the shareholders of the Company ratified and approved the Plan.

The purpose of the Plan is to allow the Company to grant Options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The grant of Options is intended to align the interests of such persons with that of the Shareholders. The following information is intended to be a brief description of the Plan:

Terms of the Plan

Number of Common Shares Reserved. The Plan provides that, subject to the requirements of any exchange on which the Common Shares are currently listed, the aggregate number of securities reserved for issuance pursuant to the Plan may not exceed 10% of the issued and outstanding Common Shares of the Company at the time of grant of Options (including all Options granted by the Company to date). The number of Common Shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all Options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant. The number of Common Shares which may be reserved in any 12 month period for issuance to any one consultant may not exceed 2% of the issued and outstanding Common Shares and the maximum number of Common Shares which may be reserved in any 12 month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Company. The Plan provides that Options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than ¼ of the Options vesting in any three month period.

Exercise Price. The exercise price of any Options granted under the Plan shall be determined by the Board, but may not be less than the market price of the Common Shares on the exchange, provided the Common Shares are then listed for trading on an exchange, on the date of the grant (less any discount permissible under the current stock exchange rules).

Maximum Term of Options. The Board shall determine the term of Options granted under the Plan at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of Options granted under the Plan may not exceed ten years. Options granted pursuant to the Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Termination. Subject to certain exceptions, in the event that a director or officer ceases to hold office, Options granted under the Plan to such director or officer will expire 90 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, Options granted to such employee, consultant or management company employee under the Plan will expire 90 days after such individual or entity ceases to act in that capacity in relation to the Company. Options granted to an optionee engaged in investor relations activities on behalf of the Company expire 90 days after such optionee ceases to perform such investor relations activities for the Company. In the event of death of an Option holder, Options granted under the Plan expire one year from the date of death of the Option holder.

Administration. The Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with respect to the grant of all Options thereunder. Options may be granted under the Plan to such directors, officers, employees or consultants of the Company, as the Board may from time to time designate.

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 Discussion and Analysis

The Board compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, a NEO's compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting and retaining experienced personnel. The Board determines and fixes compensation for its directors and officers. All salaries and/or consulting fees are to be set on a basis of a review and comparison of compensation paid to executives at similar companies.

Although the Board has not made a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices, risk management is a consideration of the Board when implementing its compensation program. The Board believes the Company's compensation program does not result in unnecessary or inappropriate risk taking; nor are there any risks taken that are likely to have a material adverse effect on the Company.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes previous option grants into account as well as the number of stock options currently held, the individual's position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the Company's officers, directors and employees and to align the personal interests of such persons with the interests of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

Compensation Governance

The Board monitors remuneration of the executive officers of the Company and meets as often as it deems necessary, but no less than two times per year. The CEO may not be present during the deliberations or voting on CEO compensation.

The following is a summary description of the Board responsibilities concerning NEO compensation:

- (a) to review and approve corporate goals and objectives relevant to NEO compensation, including the evaluation and performance of the CEO in light of those corporate goals and objectives, and to make recommendations to the Board with respect to NEO compensation levels (including the award of any cash bonuses or share ownership opportunities) based on various factors as the Board deems relevant, such as the Company's performance and the value of similar awards given to NEOs at comparable companies in past years;
- (b) to consider the implementation of short and long-term incentive plans, including equity-based plans, proposed by management, to make recommendations to the Board with respect to these plans and to annually review such plans after their implementation; and
- (c) to review annually any other benefit plans proposed by management and make recommendations to the Board with respect to their implementation.

All Board members have direct experience relevant to their responsibilities relating to director and NEO compensation.

All members are or have held senior executive roles within public companies, and therefore have a good understanding of compensation programs. They also have good financial understanding, which allows them to assess the costs versus benefits of compensation plans. The Board members' combined experience in the resource sector provides them with an understanding of the Company's success and risk factors, which is very important when determining metrics for measuring success.

Company Prohibits Hedging

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or a director of the Company.

Termination and Change of Control Benefits

During the financial year ended March 31, 2022, 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 or directors at, following, or in connection with retirement.