



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 8, 2020**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**November 17, 2020**

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**SOUTHERN ENERGY CORP.**  
**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**  
**OF THE HOLDERS OF COMMON SHARES**  
**TO BE HELD ON DECEMBER 8, 2020**

*Shareholders are strongly discouraged from attending the Meeting (as defined below) in person and are urged to participate in the Meeting via the instructions and guidelines described in this Notice.*

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of Southern Energy Corp. (the “**Corporation**”) will be held at the offices of the Corporation, Suite 2400, 333 - 7th Avenue S.W., Calgary, AB, T2P 2Z1, on December 8, 2020 at 10:00 a.m. (Calgary time), for the following purposes:

1. receive the financial statements for the fiscal year ended December 31, 2019 and the report of the auditors thereon;
2. fix the number of directors to be elected at seven;
3. elect directors for the ensuing year;
4. appoint the auditors of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the directors to fix their remuneration;
5. approve the stock option plan of the Corporation, as described in the management information circular dated December 8, 2020 (the “**Information Circular**”); and
6. transact such other business as may properly come before the meeting or any adjournments thereof.

Only Shareholders of record at the close of business on November 3, 2020 (the “**Record Date**”) are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat, unless, after the Record Date, a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed share certificates or otherwise establishing that he or she owns such Common Shares, requests, not later than 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote such Common Shares, in which case such transferee shall be entitled to vote such Common Shares, as the case may be, at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. **Given the circumstances surrounding the recent coronavirus (COVID-19) outbreak, the Corporation urges Shareholders to vote by proxy and attend the Meeting by conference call, as described below.**

**Registered Shareholders are requested to date and sign the enclosed form of proxy (the “Form of Proxy”) and return it to the Corporation’s transfer agent, Odyssey Trust Company. To be effective, the Form of Proxy must be mailed so as to reach or be deposited with Odyssey Trust Company, at 1230 – 300 5th Avenue S.W., Calgary, Alberta T2P 3C4 Attention: Proxy Department or by fax at (800) 517-4553 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof or may be accepted by the Chairman of the Meeting at his discretion prior to the commencement of the Meeting. The Form of Proxy or other instrument used to appoint a proxy shall be executed by the Shareholder or their attorney, or if such Shareholder is a corporation, under the corporate seal, and executed by a director, officer or attorney thereof duly authorized. Alternatively, a registered Shareholder may complete their Form of Proxy online at [login.odysseytrust.com/pxlogin](http://login.odysseytrust.com/pxlogin) by following the instructions provided on the Form of Proxy.**

## IMPORTANT

Amid ongoing concerns about the COVID-19 outbreak, the Corporation remains mindful of the well-being of our Shareholders and their families, our industry partners and other stakeholders. The Corporation currently intends on holding an in-person shareholder meeting due to corporate law requirements, with the necessary restrictions and alternatives set forth in the following paragraphs. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation's website at [www.southernenergycorp.com](http://www.southernenergycorp.com) or the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com), where copies of such news releases, if any, will be posted.

**The Corporation, in accordance with current public health guidelines, strongly discourages Shareholders from physically attending the Meeting, and, in order to ensure as many Common Shares as possible are represented at the Meeting, strongly encourages registered Shareholders to complete the Form of Proxy and return it as soon as possible in accordance with the instructions outlined above (in bold).** Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out in the accompanying management information circular (the "**Information Circular**"). In addition, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting.

As an alternative to attending the Meeting in person, Shareholders may join the Meeting via webcast by following the below instructions. While the instructions will allow you to listen to the Meeting and ask questions, the Meeting is not a virtual meeting and you will not be able to vote at the Meeting through the webcast, which is why the Corporation urges Shareholders to complete the Form of Proxy or other voting instruction form provided by your broker in accordance with the instructions outlined in the Information Circular.

**Shareholders may use the following information to listen to the Meeting via webcast:**

**Webcast:** Via Zoom using the following link to register for the Meeting,

[https://us02web.zoom.us/webinar/register/WN\\_YOmcPE-ATu2eca7vuK24Tg](https://us02web.zoom.us/webinar/register/WN_YOmcPE-ATu2eca7vuK24Tg)

Once registered, participants will receive an email with link and instructions to access the Meeting via webcast.

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice.

Calgary, Alberta

November 17, 2020

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Ian Atkinson*"

\_\_\_\_\_  
Ian Atkinson

Director, President and Chief Executive Officer

## SOUTHERN ENERGY CORP.

### MANAGEMENT INFORMATION CIRCULAR

#### FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES OF SOUTHERN ENERGY CORP. TO BE HELD ON DECEMBER 8, 2020

Dated: November 17, 2020

#### PURPOSE OF SOLICITATION

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Southern Energy Corp. (the “Corporation”) for use at the annual general and special meeting of the holders (the “Shareholders”) of the common shares (the “Common Shares”) in the capital of the Corporation to be held at the offices of the Corporation, Suite 2400, 333 - 7th Avenue S.W., Calgary, AB, T2P 2Z1, on December 8, 2020 at 10:00 a.m. (Calgary time), and any adjournment or adjournments thereof (the “Meeting”) for the purposes set forth in the Notice of Annual General and Special Meeting (the “Notice of Meeting”) accompanying this Information Circular.

#### IMPORTANT NOTE REGARDING SOCIAL DISTANCING MEASURES

Amid ongoing concerns about the coronavirus (COVID-19) outbreak, the Corporation remains mindful of the well-being of our Shareholders and their families, our industry partners and other stakeholders. The Corporation currently intends on holding an in-person shareholder meeting due to corporate law requirements, with the necessary restrictions set forth in the following paragraphs. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation’s website at [www.southernenergycorp.com](http://www.southernenergycorp.com) or the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com), where copies of such news releases, if any, will be posted.

**The Corporation, in accordance with current public health guidelines, strongly discourages Shareholders from physically attending the Meeting, and, in order to ensure as many Common Shares as possible are represented at the Meeting, strongly encourages registered Shareholders (“Registered Shareholders”) to complete the enclosed form of proxy (the “Form of Proxy”) and return it as soon as possible in accordance with the instructions outlined in “Proxy Information – Completion of Proxies”, below.** Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “*Proxy Information – Advice to Beneficial Holders of Securities*”, below. In addition, only Registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting.

As an alternative to attending the Meeting in person, Shareholders may join the Meeting via webcast by following the below instructions. While the instructions will allow you to listen to the Meeting and ask questions, the Meeting is not a virtual meeting and you will not be able to vote at the Meeting through the webcast, which is why the Corporation urges Shareholders to complete the Form of Proxy or other voting instruction form provided by your broker in accordance with the instructions outlined in “*Proxy Information – Completion of Proxies*”, below.

**Shareholders may use the following information to listen to the Meeting via webcast:**

**Webcast:** Via Zoom using the following link to register for the Meeting,

[https://us02web.zoom.us/webinar/register/WN\\_YOmcPE-ATu2eca7vuK24Tg](https://us02web.zoom.us/webinar/register/WN_YOmcPE-ATu2eca7vuK24Tg)

Once registered, participants will receive an email with link and instructions to access the Meeting via webcast.

### CURRENCY

All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

### RECORD DATE

Only Shareholders of record as of the close of business on November 3, 2020 (the “**Record Date**”) are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

- (a) such person transfers his or her Common Shares after the Record Date; and
- (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the Shareholders’ list for the Meeting.

Any registered Shareholder of Common Shares (a “**Registered Shareholder**”) at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “*Proxy Information – Completion of Proxies*”.

### PROXY INFORMATION

#### *Solicitation of Proxies*

**The solicitation of proxies is made on behalf of the management of the Corporation.** The costs incurred in the preparation of the enclosed form of proxy (the “**Form of Proxy**”), Notice of Meeting and this Information Circular and costs incurred in the solicitation of proxies will be borne by the Corporation. The Corporation is sending the securityholder materials directly to Registered Shareholders, and the Corporation will also provide the materials to brokers, custodians, nominees and other fiduciaries to forward them to non-objecting and objecting beneficial shareholders. Solicitation of proxies will be primarily by mail, but may also be in person, by telephone or by electronic means.

#### *Completion of Proxies*

The Form of Proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting. The persons named in the enclosed Form of Proxy are Ian Atkinson, the President and Chief Executive Officer of the Corporation, and Calvin Yau, the Vice President, Finance, and Chief Financial Officer of the Corporation.

A proxy must be dated and signed by the Registered Shareholder or by his or her attorney authorized in writing or by the intermediary. In the case of a Registered Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy. **IF YOUR COMMON SHARES ARE HELD BY YOUR BANK, TRUST COMPANY, SECURITIES BROKER, TRUSTEE OR OTHER FINANCIAL INSTITUTION (YOUR NOMINEE), YOU ARE MOST LIKELY A BENEFICIAL SHAREHOLDER OF THE COMMON SHARES**

**AND SHOULD REFER TO “PROXY INFORMATION – ADVICE TO BENEFICIAL HOLDERS OF SECURITIES” FOR FURTHER INSTRUCTIONS ON HOW TO VOTE BY PROXY AT THE MEETING.**

Registered Shareholders are requested to date and sign the enclosed Form of Proxy and return it to the Corporation’s transfer agent, Odyssey Trust Company. In order to be effective, the Form of Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed or completed online at [login.odysseytrust.com/pxlogin](http://login.odysseytrust.com/pxlogin) so as to be deposited at the office of Odyssey Trust Company, 1230, 300 5th Ave S.W., Calgary, Alberta T2P 3C4, not later than 10:00 a.m. (Calgary time) on the second last business day (not including Saturdays, Sundays and statutory holidays in the Province of Alberta) preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Corporation.

**A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF A NON-REGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.**

**The Corporation discourages physical attendance at the Meeting due to the current COVID-19 outbreak, and requests that Registered Shareholders complete the Form of Proxy and return it as soon as possible in accordance with the above instructions. For further information, see “Important Note Regarding Social Distancing Measures”, above.**

***Revocation of Proxies***

A Registered Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Registered Shareholder or intermediary or his or her attorney authorized in writing, or, if the Registered Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either: (a) with the Corporation at its offices or at the office of the Corporation’s agent, Odyssey Trust Company, 1230, 300 5th Ave S.W., Calgary, Alberta T2P 3C4, at any time prior to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (b) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

***Exercise of Discretion by Proxies***

A Registered Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Form of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Form of Proxy. If the Registered Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

### *Advice to Beneficial Holders of Securities*

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name (“Beneficial Shareholders”). You are most likely a Beneficial Shareholder if your bank, trust company, securities broker, trustee, or other financial institution (your nominee) holds your Common Shares in their name or the name of another intermediary.** Beneficial Shareholders should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares on the Record Date can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker or other intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s broker, an agent of that broker, or other intermediary. In Canada, the vast majority of such Common 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). **Common Shares held by brokers or their agents or other nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.**

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) is typically similar to the Form of Proxy provided to Registered Shareholders by the Corporation. However, the purpose of the broker’s form of proxy is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form in lieu of a form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the Internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Beneficial Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder’s broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote such Common Shares

in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting. Due to the current COVID-19 outbreak, at this time, only Registered Shareholders or their duly appointed proxyholders will be permitted to attend the Meeting. In addition, the Corporation strongly encourages all Shareholders to attend via conference call or webcast instead of physically attending the Meeting, and requests that Beneficial Shareholders complete the voting instruction form or form of proxy provided by their broker and return it as soon as possible in accordance with the above instructions. For further information, see "Important Note Regarding Social Distancing Measures", above.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "**NOBOs**". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "**OBOs**". Neither OBOs nor NOBOs will be receiving a Form of Proxy directly from the Corporation and will instead receive a voting instruction form or other form of proxy from an intermediary as described above. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Corporation has distributed copies of the Notice of Meeting, Form of Proxy, this Information Circular and any other proxy-related materials in connection with the Meeting (the "**Meeting Materials**") to such intermediaries for distribution to Beneficial Shareholders. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the Meeting Materials, and paper copies of the Meeting Materials will be sent to all Shareholders. Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation will be paying for intermediaries to deliver copies of the Meeting Materials to NOBOs and OBOs (who have not otherwise waived their right to receive proxy-related materials).

**If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

### **INFORMATION CONCERNING THE CORPORATION**

The Corporation was incorporated pursuant to the provisions of the *Canada Business Corporations Act* (the "**CBCA**") on July 22, 2008 as "7015321 Canada Limited". The Corporation changed its name to "MAX Minerals Ltd." on August 15, 2008 and "Standard Exploration Ltd." on October 8, 2010. On January 2, 2019, the Corporation changed its name from "Standard Exploration Ltd." to "Southern Energy Corp." On January 7, 2020, the Corporation continued out of the federal jurisdiction of Canada under the CBCA to the provincial jurisdiction of Alberta under the *Business Corporations Act* (Alberta).

The Corporation is a reporting issuer in British Columbia and Alberta. The Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "SOU".

The Corporation is an oil and natural gas exploration and production company focused on building value through the consolidation, development and exploration of oil and gas assets in the southeastern United States. On December 20, 2018, the Corporation: (a) closed a non-brokered private placement of Common Shares and units of the Corporation, for aggregate gross proceeds of \$18,011,000; (b) completed the appointment of a new management team and board of directors; and (c) completed the acquisition of all of the limited partnership units of Gulf Pine Energy Partners, LP ("**Gulf Pine**") (together, the "**Recapitalization**"). On May 2, 2019, the Corporation completed the sale of its remaining Canadian oil and gas assets which were inherited in December 2018 as part of the Recapitalization, becoming a U.S. pure-play oil and gas exploration and production company.

## VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares (“**Preferred Shares**”), issuable in series. As at the date hereof, there are 220,770,279 fully paid and non-assessable Common Shares and nil Preferred Shares issued and outstanding. Shareholders are entitled to receive notice of all meetings of Shareholders, a right to one vote per Common Share at such meetings, dividends as and when declared by the board of directors of the Corporation (the “**Board**”), and, upon liquidation, to share in the remaining assets of the Corporation as are distributable to such Shareholders. Preferred Shares may be issued by the Corporation from time to time in one or more series and the Board may fix the number of Preferred Shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series. The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, be entitled to preference over the Common Shares.

The articles of the Corporation provide that if two persons holding not less than 5% of the issued and outstanding Common Shares entitled to vote are present in person or are represented by proxy, a quorum for the purposes of conducting a Shareholders’ meeting is constituted.

The Registered Shareholders set forth in “*Record Date*”, above, will be entitled to vote or have his, her or its Common Shares voted at the Meeting. However, a person appointed under a Form of Proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “*Proxy Information – Completion of Proxies*”.

To the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the following persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying 10% or more of the voting rights attached to the shares of the Corporation.

<u>Name</u>	<u>Number of Common Shares Held</u>	<u>Percentage of Total Issued and Outstanding Common Shares</u>
DSS Holdings Inc.	22,600,000	10.24%

## MATTERS TO BE ACTED UPON

The Shareholders of the Corporation will be asked to consider and, if deemed appropriate:

- (a) by ordinary resolution, to fix the Board at seven (7) members;
- (b) by ordinary resolution, to elect the directors of the Corporation;
- (c) by ordinary resolution, to appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
- (d) by ordinary resolution, to approve the Corporation’s stock option plan (the “**Stock Option Plan**”) for the ensuing year; and
- (e) to transact such other business as may properly come before the Meeting or any adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

## FIXING NUMBER OF DIRECTORS

At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at seven (7).

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of setting the number of directors to be elected at the Meeting at seven (7).**

## ELECTION OF DIRECTORS

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles.

The Corporation is required by applicable corporate and securities legislation to have an Audit Committee comprised of members of the Board that are considered "financially literate" and a majority of which are considered "independent", as such terms are defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The Corporation has also established a Corporate Governance and Compensation Committee and a Reserves, Health, Safety and Environment Committee, each comprised of members of the Board. Please see the discussion under the heading "*Corporate Governance Practices*". The present members of the Audit Committee, Corporate Governance and Compensation Committee and Reserves, Health, Safety and Environment Committee of the Board are identified in the table below.

The following information relating to the nominees as directors is based partly on the records of the Corporation and partly on information received by the Corporation from the respective nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date hereof.

<u>Name</u>	<u>Positions Presently Held</u>	<u>Director Since<sup>(1)</sup></u>	<u>Principal Occupation for Previous Five Years</u>	<u>Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised</u>
Ian Atkinson <i>Calgary, Alberta</i>	Director, President and Chief Executive Officer	December 11, 2018	President and Chief Executive Officer of the Corporation since December 2018. Mr. Atkinson was the founder, President and Chief Executive Officer of Gulf Pine from November 2014 to December 2018. Prior thereto, Mr. Atkinson was a founder and Senior Executive Officer of Athabasca Oil Corporation (" <i>Athabasca</i> ").	13,475,000 (6.10%)
Bruce Beynon <sup>(2)</sup> <i>Calgary, Alberta</i>	Chairman of the Board	December 19, 2018	President of Tiburon Exploration Corporation since December 2018. Executive Vice President, Exploration and Corporate Development at Baytex Energy Corp. from August 2018 to December 2018. Prior thereto, the President of Raging River Exploration Inc. from June 2017 to August 2018 and Executive Vice President from February 2012 to June 2017.	1,875,000 (0.84%)

Michael G. Kohut <sup>(3)(4)</sup> <i>Calgary, Alberta</i>	Director	December 19, 2018	Senior Vice President and Chief Financial Officer at Hammerhead Resources Inc. since January 2019 and is the Chairman of the board of directors at Big Rock Brewery Inc. Prior thereto, Mr. Kohut was the Vice President, Finance, at Paramount Resources Ltd. from November 2017 to April 2018. Mr. Kohut was the Chief Financial Officer of Trilogy Energy Corp. from June 2006 to October 2017.	2,500,000 (1.12%)
Tamara MacDonald <sup>(2)(3)</sup> <i>Calgary, Alberta</i>	Director	December 19, 2018	Director of Spartan Delta Corp. since December 2019. Prior thereto, Senior Vice President, Corporate and Business Development of Crescent Point Energy Corp. (“ <b>Crescent Point</b> ”) from October 2004 to July 2018.	1,000,000 (0.45%)
Andrew McCreath <sup>(3)(4)</sup> <i>Toronto, Ontario</i>	Director	December 19, 2018	Chief Executive Officer and Chief Investment Officer of Forge Asset Management since 2012.	1,000,000 (0.45%)
C. Neil Smith <sup>(2)(3)</sup> <i>Calgary, Alberta</i>	Director	December 19, 2018	President of WCF Holdings Corp. since January 2019. Prior thereto, Mr. Smith was the Chief Operating Officer at Crescent Point from January 2013 to June 2018.	1,875,000 (0.84%)
R. Steven Smith <sup>(3)(4)</sup> <i>Calgary, Alberta</i>	Director	December 11, 2018	Director of Karve Energy Inc. and Jasper Brewing Inc. Prior thereto, Mr. Smith was a Director of Broadview Energy Inc. from 2014 to 2019 and the Chief Financial Officer for the last 2 years. He was a Portfolio Manager and Chief Financial Officer at NCM Investments from 2007 to 2017.	7,250,000 (3.28%)

**Notes:**

- (1) All directors of the Corporation are elected to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is vacated earlier in accordance with the Corporation’s articles.
- (2) Messrs. Neil Smith (Chair) and Beynon and Ms. MacDonald are members of the Corporation’s Reserves, Health, Safety and Environment Committee.
- (3) Messrs. Steven Smith (Chair), Neil Smith, McCreath and Kohut and Ms. MacDonald are members of the Corporation’s Corporate Governance and Compensation Committee.
- (4) Messrs. Kohut (Chair), McCreath and Steven Smith are members of the Corporation’s Audit Committee.

**Biographies**

**Ian Atkinson** – Mr. Atkinson has been the founder of several private and public oil and gas companies with over 25 years of technical, executive and board of director experience. Mr. Atkinson was the founder, President and Chief Executive Officer of Gulf Pine since 2014. Prior thereto, Mr. Atkinson was a founder and Senior Executive Officer of Athabasca. At Athabasca, Mr. Atkinson was instrumental in the successful completion of Athabasca’s initial public offering and a significant joint venture with PetroChina Company Limited. Mr. Atkinson holds a Master of Science degree in Engineering and an Institute of Corporate Directors (ICD.D) designation.

**Bruce Beynon** – Mr. Beynon is a professional geologist with over 30 years of oil and gas industry experience. Mr. Beynon was the Executive Vice President, Exploration and Corporate Development at Baytex Energy Corp. from August 2018 to December 2018 and President of Raging River Exploration Inc. until August 2018. Mr. Beynon also held executive positions with Compass Petroleum Partnership, Peloton Exploration Corp., Expor Exploration Corp. and KeyWest Energy Inc. Mr. Beynon holds a Master of Science degree in Geology.

**Michael G. Kohut** – Mr. Kohut is the Senior Vice President and Chief Financial Officer at Hammerhead Resources Inc. and Chairman of the board of directors at Big Rock Brewery Inc. Prior thereto, Mr. Kohut was the Vice President of Finance at Paramount Resources Ltd. from November 2017 to April 2018 and Chief Financial Officer

of Trilogy Energy Corp. from June 2006 to October 2017. Mr. Kohut has over 25 years of experience in senior executive roles at various companies and on various boards of directors. Mr. Kohut holds a Bachelor of Commerce degree.

**Tamara MacDonald** – Ms. MacDonald was most recently the Senior Vice President, Corporate and Business Development of Crescent Point. Ms. MacDonald has been involved in over 530 transactions totaling over \$14.5 billion. Ms. MacDonald has over 28 years of industry experience. Prior to Crescent Point, Ms. MacDonald worked with NCE Petrofund Corp., Merit Energy Ltd., Tarragon Oil & Gas Ltd. and Northstar Energy Corp. Ms. MacDonald currently sits on the boards of Spartan Delta Corp. and Equinor Canada. Ms. MacDonald holds a Bachelor of Commerce degree with a major in Petroleum Land Management and an Institute of Corporate Directors (ICD.D) designation.

**Andrew McCreath** – Mr. McCreath has over 30 years of experience in the investment community including more than 20 years as a Portfolio Manager. Mr. McCreath is the Chief Executive Officer, Chief Investment Officer and Ultimate Designated Person of Forge First Asset Management, an alternative asset management firm in Toronto. Mr. McCreath is also the Market Commentator on BNN Bloomberg TV and host of “Weekly with Andrew McCreath”. Mr. McCreath holds a Bachelor of Business Administration degree in Finance, a Master of Business Administration degree in Economics and a Chartered Financial Analyst (CFA) designation.

**C. Neil Smith** – Mr. Smith has over 30 years of technical, financial and international capital markets experience. Most recently, Mr. Smith was the Chief Operating Officer at Crescent Point where he was responsible for all aspects of the company’s capital budget, safe operations, reserves management and acquisition evaluations as well as corporate operations risk management analysis and social responsibility reporting. He has a proven track record of creating shareholder value through the innovative development of assets in a safe and capital-efficient manner. Mr. Smith holds a Bachelor of Applied Science degree in Geological Engineering and a Master of Business Administration degree in Finance.

**R. Steven Smith** – Mr. Smith is an Independent Businessman since April 2019 and is currently a Director of Karve Energy Inc. and Jasper Brewing Inc. He started his career in the oil and gas industry in finance with management, executive and director roles with companies including Canadian Pioneer Petroleum Ltd., POCO Petroleum Ltd., Renaissance Energy Ltd., Pan East Petroleum Corp. and most recently was the Chief Financial Officer and Director of Broadview Energy Inc. In addition to the oil and gas industry, Mr. Smith has 22 years in capital markets as Chief Financial Officer and Portfolio Manager with Norrep Capital Management Ltd. and Vice President and Director – Institutional Research at FirstEnergy Capital (now Stifel | FirstEnergy) and before that Orion Securities (now Macquarie Group). Mr. Smith holds a Business degree in Accounting, a Bachelor of Arts degree in English and Chartered Accountant (CA) and Chartered Professional Accountant (CPA) designations.

### ***Corporate Cease Trade Orders or Bankruptcies***

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted

from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set forth below, none of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director or executive officer of any company that, while acting in that capacity, 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.

*Michael Kohut*

Mr. Kohut was a director of Great Prairie Energy Services Inc. (“**Great Prairie**”) on January 22, 2016 when it applied for and obtained an order from the Court of Queen’s Bench of Alberta under the *Companies’ Creditors’ Arrangement Act*. Mr. Kohut resigned as a director of Great Prairie on January 22, 2016.

***Personal Bankruptcies***

None of the above proposed directors have, within 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

***Penalties and Sanctions***

None of the above proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.**

**APPOINTMENT OF AUDITORS**

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint Deloitte LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. Deloitte LLP was first appointed as the Corporation’s auditors on January 17, 2019.

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of Deloitte LLP as auditors of the Corporation.**

**ANNUAL APPROVAL OF STOCK OPTION PLAN**

The TSXV requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan. The Corporation’s Stock Option Plan was last approved by Shareholders at the Corporation’s previous

annual general meeting held on December 11, 2019. Shareholders will be asked at the Meeting to vote on a resolution to approve the Stock Option Plan for the ensuing year.

The full text of the Stock Option Plan is attached as Schedule “A” to the management information circular of the Corporation dated November 20, 2019. Interested Shareholders may obtain a copy of the Stock Option Plan upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com). For a discussion of the terms of the Stock Option Plan, see “*Executive Compensation – Stock Option Plan*” in this Information Circular.

The Board believes that the passing of the following resolution is in the best interests of the Corporation and recommends that Shareholders vote in favour of the resolution.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

**“BE IT RESOLVED THAT:**

1. the stock option plan (the “**Stock Option Plan**”), substantially in the form attached as Schedule “A” to the management information circular of the Corporation dated November 20, 2019, be and is hereby ratified and approved as the stock option plan of the Corporation;
2. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed, under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the approval of the Stock Option Plan.**

**OTHER MATTERS COMING BEFORE THE MEETING**

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

**STATEMENT OF EXECUTIVE COMPENSATION**

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), the Corporation is required to disclose certain information with respect to its compensation of executive officers and directors, as summarized below.

***General***

For the purpose of this statement of executive compensation, a “**CEO**” or “**CFO**” means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Corporation or acted in a similar capacity

during the most recently completed financial year. A “**Named Executive Officer**” or “**NEO**” means each CEO, each CFO, the Corporation’s most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

Based on the foregoing definitions, the Corporation’s Named Executive Officers in respect of the year ended December 31, 2019 were: Ian Atkinson, President, CEO and a director; Calvin Yau, CFO and Vice President, Finance; Gary McMurren, Vice President, Engineering; Chris Birchard, Vice President, Exploration; Erin Buschert, Vice President, Land; and Jim McFadyen, Vice President, Operations.

### ***Compensation Philosophy, Objectives and Governance***

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Executive officers are motivated through the program to enhance long-term shareholder value.

The Corporate Governance and Compensation Committee, on behalf of the Board, monitors compensation for the executive officers and directors of the Corporation and is currently comprised of R. Steven Smith (Chair), Michael G. Kohut, Tamara MacDonald, Andrew McCreath and Neil Smith. The Corporate Governance and Compensation Committee has the authority to engage and compensate, at the expense of the Corporation, any outside advisor that it determines to be necessary to permit it to carry out its duties, but it did not retain any such outside advisors in the financial year ended December 31, 2019.

### ***Compensation Process***

The Corporate Governance and Compensation Committee relies on the knowledge and experience of its members to set appropriate levels of compensation for the directors and NEOs. When determining NEO compensation, the Corporate Governance and Compensation Committee uses all data available to it to ensure that such compensation is set at a level that is both commensurate with the size of the Corporation, responsibilities of the particular NEO and retention of the NEOs who are considered by the Corporate Governance and Compensation Committee to be essential to the success of the Corporation. In reviewing comparative data, the Corporate Governance and Compensation Committee benchmarks and compares its compensation practices against industry peers to ensure its compensation program is commensurate with other comparable companies operating in the oil and gas industry. The Corporate Governance and Compensation Committee considered the size (based on market capitalization, enterprise value, oil & gas production levels and concentration and operating revenue) and stage of development of the following eight companies in determining an appropriate compensation peer group of competitors:

Advantage Oil & Gas Ltd.	Spartan Delta Corp.
Canacol Energy Ltd.	Delphi Energy Corp.
InPlay Oil Corp.	Leucrotta Exploration Inc.
Petroshale Inc.	Storm Resources Ltd.

Peer group constituents are reviewed on a regular basis to ensure their continued relevance. The same group is used to benchmark the Corporation’s director compensation.

The Corporate Governance and Compensation Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary and awards of options to purchase Common Shares (“Options”)) and recommends the NEOs' compensation packages to the Board. In determining whether and how many Options will be granted, the Corporation does not use any formal objectives, criteria or analyses in reaching such determinations; however, consideration is given to the amount and terms of outstanding Options.

### ***Elements of Executive Compensation***

The significant elements of compensation awarded to the NEOs are a cash salary, bonus and Options. The Corporation does not presently have a long-term incentive plan for its NEOs. The Board reviews annually the total compensation package of each of the Corporation's executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

#### ***Cash Salary and Bonus***

Base compensation and bonus for executive officers of the Corporation is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions and peer group analysis. In setting base compensation and bonus levels, consideration is to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the TSXV. Subjective factors such as leadership, commitment and attitude are also to be considered.

#### ***Options***

To provide a long-term component to the executive compensation program, executive officers of the Corporation are eligible to receive Options. The maximization of shareholder value is encouraged by granting Options since it provides an incentive to eligible persons to further the development, growth and profitability of the Corporation. Consideration will be given to granting Options amongst the various organizational levels of management, including directors, officers, key employees and certain consultants. The CEO makes recommendations to the Board for the CFO, key employees and certain consultants. These recommendations are to take into account factors such as awards made in previous years, the number of Options outstanding per individual and the level of responsibility. The Board, as a whole, determines the Options to be issued to the CEO.

### ***Elements of Director Compensation***

The Corporation's non-executive directors are provided cash remuneration for their services to the Corporation as directors. The cash remuneration includes an annual retainer and additional cash remuneration for the Chairman of the various committees of the Board. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Board or any committee of the Board. In addition, the directors are entitled to participate in the Stock Option Plan. The Corporation's directors do not have service contracts with respect to their roles as directors. The Board annually reviews the Corporation's approach to director compensation, generally, against the backdrop of the compensation goals and objectives described above.

### ***Summary Compensation Table***

NI 51-102 requires the disclosure of the compensation received by each NEO and director of the Corporation for each of the two most recently completed financial years.

The following table and notes thereto provide a summary of the compensation paid to the NEOs and directors of the Corporation for the two most recently completed financial years:

<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fees, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of Perquisites (\$)</b>	<b>Value of All Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
<b>Named Executive Officers</b>							
Ian Atkinson <sup>(1)</sup>	2019	214,000	-	-	-	-	214,000
<i>President, CEO and a Director</i>	2018	6,500	-	-	-	-	6,500
Calvin Yau <sup>(2)</sup>	2019	203,000	-	-	-	-	203,000
<i>Vice President, Finance and CFO</i>	2018	6,100	-	-	-	-	6,100
Gary McMurren <sup>(2)</sup>	2019	203,000	-	-	-	-	203,000
<i>Vice President, Engineering</i>	2018	6,100	-	-	-	-	6,100
Chris Birchard <sup>(2)</sup>	2019	203,000	-	-	-	-	203,000
<i>Vice President, Exploration</i>	2018	6,100	-	-	-	-	6,100
Erin Buschert <sup>(2)</sup>	2019	203,000	-	-	-	-	203,000
<i>Vice President, Land</i>	2018	6,100	-	-	-	-	6,100
Jim McFadyen <sup>(2)</sup>	2019	203,000	-	-	-	-	203,000
<i>Vice President, Operations</i>	2018	6,100	-	-	-	-	6,100
<b>Directors</b>							
Bruce Beynon <sup>(3)</sup>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Michael G. Kohut <sup>(3)</sup>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Tamara MacDonald <sup>(3)</sup>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Andrew McCreath <sup>(3)</sup>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
C. Neil Smith <sup>(3)</sup>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
R. Steven Smith <sup>(4)</sup>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-

**Notes:**

- (1) Mr. Atkinson was appointed President and CEO on December 11, 2018 in connection with the Recapitalization. All of the compensation paid to Mr. Atkinson relates to his role as President and CEO. Mr. Atkinson does not receive any compensation for his role as a director.
- (2) Messrs. Yau, McMurren, Birchard and McFadyen and Ms. Buschert were appointed to their respective positions on December 19, 2018 in connection with the Recapitalization.
- (3) Messrs. Beynon, Kohut, McCreath, and Neil Smith and Ms. MacDonald were appointed directors on December 19, 2018 in connection with the Recapitalization and were not paid any compensation for the 12 days they were on the Board in 2018.
- (4) Mr. Steven Smith was appointed director on December 11, 2018 in connection with the Recapitalization and was not paid any compensation for the 20 days he was on the Board in 2018.

***Stock Options and Other Compensation Securities***

The following table sets forth the compensation securities (as such term is defined in Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*) that have been granted or issued to the Corporation’s NEOs and directors during the fiscal year ended December 31, 2019:

<b>Compensation Securities</b>							
<b>Name and Position</b>	<b>Type of compensation security<sup>(1)</sup></b>	<b>Number of compensation securities, number of underlying securities<sup>(2)</sup>, and percentage of class<sup>(3)</sup></b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
<b><i>Named Executive Officers</i></b>							
Ian Atkinson <i>President, CEO and a Director</i>	Options	2,500,000 (12.89%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Calvin Yau <i>Vice President, Finance and CFO</i>	Options	1,800,000 (9.28%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Gary McMurren <i>Vice President, Engineering</i>	Options	1,800,000 (9.28%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Chris Birchard <i>Vice President, Exploration</i>	Options	1,800,000 (9.28%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Erin Buschert <i>Vice President, Land</i>	Options	1,800,000 (9.28%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Jim McFadyen <i>Vice President, Operations</i>	Options	1,800,000 (9.28%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
<b><i>Directors</i></b>							
Bruce Beynon	Options	600,000 (3.09%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Michael G. Kohut	Options	600,000 (3.09%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Tamara MacDonald	Options	600,000 (3.09%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
Andrew McCreath	Options	600,000 (3.09%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024

**Compensation Securities**

<u>Name and Position</u>	<u>Type of compensation security<sup>(1)</sup></u>	<u>Number of compensation securities, number of underlying securities<sup>(2)</sup>, and percentage of class<sup>(3)</sup></u>	<u>Date of issue or grant</u>	<u>Issue, conversion or exercise price (\$)</u>	<u>Closing price of security or underlying security on date of grant (\$)</u>	<u>Closing price of security or underlying security at year end (\$)</u>	<u>Expiry date</u>
C. Neil Smith	Options	600,000 (3.09%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024
R. Steven Smith	Options	600,000 (3.09%)	June 20, 2019	0.10	0.09	0.035	June 20, 2024

**Notes:**

- (1) The Options vest equally over three years in annual instalments, and each Option is exercisable for one underlying Common Share. For more information, see “*Stock Option Plan*”, below.
- (2) The above Options represent all compensation securities granted or issued to each NEO and director of the Corporation, as at December 31, 2019.
- (3) Percentage of class (i.e. Options) is based on 19,400,000 Options outstanding as at December 31, 2019.

***Exercise of Compensation Securities***

None of the NEOs or directors of the Corporation exercised any compensation securities during the most recently completed financial year.

***Stock Option Plan***

The Corporation has implemented the Stock Option Plan for directors, officers, employees, and consultants of the Corporation, and of its subsidiaries, if any, and employees of a person or company which provides management services to the Corporation or its subsidiaries (each, an “**Optionee**”), in accordance with the rules and policies of the TSXV. The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentives in their efforts on behalf of the Corporation in the conduct of its affairs.

Pursuant to the Stock Option Plan, the Corporation has authorized, subject to any regulatory approvals, the reservation of up to ten percent of the issued and outstanding Common Shares for the grant of Options from time to time.

Under the Stock Option Plan, the Board may from time to time grant to Optionees, as the Board shall designate, Options to purchase from the Corporation such number of its Common Shares as the Board shall designate.

The aggregate number of Common Shares which may be reserved for issuance to any one person under the Stock Option Plan and which are subject to outstanding Options granted under the Stock Option Plan must not exceed five percent of the issued Common Shares (determined at the date the Option was granted). The number of Common Shares granted to any one consultant under the Stock Option Plan in a twelve-month period must not exceed two percent of the issued Common Shares of the Corporation, calculated at the date the Option was granted to the consultant. The aggregate number of Options granted to eligible persons employed to provide investor relations activities under the Stock Option Plan must not exceed two percent of the issued Common Shares in any twelve-month period, calculated at the date the Option was granted. The maximum number of Common Shares which may

be reserved for issuance to insiders under the Stock Option Plan shall not exceed ten percent of the total number of Common Shares then outstanding and the maximum number of Common Shares which may be issued to insiders under the Stock Option Plan within any twelve-month period shall not exceed ten percent of the total number of Common Shares then outstanding.

The period during which an Option is exercisable may not exceed ten years from the date such Option is granted. All Options are non-assignable and non-transferrable unless otherwise specifically provided for in the Stock Option Plan. Options may be exercised at a price that shall be fixed by the Board at the time that the Option is granted. The price which the Common Shares may be acquired upon exercise of an Option may not be less than the price permitted under the rules of any stock exchange on which the Common Shares are listed. The Option vesting provisions are determined by the Board at the time of grant.

If prior to the exercise of an Option, the holder ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Option may be exercised within the earlier of up to 90 days after such cessation or the expiry of the Option, but only to the extent that the holder was entitled to exercise the Option at the date of cessation. In the case of Optionees engaged in investor relations activities, such exercise must occur within 30 days of cessation of the Optionee's service to the Corporation (subject to extension at the discretion of the Board). In the case of the death of an Optionee, the Option may be exercised within the earlier of up to 12 months after such death or the expiry of the Option, but only to the extent that the holder was entitled to exercise the Option at the date of death.

The Board may terminate or discontinue the Stock Option Plan at any time without the consent of the participants under the Stock Option Plan provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Stock Option Plan.

As at the financial year ended December 31, 2019, there were 19,400,000 Common Shares reserved for issuance pursuant to the Stock Option Plan. On June 20, 2019, the Corporation granted 19,400,000 Options to directors, officers and employees pursuant to the Stock Option Plan at an exercise price of \$0.10 per Common Share.

### ***Employment, Consulting and Management Agreements***

Except as provided below, there were no agreements or arrangements under which compensation was provided during the financial year ended December 31, 2019, or is payable, in respect of services provided to the Corporation or any of its subsidiaries that were performed by a NEO or director of the Corporation, or were performed by any other party but are services typically provided by a NEO or director of the Corporation.

On July 15, 2019, the Corporation entered into executive employment agreements with Messrs. Atkinson, Yau, McMurren, Birchard and McFadyen and Ms. Buschert in connection with their roles as President and Chief Executive Officer; Chief Financial Officer, Vice President, Finance; Vice President, Engineering; Vice President, Exploration; Vice President, Operations; and Vice President, Land, respectively (the "**Employment Agreements**").

The Employment Agreements provide a termination payment upon a termination by: (a) the executive if, within ninety days from a change of control, good reason exists and is not cured within thirty days of notice of termination provided by the executive (as such terms are defined in the Employment Agreements); or (b) the Corporation without cause. The termination payment shall be equal to, in relation to each Employment Agreement the aggregate of: (a) all accrued but unpaid expenses required to be reimbursed under the relevant Employment Agreement and salary for services rendered up to the termination date; (b) the pro-rated value of any accrued but unused vacation entitlement as at the termination date for that portion of the calendar year in which the executive was actively employed; (c) the greater of either: (i) the amount of minimum notice or, at the Corporation's option, payment in lieu thereof, or combination of notice and pay in lieu thereof, required by the *Employment Standards Code* (Alberta); or (ii) notice of termination or, at the Corporation's option, pay in lieu of notice (where by way of salary continuation

or lump sum) or a combination of notice and pay in lieu thereof, equivalent to 18 months for Mr. Atkinson and 12 months for the other NEOs; and (d) twenty percent of the executive’s salary (as at the termination date) as compensation for the loss of employment benefits.

The estimated payments which would be payable by the Corporation under the Employment Agreements, assuming a termination of employment without cause occurred on the date hereof, would be, in the aggregate, \$1,605,000.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2019, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders:

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	19,400,000	\$0.10	2,677,028
Equity Compensation Plans Not Approved by Securityholders	-	\$-	-
<b>Total<sup>(1)</sup></b>	<b>19,400,000</b>	<b>\$0.10</b>	<b>2,677,028</b>

**Note:**

- (1) On June 20, 2019 the Corporation granted 19,400,000 Options to directors, officers and employees pursuant to the Stock Option Plan at an exercise price of \$0.10 per Common Share.

### INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or executive officer of the Corporation, nor any of their associates or affiliates, nor any employee of the Corporation is or has been indebted to the Corporation since the beginning of the most recently completed fiscal year of the Corporation, nor is, or at any time since the beginning of the most recently completed fiscal year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as provided below, there are no material interests, direct or indirect, of directors, executive officers of the Corporation or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation’s most recently completed financial year.

Sanjib Gill, the Corporate Secretary of the Corporation, is a partner of the national law firm Stikeman Elliott LLP, which law firm rendered legal services to the Corporation.

On May 23, 2019, the Corporation entered into an agreement with a syndicate of agents co-led by Laurentian Bank Securities Inc. (“**LBS**”), Canaccord Genuity Corp. and Eight Capital, and including Haywood Securities Inc., Desjardin Securities Inc. and Cormark Securities Inc., relating to an offering by the Corporation (the “**Offering**”) pursuant to which the Corporation sold \$8.1 million of convertible unsecured subordinated debentures of the Corporation (the “**Debentures**”). The Offering was completed on June 14, 2019. After giving effect to the Offering,

LBS owns approximately 16.77% of the Common Shares on a partially-diluted basis. LBS received \$127,000 of Debentures as a fee for the Offering.

### **INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director or executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

### **CORPORATE GOVERNANCE PRACTICES**

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to NI 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Corporation. The Board and the Corporation's management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Below is a discussion of the Corporation's approach to corporate governance.

#### ***Corporate Governance***

The Board has established a Corporate Governance and Compensation Committee. The members of the Corporate Governance and Compensation Committee are Messrs. Steven Smith, Neil Smith, McCreath, Kohut and Ms. McDonald. Mr. Steven Smith is the Chairman of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee is comprised entirely of non-management members of the Board, and the Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Corporate Governance and Compensation Committee meets at least twice annually and otherwise as requested by the Board or considered desirable by the Chair of the Corporate Governance and Compensation Committee.

The Corporate Governance and Compensation Committee is responsible for proposing new director nominees to the Board and for assessing current directors on an ongoing basis. The Corporate Governance and Compensation Committee is also responsible for the Corporation's response to and implementation of the guidelines set forth from time to time by any applicable regulatory authorities.

#### ***Independence of Members of the Board***

The Board currently consists of seven directors, six of whom are independent based upon the tests for independence set forth in NI 52-110. Messrs. Beynon, Steven Smith, Neil Smith, McCreath and Kohut and Ms. MacDonald are independent. Mr. Atkinson is not independent by virtue of serving as President and Chief Executive Officer of the Corporation.

#### ***Board Oversight***

The Board exercises its independent supervision over the Corporation's management through a combination of formal meetings of the Board, as well as informal discussions amongst the Board members. The independent

directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an in-camera session among the independent and disinterested directors.

### ***Directorships in Other Reporting Issuers***

As of the date hereof, the following directors hold directorships in other reporting issuers:

<b>Name of Director</b>	<b>Reporting Issuer</b>
Michael G. Kohut	Big Rock Brewery Inc. (Chair)
Tamara MacDonald	Spartan Delta Corp.

### ***Board Mandate***

The Board has adopted a written mandate, the full text of which is attached as Schedule “E” to the management information circular of the Corporation dated November 20, 2019 that summarizes, among other things, the Board’s duties and responsibilities. Interested Shareholders may obtain a copy of the mandate upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com). The Board is responsible for the overall stewardship of the Corporation and dealing with issues which are pivotal to determining the Corporation’s strategy and direction. The Board has directly, and through the appointment of certain committees, put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day to day operations of the Corporation, as these operations are conducted by the Corporation’s management. The Board meets regularly to consider and approve the strategic objectives of the Corporation and management plans designed to accomplish those objectives. Where appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak to these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Corporation, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession and risk management.

Essential to strategic planning is assessing and understanding business risks and related control systems. The Board helps set limits with respect to business risks, to the extent they can be managed, and approves strategies for minimizing risks. Implementations of these strategies are then monitored by the Board. The Board, through the Audit Committee, requires management of the Corporation to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Shareholders and the public. The Corporation’s management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, annual information forms, prospectuses and information circulars.

The Corporate Governance and Compensation Committee is responsible for monitoring the governance systems of the Corporation with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Corporate Governance and Compensation Committee also acts as a nominating committee for new directors, oversees and approves the Corporation’s compensation plans and evaluates the overall Board effectiveness.

### ***Position Descriptions***

The Board has developed a written position description for the Chairman of the Board and the Chief Executive Officer of the Corporation, but has not developed a written position description for the Chairman of the Audit Committee.

The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Corporation's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

### ***Orientation and Continuing Education***

While the Corporation does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Corporation's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Corporation;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Corporation's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Corporation, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

### ***Ethical Business Conduct***

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the TSXV for effective corporate governance, including NP 58-201. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") wherein directors, officers and employees of the Corporation and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process. Interested Shareholders may obtain a copy of the Code upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Corporate Governance and Compensation Committee. Compliance with the Code is monitored primarily through the reporting process within the Corporation's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect of same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Audit Committee and fully inform such person or committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

### ***Nomination of Directors***

The Corporate Governance and Compensation Committee has responsibility for identifying potential Board candidates. The Corporate Governance and Compensation Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The written charter of the Corporate Governance and Compensation Committee includes considering and recommending candidates to fill new positions on the Board, reviewing candidates recommended by Shareholders, conducting inquiries into the backgrounds and qualifications of candidates, recommending the director nominees for approval by the Board and the Shareholders, considering conflicts of interests, recommending members and chairs of the committees, reviewing the performance of directors and the Board, establishing director retirement policies and establishing and implementing an orientation and education program for new members of the Board.

### ***Compensation***

The Board has established a Corporate Governance and Compensation Committee (see "*Corporate Governance*", above). The members of the Corporate Governance and Compensation Committee are independent and have the responsibility for determining compensation for the directors, officers, employees and consultants of the Corporation. Please see the discussion under the heading "*Executive Compensation*".

The Corporation's Corporate Governance and Compensation Committee reviews and makes recommendations to the Board concerning the compensation of the Corporation's directors, officers and employees, which includes the review of the Corporation's executive compensation and other human resource philosophies and policies, the review and administration of the Corporation's bonuses, Options and any share purchase plan, the review of and recommendations regarding the performance of the Chief Executive Officer of the Corporation and preparing and submitting a report for inclusion in annual continuous disclosure documents as required.

The responsibilities, powers and operations of the Corporate Governance and Compensation Committee, in respect of compensation include: (a) reviewing the adequacy and form of any compensation program for executive officers; (b) reviewing the adequacy and form of non-employee directors' compensation; (c) reviewing and creating a position description for the Chief Executive Officer; (d) evaluating the Chief Executive Officer's performance in light of corporate goals and objectives; (e) making recommendations to the Board with respect to the Chief Executive Officer's compensation; (f) setting criteria for selecting new directors; (g) recommending to the Board the size of the Board, the appropriate composition of the board and eligible individuals for election to the Board, a majority of whom shall be independent; (h) recommending to the Board the appropriate committee structure, committee mandates, composition and membership; and (i) reviewing and recommending to the Board a set of

corporate governance policies, practices and principles aimed at fostering a healthy governance culture at the Corporation.

### ***Audit Committee***

See “*Audit Committee*”, below.

### ***Reserves, Health, Safety and Environment Committee***

The members of the Reserves, Health, Safety and Environment Committee are Messrs. Neil Smith and Beynon and Ms. MacDonald. Mr. Neil Smith is the Chairman of the Reserves, Health, Safety and Environment Committee. The Reserves, Health, Safety and Environment Committee’s responsibilities include, but are not limited to: (a) reviewing management’s recommendations for the appointment of independent engineers; (b) reviewing the independent engineering reports and considering the principal assumptions upon which such reports are based; (c) reviewing management’s input into the independent engineering report and key assumptions used; (d) reviewing the reserve additions and reserve revisions which occur from one report to the next and seeking the independent engineer’s input and management’s input with respect to why these revisions have occurred; (e) reviewing the information supplied to the independent engineers with respect to the constant price case, operating costs, royalty burdens, required capital expenditures, recovery rates, decline rates and other matters; (f) annually reviewing the appropriateness of, and updating, the Corporation’s environmental policies, management systems and programs and reporting to the Board thereon; (g) ensuring that the Corporation has the necessary tools to measure its business units’ environmental performance and compliance with applicable regulatory standards; (h) reviewing the environmental performance and, whenever relevant, any non-compliance situation of the Corporation’s business units, to recommend the required corrective measures; (i) ensuring that environmental risk management procedures and emergency response measures are in place and are periodically updated and distributed within the Corporation; (j) assessing the environmental risks and emergency situations brought to its attention to recommend the required corrective measures; (k) immediately communicating any incident giving rise to significant environmental risks to the Board; (l) recommending to the Board that the Corporation exercise due diligence with respect to non-compliance situations, environmental risks or emergency situations brought to its attention; (m) reviewing and reporting to the Board on all legal notices or civil, penal and/or criminal prosecutions brought to its attention; (n) recommending to the Board measures, including necessary investments, taking into account available technologies and economic and financial restraints, to ensure compliance with regulatory standards and the Corporation’s environmental policies and programs; (o) analyzing all environmental matters brought to its attention and deemed relevant or that the Board specifically asks the committee to review; and (p) reporting to the Board on the Corporation’s environmental policies, programs and situation and make appropriate recommendations.

### ***Assessments***

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board’s execution of its responsibilities. The review will identify any areas where the directors of the Corporation or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board. The Board relies on informal evaluations of the effectiveness through both formal and informal communications with Board members and through participation with other Board members on committees and matters relating to the Board.

## **AUDIT COMMITTEE**

The purpose of the Corporation’s Audit Committee is to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, internal control and

legal compliance functions of the Corporation. It is the objective of the Audit Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Corporation.

Pursuant to NI 52-110, the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

### ***Audit Committee Charter***

The Corporation's Audit Committee charter (the "**Audit Committee Charter**") was adopted by the Board, the full text of which is attached as Schedule "B" to the annual information form of the Corporation for the fiscal year ended December 31, 2018, dated April 3, 2019, which is incorporated by reference into this Information Circular. Interested Shareholders may obtain a copy of the Audit Committee Charter upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Corporation's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

### ***Composition of the Audit Committee***

As of the date hereof, the Audit Committee is comprised of:

<u>Name of Director</u>	<u>Independent (Yes/No)<sup>(1)</sup></u>	<u>Financially Literate (Yes/No)</u>
Mr. Kohut (Chairman)	Yes	Yes
Mr. McCreath	Yes	Yes
Mr. Steven Smith	Yes	Yes

**Note:**

(1) As defined in NI 52-110.

### ***Relevant Education and Experience***

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating 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 Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Mr. Kohut is the Chairman of the Audit Committee. Mr. Kohut is also the Chairman of the Board at Big Rock Brewery Inc. and the Senior Vice President and Chief Financial Officer at Hammerhead Resources. Prior thereto,

he was the Vice President of Finance at Paramount Resources Ltd. from November 2017 to April 2018 and the Chief Financial Officer of Trilogy Energy Corp. from June 2006 to October 2017.

Mr. McCreath is a Chartered Financial Analyst with over 30 years of experience in the investment community including the last 20 years as a Portfolio Manager. Mr. McCreath has managed Sentry Diversified Total Return Fund and Sentry Market Neutral LP. Mr. McCreath is also the Market Commentator on BNN Bloomberg TV.

Mr. Smith is a Chartered Accountant with over 40 years of business experience. After articling at KPMG and obtaining his Chartered Accountant designation, he moved to the oil and gas industry and worked exclusively in management and executive roles at companies including Canadian Pioneer, POCO Petroleum, Renaissance Energy and Pan East Petroleum before becoming an equity research analyst at the Bank of Montreal. Mr. Smith has 22 years of experience in capital markets as Chief Financial Officer and Portfolio Manager with Norrep Capital Management Ltd. and Vice President and Director – Institutional Research at FirstEnergy Capital (now Stifel | FirstEnergy) and before that Orion Securities (now Macquarie Group). Mr. Smith holds a Business degree in Accounting, a Bachelor of Arts degree in English and Chartered Accountant (CA) and Chartered Professional Accountant (CPA) designations. He is currently a director of Karve Energy Inc. and Jasper Brewing Inc. He was previously the Chief Financial Officer and a Director of Broadview Energy Inc. and before that, a Portfolio Manager and CFO at NCM Investments.

### ***Audit Committee Oversight***

At no time since the commencement of the Corporation’s most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### ***Pre-Approval Policies and Procedures***

The Audit Committee is authorized by the Board to review the performance of the Corporation’s external auditors, and approve in advance the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chairman of the Audit Committee deems as necessary.

### ***External Auditor Service Fees (By Category)***

The fees for auditor services billed by the Corporation’s external auditors for the last two fiscal years are as follows:

<b>Financial Year Ending December 31</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit-related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2019	\$90,000	\$102,500	\$-	\$17,500
2018	\$75,000	\$92,000	\$-	\$-

#### **Notes:**

- (1) Audit fees are the aggregate fees billed by the Corporation’s auditor for audit services.
- (2) Audit-related fees are the aggregate fees billed for assurance and related services by the Corporation’s auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statement and are not disclosed under “Audit fees”.
- (3) Tax fees are the aggregate fees billed for professional services rendered by the Corporation’s auditor for tax compliance, tax advice and tax planning.
- (4) All other fees are the aggregate fees billed for services provided by the Corporation’s auditor other than the services reported under “Audit fees”, “Audit-related fees” and “Tax fees”.

***Reliance on Certain Exemptions***

The Corporation is relying on the exemption in section 6.1 of NI 52-110.

**ADDITIONAL INFORMATION**

Financial information of the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by contacting the Corporation's Chief Financial Officer at 2400, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1 or by phone at 587-287-5400.

Copies of these documents, as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities, may also be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com).