



ANNUAL MEETING OF SHAREHOLDERS

To Be Held On May 19, 2022

**NOTICE OF MEETING AND
INFORMATION CIRCULAR**

April 14, 2022

PINE CLIFF ENERGY LTD.

850, 1015 – 4th Street S.W.

Calgary, Alberta

T2R 1J4

NOTICE OF ANNUAL MEETING OF THE SHAREHOLDERS OF PINE CLIFF ENERGY LTD.

TAKE NOTICE that the Annual Meeting (the “**Meeting**”) of the shareholders of **PINE CLIFF ENERGY LTD.** (the “**Corporation**”) will be held at the main office of the Corporation 8th Floor, 1015 4th Street S.W., Calgary, Alberta, on Thursday, May 19, 2022, at 11:00 a.m. (Calgary time) for the purposes of:

1. Receiving and considering the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2021 and the related report of the auditor thereon;
2. Electing the Corporation’s board of directors for the ensuing year;
3. Appointing Deloitte LLP, Chartered Accountants, Calgary, Alberta as the auditors of the Corporation for the ensuing year and authorizing the Corporation’s board of directors to fix their remuneration;
4. Transacting such other business as may properly come before the Meeting or any adjournment or postponement of the Meeting.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular dated April 14, 2022 (the “**Information Circular**”), accompanying, and forming part of, this notice and forming part hereof. Only holders of common shares of the Corporation of record at the close of business on April 14, 2022 are entitled to notice of and to attend and vote at the Meeting or any adjournment thereof.

At the time when the Meeting logistics were required to be finalized, the Government of Alberta had not yet lifted the restrictions on public gatherings implemented in response to the COVID-19 outbreak, accordingly, and out of concern for the ongoing wellbeing of all participants, shareholders and guests will not be permitted to physically attend the Meeting. Shareholders are encouraged to exercise their voting rights by mail, telephone or internet in advance of the Meeting. Shareholders can listen to the Meeting via teleconference by dialing locally in Toronto at 647-484-0475 or Toll Free at 1-888-394-8218 with the confirmation number 2234380. Please monitor the Corporation’s website at www.pinecliffenergy.com for Meeting updates if necessary.

Registered Shareholders are urged to transmit their voting instructions online at www.odysseytrust.com/login or to date and sign the enclosed form of proxy and return it, in the envelope provided, to Odyssey Trust Company, Stock Exchange Tower, 1230, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4. In order to be valid and acted upon at the Meeting, voting instructions must be transmitted online or forms of proxy must be returned to the aforesaid address not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment thereof. Shareholders who do not hold common shares of the Corporation 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 “Notice to Beneficial Holders of Shares” in the accompanying Information Circular.

DATED at Calgary, Alberta, this 14th day of April, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Philip B. Hodge"

Philip B. Hodge

President and Chief Executive Officer

**PINE CLIFF ENERGY LTD.
INFORMATION CIRCULAR**

**ANNUAL MEETING OF SHAREHOLDERS
May 19, 2022**

SOLICITATION OF PROXIES BY MANAGEMENT

This management information circular dated April 14, 2022 (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Pine Cliff Energy Ltd. (“**Pine Cliff**” or the “**Corporation**”) for use at the annual meeting of the holders (“**Shareholders**”) of common shares of the Corporation (“**Common Shares**”) to be held on Thursday, May 19, 2022, at 11:00 a.m., Calgary time (the “**Meeting**”) or at any adjournment thereof, for the purposes set forth in the notice of the Meeting (the “**Notice of Meeting**”) accompanying this Information Circular.

Enclosed with this Information Circular is a form of proxy (the “**Proxy Form**”) for use at the Meeting. A copy of the annual report, which includes the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2021, has previously been distributed to the Shareholders. The Shareholders are entitled to vote and are encouraged to participate in the Meeting.

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Notice of Meeting, Proxy Form and this Information Circular will be borne by the Corporation. Management does not contemplate a solicitation of proxies other than by mail.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

APPOINTMENT AND REVOCATION OF PROXIES

A Shareholder has the right to appoint a nominee, other than the persons designated in the Proxy Form (who does not need to be a Shareholder), to represent them at the Meeting, by inserting the name of their chosen nominee in the space provided for that purpose on the Proxy Form or by completing another proper Proxy Form. Such a Shareholder should notify the nominee of their appointment, obtain their consent to act as proxy and instruct them on how the Shareholder’s shares are to be voted. In any case, the Proxy Form should be dated and executed by the Shareholder or their attorney authorized in writing. Registered shareholders may also cast their vote online (www.odysseytrust.com/login) by following the instructions provided on the Proxy Form. **In light of the public health concerns related to COVID-19 and given the restrictions on public gathering implemented by the Government of Alberta at the time Meeting logistics were required to be finalized, the Corporation is not permitting Shareholders and others to attend the Meeting in person.**

A Proxy Form will not be valid for the Meeting or any adjournment or postponement of the Meeting unless it is completed and received by **Odyssey Trust Company, Stock Exchange Tower, 1230, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4** not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment or postponement thereof.

In addition to revocation by any other manner permitted by law, a Shareholder who has given a proxy may revoke it, by instrument in writing executed by the Shareholder or by their attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the Corporation duly authorized and deposited at the registered office of the Corporation at Suite 850, 1015 – 4th Street S.W., Calgary, Alberta, T2R 1J4, Attention: Corporate Secretary, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the chairman of such Meeting on the date of the Meeting or any adjournment or postponement thereof.

NOTICE TO BENEFICIAL HOLDERS OF SHARES

Only registered Shareholders (“**Registered Shareholders**”) or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which an Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, this Information Circular, and the Proxy Form to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. The Proxy Form supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy Form provided directly to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails the form to Non-Registered Shareholders and asks Non-Registered Shareholders to return the form to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. 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.** Pine Cliff is sending proxy-related materials directly to non-objecting beneficial owners, pursuant to NI 54-101.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Non-Registered Shareholder may attend the Meeting via teleconference as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting via teleconference and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the Proxy Form or voting instruction form 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.

VOTING OF PROXIES

The persons named in the Proxy Form are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the Shareholders who appoint them. Each Shareholder may instruct their proxy how to vote their Common Shares by completing the blanks on the Proxy Form.

Common Shares represented by a properly executed Proxy Form in favour of the persons designated on the Proxy Form will be voted for or withheld from voting in accordance with the instructions made on the Proxy Form, on any ballot that may be called for and, if Shareholders specify a choice as to any matters to be acted upon, such Shareholders' Common Shares shall be voted accordingly. In the absence of such instructions or choices, such Common Shares will be voted in favour of all matters identified in the Notice of Meeting.

The Proxy Form confers discretionary authority upon the persons named with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such Common Shares. At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS OF SHARES

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value and an unlimited number of Class B preferred shares, issuable in series ("**Preferred Shares**"). As of March 31, 2022, 342,661,598 Common Shares and no Preferred Shares were issued and outstanding. On all matters to be considered and acted upon at the Meeting, holders of Common Shares are entitled to one vote for each Common Share held.

The Corporation's board of directors (the "**Board**") has fixed April 14, 2022 as the record date (the "**Record Date**") for determining which Shareholders are entitled to receive the Notice of Meeting. A Shareholder of record at the close of business on the Record Date shall be entitled to vote the Common Shares registered in such Shareholder's name on that date, except to the extent that: (a) such person transfers their Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes their 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 their name be included on the Shareholders' list.

To the knowledge of the directors and officers of the Corporation, as at April 14, 2022, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the votes which may be cast at the Meeting except as set out in the table below:

<u>Name and Municipality of Residence</u>	<u>Number of Common Shares</u>	<u>Percent</u>
Robert Disbrow Vancouver, British Columbia	35,109,600	10.2%
Alberta Investment Management Corporation Edmonton, Alberta	36,056,954	10.5%

QUORUM FOR MEETING

At the Meeting, a quorum shall consist of two or more persons either present in person or represented by proxy and representing in the aggregate not less than 5% of the outstanding Common Shares. Generally, if a quorum is not present at a Shareholders' meeting within one half hour after the time fixed for the holding of such meeting, it shall stand adjourned to the same day of the following week. At such adjourned meeting, provided there are at least two Shareholders present, such Shareholders shall form a quorum.

MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Board, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

1. Consolidated Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 31, 2021 and the related report of the auditor will be placed before the Meeting. These financial statements and the auditor's report are contained in the Corporation's annual report which has previously been distributed to Shareholders.

2. Election of Directors

Pine Cliff's Articles of Incorporation ("**Articles**") provide for the Board to consist of a minimum of one and a maximum of 15 directors. The Articles permit the Board to appoint additional directors between annual meetings of Shareholders, provided that the total number of directors so appointed does not exceed, at any time, one-third of the number of directors who hold office immediately after the preceding annual meeting of Shareholders.

At the present time, Pine Cliff has five directors, being Messrs. George F. Fink, Robert B. Fryk, Philip B. Hodge, William S. Rice and Ms. Jacqueline R. Ricci. Pursuant to the *Business Corporations Act* (Alberta) ("**ABCA**"), the current directors of the Corporation cease to hold office at the close of the Meeting. The Board currently considers five directors to be an appropriate size for effective oversight and decision-making in discharging its responsibilities. At the Meeting, it is proposed that five persons be elected as directors of the Corporation, to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed.

The persons designated in the Proxy Form, unless instructed otherwise, intend to vote for the election of the nominees listed in the table below. Management does not contemplate that any of the nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the persons designated in the Proxy Form reserve the right to vote for any other nominees in their discretion.

The names and municipalities of residence of the five proposed directors of the Corporation, the number of Common Shares beneficially owned or controlled or directed at the date hereof, directly or indirectly, by

each proposed director, the offices held by each proposed director in the Corporation, the period served as director of the Corporation and the present principal occupation of each proposed director for the past five years are as follows:

Name and Municipality of Residence	Number Of Common Shares Beneficially Owned, Controlled or Directed ⁽¹⁾	Time As Director	Principal Occupation
JACQUELINE R. RICCI ⁽²⁾ Toronto, Ontario Canada	114,400	Director since 2020	Vice President and Director of J. Zechner & Associates from 1997 to present.
GEORGE F. FINK Calgary, Alberta Canada	25,674,697	Director since 2004	Chairman of the Board of Pine Cliff and Chief Executive Officer and director of Bonterra Energy Corp. Mr. Fink was the Executive Chairman of the Corporation from January 2012 to May 2016.
PHILIP B. HODGE Calgary, Alberta Canada	8,050,293	Director since 2011	President and Chief Executive Officer of Pine Cliff since January 2012.
ROBERT B. FRYK ⁽²⁾ Calgary, Alberta Canada	25,000	Director since 2021	Private investor. President and Chief Executive officer of Gain Energy from February 2017 until March 2021 and prior thereto, Chief Operating Officer from March 2016 to January 2017.
WILLIAM S. RICE, Q.C. ⁽²⁾ Calgary, Alberta Canada	902,630	Director since 2016	Private investor. Chair and Chief Executive Officer of the Alberta Securities Commission from 2005 to 2015 and Chair of the Canadian Securities Administrators from 2011 to 2015.

Notes:

- (1) The information as to the number of Common Shares beneficially owned or controlled by directors as at April 14, 2022, not being within the knowledge of the Corporation, has been furnished to the Corporation by the individual nominees.
- (2) Members of Pine Cliff's Audit Committee, Reserves Committee and Governance, Nomination and Compensation Committee.
- (3) Each of the Board Committees will be reconstituted following the Meeting.

Advance Notice Provisions

The Corporation has adopted by-laws (the "**By-laws**") which contain advance notice provisions regarding advance notice of nominations of directors of the Corporation (the "**Advance Notice Provisions**"). The Advance Notice Provisions provide that advance notice to the Corporation must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a "proposal" made in accordance with the ABCA; or (b) a requisition of a meeting made pursuant to the ABCA.

The Advance Notice Provisions fix a deadline by which Shareholders must submit director nominations to the Chief Financial Officer of the Corporation prior to any annual or special meeting of shareholders and outline the specific information that a nominating shareholder must include in the written notice to the Chief Financial Officer of the Corporation for an effective nomination to occur. No person nominated by a Shareholder will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice Provisions.

In the case of an annual meeting of Shareholders, notice to the Chief Financial Officer of the Corporation must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the

event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Chief Financial Officer of the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

In the event of an adjournment or postponement of an annual meeting or special meeting of Shareholders or any announcement thereof, a new time period shall commence for the giving of timely notice.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Provisions of the By-laws.

Corporate Cease Trade Order or Bankruptcies

Other than as set forth below, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years:

- (a) a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, 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 in the company and resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) a director or executive officer of any company, including the Corporation, 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, or became personally bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Fryk was the President and Chief Executive Officer of Gain Energy Ltd., a private oil and natural gas company, which filed a voluntary assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) on March 8, 2021.

None of those persons who are proposed directors of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

At the Meeting, it is the intention of the persons named in the Proxy Form to vote in favour of a resolution to appoint Deloitte LLP, Chartered Accountants, Calgary, Alberta, to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the Board to fix the remuneration of the auditors.

4. Other Matters to be Acted Upon

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed form of proxy and voting instruction confers discretion on the persons named on the form of proxy to vote on such matters.

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

Management of the Corporation is not aware of any material interest of any person who has been a director or executive officer of the Corporation since the beginning of its last financial year, any nominee for election as a director of the Corporation or of any associate or affiliate of any of those persons in respect of any matter to be acted on at the Meeting, except as specifically provided herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interests, direct or indirect, of any “informed person” (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any proposed nominee for election as a director of the Corporation or any associate or affiliate of any such person or proposed nominee in any transaction since the beginning of the most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or proposed director, executive officer or employee of the Corporation, or any former director, executive officer or employee of the Corporation, or any associate of any of the foregoing, is, or has been at any time during the most recently completed financial year, indebted to the Corporation, either in connection with the purchase of the Corporation’s securities or otherwise.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

Set out below are the particulars of compensation paid to the following persons (the “**Named Executive Officers**”):

- a) the Corporation’s chief executive officer (“**CEO**”)
- b) the Corporation’s chief financial officer (“**CFO**”);
- c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity or other management role, other than the chief executive officer and chief financial officer, at the end

of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – *Statement of Executive Compensation*, for that financial year; and

- d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2021, the Corporation had four Named Executive Officers, being Philip Hodge, President and Chief Executive Officer, Terry McNeill, Chief Operating Officer, Alan MacDonald, Chief Financial Officer and Christopher Lee, Vice President Exploration.

Compensation Discussion and Analysis

Compensation Governance

The Board is responsible for setting the overall compensation strategy of the Corporation and overseeing and reviewing the Corporation's executive compensation program. As part of its mandate, the Board approves the appointment of the Corporation's executive officers and the remuneration of the Corporation's CEO. In addition, the Board will review and approve recommendations of the CEO relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the Corporation's executive officers.

All of the members of the Board have direct experience that is relevant to their responsibilities in executive compensation, as they have each managed executives and/or business leaders in their current and/or past roles. In these roles, they have participated in compensation planning sessions, made compensation decisions and participated in compensation discussions with and without the use of external consultants.

Lane Caputo Compensation Inc. ("Lane Caputo"), an independent compensation consulting firm, was originally engaged in 2021 to review the Corporation's approach to executive compensation and assess the design of the Corporation's compensation program compared to its peers.

In connection with the services provided, Lane Caputo received the following compensation in each of the two most recently completed financial years:

	2021	2020
Executive Compensation-Related Fees	\$8,240.88	-
All Other Fees	-	-
Total	\$8,240.88	-

Base salaries for officers, including the CEO, are established at levels comparable to base salaries paid by the Corporation's industry peer group. In assessing comparability, the Corporation relies upon a review of base salary amounts as disclosed by industry peers in their public disclosure documents. The peer group for benchmarking considered by the Board consists of other oil and gas exploration and development companies with similar size, financial capacity and business complexity, including Bonterra Energy Corp., Cardinal Energy Ltd., Crew Energy Inc., Gear Energy Ltd., Journey Energy Inc., Perpetual Energy Inc., Petrus Resources Ltd., Pieridae Energy Limited, Pipestone Energy Corp., Tamarack Valley Energy Ltd. and Yangarra Resources Ltd. Consideration is given to the time period evaluated in industry surveys and public data and to the business climate applicable at the time with respect to industry demand for experienced personnel. Salaries of officers, including that of the CEO, are reviewed annually.

Compensation Elements

The objective of the Corporation's executive compensation program is to attract, motivate, reward and retain talent that is needed to achieve the Corporation's business objectives. The compensation program is designed to ensure that compensation is competitive with companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation.

The Pine Cliff executive compensation program is comprised of the following principal components:

- a) base salary;
- b) short-term incentive compensation comprised of discretionary cash bonuses based on both corporate and individual performance; and
- c) long-term incentive compensation comprised of Options (as defined herein).

Base Salaries

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. These base salaries are reviewed annually by Pine Cliff's Governance, Nomination and Compensation Committee ("GNCC") and consideration is given to, among other things, level of responsibility, experience and expertise of the individuals being reviewed. Salaries of the executive officers are not determined based on benchmarks or a specific formula, although comparable salaries at similar sized companies in the oil and gas industry are considered. The Board, upon the recommendation of the GNCC, determines the salary of the CEO and considers, and if thought appropriate, approves salaries recommended by the CEO for the other executive officers of the Corporation. The CEO approves the salaries for the employees of the Corporation and these are also reviewed by the GNCC.

Bonus Plan

The Board, upon recommendation of the GNCC, approves cash bonus payments to reward executive officers for their contribution to the achievement of corporate accomplishments in carrying out the strategy and vision of Pine Cliff. The bonus pool currently available for distribution to the Corporation's employees consists of a range from 3.00% to 5.50% of adjusted funds flow (cash flow from operating activities before adjusting for changes in non-cash working capital and decommissioning obligations settled). The Board, upon recommendation of the GNCC, will determine for each bonus period the percentage of the bonus pool to be set within that range. Typically, Pine Cliff has historically paid a cash bonus to its executive officers twice a year, generally in November for the first three quarters of the year and in March for the previous years' fourth quarter. The Board, upon recommendation of the GNCC, determines the bonus of the CEO. The Board considers, and if thought appropriate, approves the bonuses recommended by the CEO for the other executive officers of the Corporation. The CEO approves the bonuses for the employees of the Corporation and these are also reviewed by the GNCC.

Stock Option Plan

The Corporation has adopted the Stock Option Plan pursuant to which options ("**Options**") to purchase Common Shares may be granted to directors, executive officers, employees and consultants of the Corporation. The Stock Option Plan is an integral component of the Corporation's total compensation program in terms of attracting and retaining key employees and enhances Shareholder value by aligning the interests of executives and employees with the growth and profitability of the Corporation. The longer-

term focus of the Stock Option Plan complements and balances the other shorter-term elements of the compensation program of the Corporation.

In determining the number of Options to be granted to individuals, the Board, on the recommendation of the GNCC, considers the amount, terms and vesting levels of existing Options held by the individuals and also the number of Options remaining available for grant by the Corporation in the future to attract and retain other management, technical and administrative staff. Generally, the number of Options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made, and is anticipated to be made, by the optionee to the business and affairs of the Corporation, the number of Options that have already been granted to the optionee and such other factors as the GNCC may consider relevant. The Board, upon recommendation of the GNCC, determines the number of Options to be granted to the CEO and considers, and if thought appropriate, approves Option grants recommended by the CEO for the other executive officers, employees and consultants of the Corporation.

The aggregate number of Common Shares that may be available for issuance under the Stock Option Plan shall not exceed 10% of the total number of Common Shares outstanding (on a non-diluted basis) at the time of grant. Directors, management, employees and consultants of the Corporation who, in the judgment of the Board, the GNCC and the CEO, will contribute to its future growth and success, are eligible to participate in the Stock Option Plan. The exercise price per Common Share shall not be lower than the closing price of the Common Shares on the TSX on the last trading day preceding the date of grant. In the event that the Common Shares are listed for trading on the TSX and no trades of the Common Shares have taken place on the TSX on any trading day within a five-day period immediately preceding the date of grant, the GNCC may, in its sole discretion subject to TSX approval, select as the exercise price per Common Share the weighted average trading price of the Common Shares on the TSX over the last ten trading days on which the Common Shares traded on the TSX immediately preceding the date of the grant. The term of an Option shall not be less than one year and not more than five years from the date of grant. Unless otherwise specified, Options vest as to one-third of the entitlement each year following the date of grant.

Options are exercisable only during the term of employment or service of an employee, consultant, director or officer when the optionee is considered to be an "Eligible Participant" under the Stock Option Plan. In the event of termination of employment with cause, no Option may be exercised following the date on which the optionee ceases to be an Eligible Participant. In the event of death of an optionee, any vested Option held by the optionee shall be exercisable, if the Option was issued ten days or more prior to the date of death, to the person or persons the rights under the Option shall pass to by law for a period of 60 days after the date of death or prior to the expiration of the Option, whichever is sooner. If an optionee ceases to be an Eligible Participant for any other reason than the above, including termination without cause, any vested Option may be exercised for a period of 10 days after the date the optionee ceases to be an Eligible Participant. All benefits, rights and Options accruing to any Eligible Participant shall not be assignable or transferable, other than in the event of death.

The issuance of Common Shares under the Stock Option Plan to any one Eligible Participant in any 12 month period shall not exceed 5% for employees, directors and officers and 2% for consultants, respectively, of the issued Common Shares (on a non-diluted basis) at the time of grant of any Option (including the Common Shares that are subject to such Option). In addition, the issuance of Common Shares under the Stock Option Plan to all Eligible Participants conducting Investor Relations Activities (as defined in the Stock Option Plan), in any 12 month period shall not exceed 2% of the issued Common Shares (on a non-diluted basis) at the time of grant of any Option (including the Common Shares that are subject to such Option) and, the issuance of Common Shares under the Stock Option Plan to insiders issued within any 12 month period and issuable at any time, under all security based compensation arrangements, shall not exceed 10% of issued and outstanding Common Shares (on a non-diluted basis).

The Board reserves the right to amend, modify or terminate the Stock Option Plan at any time without shareholder approval subject to the rules of the TSX. Any amendment to any provision of the Stock Option Plan shall be subject to approval, if required, by the TSX or any regulatory body having jurisdiction over the securities of the Corporation, and, if required, by the Shareholders in the manner prescribed by the TSX or any regulatory body having jurisdiction over the Corporation from time to time.

As of December 31, 2021, 25,269,810 Options were outstanding which represents 7.4% of the 339,539,415 Common Shares issued and outstanding. As of December 31, 2021, 8,684,131 Options remained available for future issuance.

In 2021, there were 11,386,600 Options granted with a weighted average number of Common Shares issued and outstanding of 337,254,298, which resulted in a burn rate of 3.4%; in 2020, there were 8,656,850 Options granted, which resulted in a burn rate of 2.6%; and in 2019, there were 13,137,907 Options granted, which resulted in a burn rate of 4.1%.

Risks Associated with Compensation Policies and Practices

The oversight and administration of the Corporation's executive compensation program require the Board and the GNCC to consider risks associated with the Corporation's compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at annual reviews and also throughout the year whenever it is deemed necessary by the GNCC.

Key considerations regarding compensation risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance initiatives with equity based awards that vest over time;
- ensuring overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation's revenues, after giving consideration to the development stage of the Corporation; and
- utilizing compensation policies that do not rely solely on the specific accomplishment of specific tasks without consideration to longer term risks and objectives.

For the reasons set forth below, the GNCC believes that the Corporation's current executive compensation policies and practices achieve an appropriate balance in relation to the Corporation's overall business strategy and do not encourage executives to expose the Corporation to inappropriate or excessive risks. The base salaries set for the Corporation's executives are intended to provide a steady income regardless of Common Share price performance, allowing executives to focus on both near-term and long-term goals and objectives without undue reliance on short-term Common Share price performance or market fluctuations.

While a significant feature of the Corporation's current executive compensation practice is the awarding of Options under the Stock Option Plan, and while such compensation is "at risk" (i.e. not guaranteed), the Corporation's long-term incentive plans are designed such that Options vest over a three year period and therefore encourage sustainable Common Share price appreciation and reduce the risk of actions which may have short-term advantages.

Compensation payable in the form of cash bonuses is overseen by the GNCC and the Board. The Board does not consider the applicable periods set for bonus purposes to be heavily weighted to the short-term

and believes it has struck an appropriate balance between short-term performance incentives and long-term awards that vest over time.

Group Registered Retirement Savings Plan (“RRSP”)

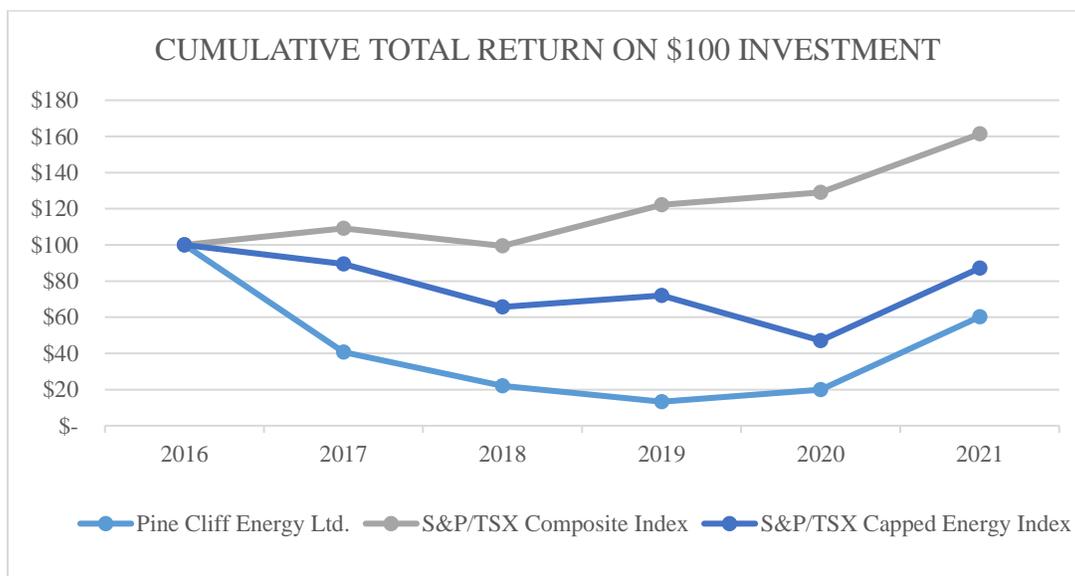
Effective January 1, 2022, the Corporation introduced a matching group RRSP, whereby the Corporation will match employees’ contributions to a group RRSP, up to a maximum of 4.0% of each employee’s annual salary.

Financial Instruments

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from personally purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. Such investments will be at the sole risk of the Named Executive Officer or director and the Corporation will not be at any risk. Management is not aware of any Named Executive Officer or director purchasing any such instruments related to the Common Shares.

Performance Graph

The following graph compares the yearly percentage change in the cumulative shareholder return over the last five years of the Common Shares (assuming a \$100 investment was made on December 31, 2016) and the cumulative total return of the S&P/TSX Composite Index and the TSX Energy Index.



	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Pine Cliff Energy Ltd.	\$100.00	\$40.71	\$22.12	\$13.27	\$19.91	\$60.18
TSX Composite Index	\$100.00	\$109.10	\$99.40	\$122.14	\$128.98	\$161.34
TSX Capped Energy Index	\$100.00	\$89.39	\$65.64	\$72.04	\$47.08	\$87.19

Total Shareholder Return (“TSR”) and its Relationship with Executive Compensation

Executive compensation is defined as the aggregate of base salary, annual cash bonuses (if any), Options, and any other miscellaneous types of benefits that may periodically be granted to an executive. When the Board determines overall compensation, it considers a number of factors and performance measures. Although TSR is one performance measure that is reviewed, it is not the only consideration. As a result, a direct correlation between TSR over a given period and executive compensation levels is not anticipated.

Summary Compensation Table

The following table sets forth a summary of the annual and long-term compensation for services paid for the three most recently completed financial years for individuals who were Named Executive Officers during the year ended December 31, 2021.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁷⁾	Total compensation (\$)
					Annual incentive plans ⁽⁶⁾	Long term incentive plans			
Philip B. Hodge, President and Chief Executive Officer	2021	345,000	nil	271,212 ⁽¹⁾	307,192	nil	nil	nil	923,404
	2020	315,000	nil	78,116 ⁽²⁾	37,480	nil	nil	nil	430,596
	2019	315,000	nil	113,943 ⁽³⁾	25,300	nil	nil	nil	454,243
Terry L. McNeill, Chief Operating Officer	2021	270,000	nil	162,727 ⁽¹⁾	170,672	nil	nil	nil	603,399
	2020	250,000	nil	46,869 ⁽²⁾	20,820	nil	nil	nil	317,689
	2019	250,000	nil	68,366 ⁽³⁾	14,100	nil	nil	nil	332,466
Alan MacDonald, Chief Financial Officer and Corporate Secretary ⁽⁵⁾	2021	220,000	nil	130,181 ⁽¹⁾	117,005	nil	nil	nil	467,186
	2020	200,000	nil	17,576 ⁽²⁾	990	nil	nil	nil	218,566
	2019	16,667	nil	21,216 ⁽³⁾⁽⁴⁾	nil	nil	nil	nil	37,883
Christopher S. Lee, Vice President Exploration	2021	195,000	nil	96,157 ⁽¹⁾	90,193	nil	nil	nil	381,350
	2020	185,000	nil	26,039 ⁽²⁾	9,910	nil	nil	nil	220,949
	2019	185,000	nil	37,981 ⁽³⁾	8,900	nil	nil	nil	231,881

Notes:

- (1) The value of the option-based awards granted on May 19, 2021 is based on an exercise price of \$0.33 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 78.4%, expected life of 3.0 years, risk-free rate of 0.30%, forfeiture rate of 3.9%, and expected dividend yield of 0%.
- (2) The value of the option-based awards granted on May 21, 2020 is based on an exercise price of \$0.145 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 69.6%, expected life of 3.0 years, risk-free rate of 0.30%, forfeiture rate of 3.9%, and expected dividend yield of 0%.
- (3) The value of the option-based awards granted on May 16, 2019 and November 8, 2019 are based on an exercise price of \$0.21 and \$0.145, respectively, and calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 51% and 55.1%, expected life of 3.0 years for both, risk-free rate of 1.57% for both, forfeiture rate of 3.9% for both, and expected dividend yield of 0% for both.
- (4) The value of the option-based awards granted on December 2, 2019 is based on an exercise price of \$0.145 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 55%, expected life of 3.0 years, risk-free rate of 1.58%, forfeiture rate of 3.9%, and expected dividend yield of 0%.
- (5) Mr. MacDonald was appointed Chief Financial Officer and Corporate Secretary on December 4, 2019.
- (6) Payments consist solely of amounts awarded under the Corporation’s bonus plan.

- (7) The value of perquisites and benefits for each Named Executive Officer is less than 10% of each Named Executive Officer's total salary for the financial year.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2021 to the Named Executive Officers of the Corporation.

The process that the Corporation uses to grant Options to the Named Executive Officers, and the factors that are taken into account when considering new grants under the Stock Option Plan, is based upon a number of criteria, including the responsibility level of the Named Executive Officers, the number of Options available for grant under the Stock Option Plan, the number of Options anticipated to be required to meet the future needs of the Corporation, as well as the number of Options previously granted to each of the Named Executive Officers.

The Board, upon recommendation of the GNCC, determines the Options granted to the CEO. The Board considers, and if thought appropriate, approves the bonuses recommended by the CEO for the other Named Officers. The CEO approves the grants of Options to the other employees of the Corporation, and these are also reviewed by the GNCC.

It is the full Board, as opposed to only the GNCC, which determines the need for any amendments to the Stock Option Plan. The grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Philip B. Hodge	550,000	0.33	May 19, 2023	192,500
	550,000	0.33	May 19, 2024	192,500
	550,000	0.33	May 19, 2025	192,500
	400,000	0.145	May 21, 2023	214,000
	400,000	0.145	May 21, 2024	214,000
	275,000	0.145	Nov 08, 2023	147,125
	340,000	0.21	May 16, 2022	159,800
	340,000	0.21	May 16, 2023	159,800
	350,000	0.33	May 15, 2022	122,500
Terry L. McNeill	330,000	0.33	May 19, 2023	115,500
	330,000	0.33	May 19, 2024	115,500
	330,000	0.33	May 19, 2025	115,500
	240,000	0.145	May 21, 2022	128,400
	240,000	0.145	May 21, 2023	128,400
	240,000	0.145	May 21, 2024	128,400
	165,000	0.145	Nov 08, 2022	88,275
	165,000	0.145	Nov 08, 2023	88,275
	204,000	0.21	May 16, 2022	95,880
	204,000	0.21	May 16, 2023	95,880
Alan MacDonald	264,000	0.33	May 19, 2023	92,400
	264,000	0.33	May 19, 2024	92,400
	264,000	0.33	May 19, 2025	92,400
	90,000	0.145	May 21, 2023	48,150
	90,000	0.145	May 21, 2024	48,150
	140,000	0.145	Dec 02, 2022	74,900
	140,000	0.145	Dec 02, 2023	74,900
Christopher S. Lee	195,000	0.33	May 19, 2023	68,250
	195,000	0.33	May 19, 2024	68,250
	195,000	0.33	May 19, 2025	68,250
	133,333	0.145	May 21, 2022	71,333
	133,333	0.145	May 21, 2023	71,333
	133,334	0.145	May 21, 2024	71,334
	91,667	0.145	Nov 08, 2022	49,042
	91,666	0.145	Nov 08, 2023	49,041
	113,333	0.21	May 16, 2022	53,267
	113,334	0.21	May 16, 2023	53,267
	116,666	0.33	May 15, 2022	40,833

Notes:

- (1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX on December 31, 2021 of \$0.68.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended December 31, 2021 in respect of option-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Philip B. Hodge	263,375	nil	307,192
Terry L. McNeill	158,025	nil	170,672
Alan MacDonald	84,150	nil	117,005
Christopher S. Lee	87,792	nil	90,193

Notes:

- (1) Value is calculated based on dollar value that would have been realized if the Options had been exercised on the vesting date, being the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options.

Pension Plan Benefits

Pine Cliff does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

The Corporation has no written contract, agreement, plan or arrangement that provides for payments or benefits to Named Executive Officers in connection with any termination, resignation, retirement, change of control of the Corporation or change in the responsibilities of the Named Executive Officer, except for provisions of the Stock Option Plan which provide for the exercise of unvested Options in the event of a change of control of the Corporation. The value of unvested Options held by Named Executive Officers at December 31, 2021 (based on the closing price of the Common Shares on the TSX on December 31, 2021 of \$0.68) was \$3,955,735.

Director Compensation for Directors who are Not Named Executive Officers of the Corporation

Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors who were not Named Executive Officers during the Corporation's financial year ended December 31, 2021.

Each non-executive director is paid an annual retainer of \$50,000. Executive officers of the Corporation, who also act as directors of the Corporation, do not receive any additional compensation for services rendered in their capacity as directors, other than as paid by the Corporation to such executive officers in their capacity as executive officers. There is no formal policy for the granting of Options to directors. Options may be granted from time to time as approved by the Board, as recommended by the GNCC.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Randy M. Jarock ⁽¹⁾	19,220	nil	nil	nil	n/a	nil	19,220
George F. Fink	50,000	nil	65,748 ⁽²⁾	nil	n/a	nil	115,748
Robert B. Fryk	30,780	nil	56,412 ⁽²⁾	nil	n/a	nil	87,192
William S. Rice	50,000	nil	56,412 ⁽²⁾	nil	n/a	nil	106,412
Jacqueline R. Ricci	50,000	nil	56,412 ⁽²⁾	nil	n/a	nil	106,412

Notes:

- (1) Mr. Jarock served as a director of the Corporation until the close of the annual and special meeting of Shareholders of Pine Cliff on May 19, 2021, at which he did not stand for re-election due to personal reasons.
- (2) The value of the option-based awards granted on May 19, 2021 are based on an exercise price of \$0.33, and calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 78.4%, expected life of 3.0 years, risk-free rate of 0.50%, forfeiture rate of 3.9%, and expected dividend yield of 0%.

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2021 to the directors of the Corporation who were not Named Executive Officers.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
George F. Fink	133,334	0.33	May 19, 2023	46,667
	133,333	0.33	May 19, 2024	46,667
	133,333	0.33	May 19, 2025	46,667
	146,667	0.145	May 21, 2022	78,467
	146,667	0.145	May 21, 2023	78,467
	146,666	0.145	May 21, 2024	78,466
	100,833	0.145	Nov 08, 2022	53,946
	100,834	0.145	Nov 08, 2023	53,946
	124,667	0.21	May 16, 2022	58,593
	124,666	0.21	May 16, 2023	58,593
	128,334	0.33	May 15, 2022	44,917
	Robert B. Fryk	114,400	0.33	May 19, 2023
114,400		0.33	May 19, 2024	40,040
114,400		0.33	May 19, 2025	40,040
William S. Rice	114,400	0.33	May 19, 2023	40,040
	114,400	0.33	May 19, 2024	40,040
	114,400	0.33	May 19, 2025	40,040
	114,400	0.145	May 21, 2022	61,204
	114,400	0.145	May 21, 2023	61,204
	114,400	0.145	May 21, 2024	61,204
	78,650	0.145	Nov 08, 2022	42,078
	78,650	0.145	Nov 08, 2023	42,078
	97,240	0.21	May 16, 2022	45,703
	97,240	0.21	May 16, 2023	45,703
	100,100	0.33	May 15, 2022	35,035
Jacqueline R. Ricci	114,400	0.33	May 19, 2023	40,040
	114,400	0.33	May 19, 2024	40,040
	114,400	0.33	May 19, 2025	40,040
	114,400	0.145	May 21, 2022	61,204
	114,400	0.145	May 21, 2023	61,204
	114,400	0.145	May 21, 2024	61,204

Notes:

- (1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX on December 31, 2021 of \$0.68.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's financial year ended December 31, 2021 of option-based awards, share-based awards and non-equity incentive plan compensation for non-executive directors of the Corporation.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Randy M. Jarock ⁽²⁾	7,293	nil	nil
George F. Fink	96,571	nil	nil
Robert B. Fryk	nil	nil	nil
William S. Rice	75,325	nil	nil
Jacqueline R. Ricci	18,876	nil	nil

Notes:

- (1) Value is calculated based on dollar value that would have been realized if the Options had been exercised on the vesting date, being the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options.
- (2) Mr. Jarock served as a director of the Corporation until the close of the annual and special meeting of Shareholders of Pine Cliff on May 19, 2021, at which he did not stand for re-election due to personal reasons.

EQUITY COMPENSATION PLAN INFORMATION

As of December 31, 2021, equity securities are authorized for issuance as follows:

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 (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders - Stock Option Plan	25,269,810	0.25	8,684,131 ⁽¹⁾
Equity compensation plans not approved by security holders	nil	nil	nil
Total	25,269,810	0.25	8,684,131

Notes:

- (1) Represents the maximum number of Common Shares reserved for issuance under the Stock Option Plan, being 10% of the 339,539,415 Common Shares outstanding at December 31, 2021, less the 25,269,810 Common Shares issuable pursuant to outstanding Options granted under the Stock Option Plan.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation is required to include in this Information Circular the disclosure required under Form 58-101F1 with respect to the corporate governance guidelines set out under National Policy 58-201 – *Corporate Governance Guidelines*.

Board of Directors

The Board is responsible for supervising the management of the business and affairs of the Corporation and is presently comprised of five directors, of which four are independent, within the meaning of NI 58-101. The independent directors are Ms. Ricci and Messrs. Fryk, Rice and Fink. Mr. Fink is currently the Chairman of the Board (the "**Chairman**") and was the former Executive Chairman of the Board of the Corporation until 2016. Mr. Fink does not currently serve on any of the Board's committees. The President and CEO of the Corporation, Mr. Hodge, is not independent as he has been an executive officer of the Corporation in the past three years.

The Board facilitates its exercise of independent supervision over management by having the option to hold *in camera* sessions at the end or during meetings of the Board or its committees, whereby the members of management of the Corporation and the non-independent directors of the Corporation who are present at such meeting are asked to leave the meeting in order for the independent directors to meet. Whether such *in camera* sessions occur is at the sole discretion of the independent directors.

During the most recently completed financial year, the independent directors of the Corporation were given the opportunity to hold *in camera* meetings without the non-independent director and members of management present at all seven scheduled meetings of the Board, of which they chose to have *in camera*

meetings at six of them. In order to provide leadership for the independent directors, the Board encourages communication among the independent directors both inside and outside of the scheduled Board and its committee meetings.

Certain of the Corporation's directors serve as directors of other reporting issuers as indicated in the table below.

Director	Directorships Held
Jacqueline R. Ricci	Bonterra Energy Corp. (TSX)
George F. Fink	Bonterra Energy Corp. (TSX)
Philip B. Hodge	Westport Fuel Systems Inc. (TSX, Nasdaq)

Directors and officers of the Corporation are required to immediately report any event that may give rise to a conflict of interest situation to the CEO. Any potential conflict of interest must be reported and documented at the next meeting of the Board. A director of the Corporation may not vote on any matter where a conflict of interest exists. If a conflict exists that cannot be effectively managed, the Board may require the director to resign from any specific position giving rise to the conflict of interest, or alternatively, may require the director to resign from the Board.

The following is a summary of the attendance of the directors at meetings of the Board and its committees for 2021:

Name	Board of Directors	Audit Committee	Reserves Committee	GNCC
George F. Fink	9/9	-	-	-
Philip B. Hodge	9/9	-	-	-
Robert B. Fryk ⁽¹⁾	4/4	2/2	-	2/2
William S. Rice	9/9	4/4	1/1	5/5
Jacqueline R. Ricci	9/9	4/4	1/1	5/5

Notes:

(1) Mr. Fryk was first elected as a director at the annual and special meeting of Shareholders held on May 19, 2021, after which, the Board held four meetings, each of the Audit Committee and the GNCC held two meetings and the Reserves Committee did not hold a meeting following Mr. Fryk's election in 2021.

Board and Board Committees

The Board is responsible for supervising the management of the business and affairs of the Corporation. The Board meets or has conference call meetings at least four times per year. The Board performance is evaluated annually by all of the Board members and indirectly by all of the Shareholders in that the Corporation's directors are required to be elected each year by the Shareholders.

The Board's mandate is attached as Schedule "A" to this Information Circular.

The Board's committees are the Audit Committee, the Reserves Committee and the GNCC (collectively, the "**Committees**"). Each of the Committees meets a minimum number of times per year as required to conduct its respective duties. Agendas are provided to all directors in advance of all meetings and are generally prepared by the Corporation's management and the respective Chair (the "**Chair**") of the Committee after discussion with Board members who are responsible for particular items with regard to the agenda. Minutes of each Board and Committee meeting are provided for review and approval to the relevant members before execution.

The Board and each Committee can meet independently of management at any time and are encouraged to do so whenever a member deems it is warranted. The Board and each Committee also have the authority to engage independent advisors, paid for by the Corporation, to provide it with expert advice if required. The Committees are comprised of the members set out in the following table:

Committee	Members	Independent
Audit Committee	Jacqueline R. Ricci – Chair	Yes
	Robert B. Fryk	Yes
	William S. Rice	Yes
Reserves Committee	Robert B. Fryk – Chair	Yes
	Jacqueline R. Ricci	Yes
	William S. Rice	Yes
Governance, Nomination and Compensation Committee	William S. Rice – Chair	Yes
	Robert B. Fryk	Yes

Jacqueline R. Ricci

Yes

For details about the composition of the Audit Committee, including a copy of the mandate of the Audit Committee, please refer to the Corporation's annual information form for the year ended December 31, 2021 under the heading "Audit Committee Information", available under the Corporation's SEDAR profile at www.sedar.com and on the Corporation's website at www.pinecliffenergy.com (the "Website").

The function of the Reserves Committee is to recommend the engagement of a reserves evaluator, ensure the reserves evaluator's independence, review and approve the expected fees of the reserves evaluator, review the procedures for disclosure of reserves evaluation, meet independently with the reserves evaluator to review the scope of the annual review of reserves, discuss findings and disagreements with management, annually assess the work of the reserves evaluator and approve the Corporation's annual reserve report and consent forms of management and the reserves evaluator. The Reserves Committee charter is available on the Website.

The function of the GNCC is to evaluate, set and approve the level and form of compensation of the Corporation, particularly for the CEO and Board, the nomination of new Board members and developing and monitoring the Corporation's general approach to corporate governance issues and applicable corporate governance guidelines. The GNCC charter is available on the Website.

The Board, with the assistance of the GNCC, retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the Board functions independently of management. The Board establishes and maintains such corporate governance policies and procedures as are necessary to ensure that Pine Cliff remains fully compliant with applicable securities laws and prevailing governance standards. The Board is also responsible for the identification of principal risks of the business and to ensure that all reasonable steps are taken to ensure the implementation of appropriate systems and procedures to manage such risk. The Board oversees the development and execution by management of both a longer range business plan and a shorter range business plan for Pine Cliff which are designed to achieve the Corporation's principal objectives and identify the principal strategic and operational opportunities and risks of Pine Cliff's business. Given the extensive oil and gas business experience of each Board member, there is a clear alignment and understanding by the Board of Pine Cliff's business plan, and conversations among the Board and senior management, both inside and outside the boardroom, occur frequently and openly. All executive officers are invited to, and regularly attend, our Board and Committee meetings to provide necessary information to facilitate decision-making activities and Board oversight. This also provides additional opportunity for the independent directors to interact with all members of senior management in order to ensure clear understanding of the Corporation's business plan initiatives and objectives.

Environmental, Social & Governance ("ESG") Commitment

Pine Cliff is committed to upholding standards of environmental excellence, responsible extraction techniques, stringent regulatory protocols and innovative approaches aimed at reducing greenhouse gas emissions while being a positive contributor to a cleaner global energy future. Pine Cliff takes steps to ensure the health, safety and security of its employees, contractors and the stakeholders and residents in communities in which the Corporation operates. The Corporation is proud of its safety performance. Safeguarding the environment and the integrity of its infrastructure is inherent in Pine Cliff's day-to-day operations. Management regularly reviews actual performance in these areas relative to corporate objectives, regulatory requirements and industry peers. Pine Cliff believes in the principles of strong corporate governance, trust and integrity and the commitment to ensure a strong alignment between the Board, management and shareholders. Pine Cliff's GNCC is responsible for assisting the Board with the development and implementation of the Corporation's ESG practices, policies and targets and monitors the

Corporation's compliance with ESG reporting obligations. On a quarterly basis, management reports to the Committee regarding Pine Cliff's health, safety and environmental performance and collaborates with the Board on areas for continuous improvement.

Position Descriptions

The Board has adopted position descriptions for each of the Chairman of the Board, the Committee Chairs and the CEO. Summaries of such position descriptions are as follows:

Chairman of the Board

The main responsibility of the Chairman of the Board is to provide effective Board leadership, overseeing all aspects of the Board's direction and administration in fulfilling the terms of the mandate of the Board, fostering ethical and responsible decision making by the Board and its individual members and overseeing the structure, composition, membership and activities delegated to the Board and its Committees.

Committee Chairs

The Chair of each Committee is responsible for ensuring the Committee fulfils the terms of the mandates of such Committee. The Chairs of the Committees are responsible for setting the agenda for each of their respective Committee meetings. The Chair of each Committee reports to the Board following each Committee meeting.

CEO

The CEO is ultimately responsible for directing and monitoring the activities and resources of the Corporation consistent with the strategic direction, financial limits and operating objectives adopted by the Board.

Orientation and Continuing Education

The Board has not developed a formal orientation and education program for new directors. Directors are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, to attend related industry seminars and to visit the Corporation's operations. Members of the Board have full access to the Corporation's records and to any of the Corporation's employees or consultants. The Board receives regular management reports and presentations with respect to the Corporation's operations and activities to ensure the directors stay updated and informed with respect to the Corporation's ongoing operations.

Ethical Business Conduct

The Corporation has adopted a written Code of Business Conduct and Ethics (the “**Code**”). The Board takes reasonable steps to monitor compliance with the Code by requiring employees, on the commencement of their employment, annually and when directed by management, to sign a copy of the Code acknowledging that they have read, understood and will comply with the Code. The Code applies to the Corporation’s directors, executive officers, management, employees and consultants, each of whom is expected to ensure that their behaviour accords with the letter and the spirit of the Code. The Code also encourages all parties who engage in business with the Corporation to report any perceived and all actual breaches of the Code in accordance with the Corporation’s whistle blower policy (the “**Whistle Blower Policy**”). The Chairman is responsible for investigating complaints, presenting complaints to the Board and developing a plan for promptly and fairly resolving complaints. Upon conclusion of the investigation and resolution of a complaint, the Chairman will advise the complainant of the corrective measures that have been taken or advise the complainant that the complaint has been investigated no corrective measures have been deemed warranted. The Code prohibits retaliation by the Corporation, its directors, executive officers and management against complainants who raise concerns in good faith and requires the Corporation to maintain the confidentiality of complainants to the greatest extent practicable. Complainants may also submit their concerns anonymously in writing. However, complaints that in the future are determined to be inaccurate or untruthful could result in suspension or dismissal. The Code is available on the Website and under the Corporation’s profile at www.sedar.com.

In addition to the Code, the Corporation has an Audit Committee charter regarding the collection and dissemination of accounting information, and a Whistle Blower Policy with respect to reporting accounting and auditing irregularities, as well as other corporate misconduct and breaches of the Code. The Whistle Blower Policy is available on the Website.

Since the beginning of the most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Nomination

Responsibility for identifying candidates to join the Board belongs to the GNCC. The criteria that GNCC members are asked to consider in identifying candidates include the independence of the individual, their financial and industry acumen and skills, and their availability to devote sufficient time to the duties of the Board. GNCC members who have identified new candidates present information regarding the candidate at a meeting of the GNCC, the GNCC makes an assessment to determine whether the candidate meets the criteria established by the GNCC, and then makes a decision whether to interview the candidate. If the Board members who interviewed the candidate are in favour of having the candidate stand for election, the GNCC will recommend to the Board to take a vote and if the candidate is approved, the candidate can either be appointed immediately in concurrence with the Corporation’s by-laws or can become a nominee for election by Shareholders at the next Shareholder meeting. The GNCC ensures objectivity in the nomination process by ensuring that the independent directors play an active role in the nomination process.

Compensation

Responsibility for determining the compensation of the directors and the CEO belongs to the GNCC, which then will make any recommendations to the Board. The criteria that GNCC members are asked to consider in determining compensation includes the objectives set by the Corporation for the directors and the CEO as against the performance, shareholder returns and other achievements of the Corporation. The GNCC may engage the services of a compensation advisor to advise the Corporation regarding the form and amount of compensation awarded by corporations similar in size and industry to the Corporation, including

competitors. The GNCC also considers publicly available information regarding compensation of other listed oil and gas issuers of similar size to Pine Cliff. The GNCC holds meetings each year to discuss compensation, review any proposals of the CEO (without the CEO being present in the case of their compensation), and then votes on the proposed compensation.

With respect to directors' compensation, the GNCC reviews the level and form of compensation received by the members and chairs of the Board and Committees, considering the duties and responsibilities of each member, their past service and continuing duties in service to the Corporation.

Term Limits

The Board has not adopted term limits for Board members. However, the Board has a process in place for the annual review of the performance of the Board as a whole and the individual Committees and directors. Through this annual review process, the Board determines whether there are any performance issues to be dealt with and therefore whether the directors both collectively and individually, are able to continue to make an effective contribution to the governance of the Corporation and recommend changes when appropriate. The Board is of the view that a regular review process is more effective than arbitrary term limits or a mandatory retirement age.

Women on the Board and in Executive Officer Positions

The GNCC oversees the evaluation and assesses and considers the effectiveness of the Board as a whole, the Committees and the contribution of individual members on a periodic basis. The GNCC, in conjunction with the Board, also reviews the diversity, experience, qualifications and skills of Pine Cliff's incumbent directors to ensure that the composition of the Board and committees and the competencies of the members are in line with those that the GNCC considers that the Board and its respective committees should possess.

The Board evaluates potential nominees to the Board by reviewing the qualifications of prospective nominees relative to the skills and experience that it anticipates are needed to enhance the capabilities of the Board. Similarly, the Board evaluates candidates for executive officer positions primarily based on whether a particular candidate has the skills and experience that are necessary to be successful in the particular position.

In considering suitable candidates for appointment, election or re-election to the Board, or whether to accept the deemed resignation of a director pursuant to the Board Renewal Policy, the GNCC shall: (i) consider all aspects of diversity to enable the GNCC to discharge its duties and responsibilities effectively; (ii) assess the skills and backgrounds collectively represented on the Board to ensure that they reflect the diverse nature of the business environment in which Pine Cliff operates; (iii) consider candidates on merit against objective criteria having due regard to the benefits of diversity on the Board; and (iv) engage, as deemed necessary, qualified independent external advisors to identify and assess candidates that meet the Board's skills and diversity criteria.

In addition, the GNCC will review the number of women considered or brought forward as potential nominees for board positions when the Board is looking to add additional members or replace existing members and will evaluate the skills, knowledge, experience and character of any such women candidates relative to other candidates to ensure that women candidates are being fairly considered relative to other candidates.

Although the Corporation has not adopted written policies or targets relating to the appointment of women as directors and executive officers, and while the emphasis in any search to fill vacancies has been on finding the best qualified candidate, the Corporation recognizes the benefit of incorporating different

perspectives into management and Board decisions and, accordingly, an individual's diversity with respect to gender, race, nationality, age and other attributes is considered favourably in the assessment of candidates for director or officer positions. Subject to the above, gender diversity on the Board is considered a priority when the GNCC is seeking to replace or add a Board member.

The Corporation is committed to meritocracy and the importance of having the flexibility to appoint or nominate qualified candidates when available means that gender is not a determinative factor in nominating candidates for executive officer positions or appointment, election or re-election to the Board. As a result, the Corporation has not adopted written policies or targets relating to the identification and nomination of women directors or the appointment of women on the Board or to executive officer positions.

The Corporation does not support arbitrary targets to dictate the composition of Board membership or management, but the Board supports the objectives of increasing diversity and, in particular, the number of women directors and executive officers. The GNCC reviews the number of women actually appointed and serving on the Board or as executive officers to evaluate whether it is desirable to adopt additional requirements or policies with respect to the diversity of the Board and management in the future.

One of the current members of the Board is a woman (20%). None of the Named Executive Officers in 2021 is a woman (0%).

Assessment

The Board takes steps to satisfy itself that the Board and the Committees and individual directors are performing effectively by conducting an annual evaluation and assessment of the performance, contribution and effectiveness of the Board, the committees and individual directors.

Majority Voting Policy

The Board has adopted a policy which requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election as a director, in connection with an uncontested election, shall immediately submit his or her resignation to the Board following the annual Shareholders' meeting. The Board shall consider the resignation and determine whether or not to accept the resignation within 90 days of the applicable meeting and a press release shall be issued by the Corporation announcing the Board's determination. Any director who tenders his or her resignation shall not participate in any Board meeting to consider whether the resignation shall be accepted. The Board shall accept the resignation absent exceptional circumstances.

AUDIT COMMITTEE INFORMATION

Under National Instrument 52-110 *Audit Committees*, the Corporation is required to include in its Annual Information Form ("AIF") the disclosure required under Form 52-110F1 with respect to its Audit Committee, including the text of its Audit Committee charter, the composition of the Audit Committee and the fees paid to the external auditor. The Corporation's disclosure with respect to the foregoing is contained in the section in its AIF dated March 9, 2021 entitled "Audit Committee Information". A copy of the AIF has been filed in SEDAR at www.sedar.com. Copies of the AIF are also available free of charge by making a written request to the Corporation at Suite 850, 1015 – 4th Street S.W., Calgary, Alberta T2R 1J4, Attention: Chief Financial Officer.

ADDITIONAL INFORMATION

Financial information is provided in the Corporation's audited consolidated comparative financial statements and management's discussion and analysis for the year ended December 31, 2021, copies of which are available by making a written request to the Corporation at Suite 850, 1015 – 4th Street S.W., Calgary, Alberta T2R 1J4. **Additional information relating to the Corporation is available on SEDAR at www.sedar.com and on the Website.**

SCHEDULE “A”
MANDATE OF THE BOARD OF DIRECTORS OF PINE CLIFF ENERGY LTD.

**MANDATE OF THE BOARD OF DIRECTORS OF
PINE CLIFF ENERGY LTD. (THE “CORPORATION”)**

The primary responsibility of the Board of Directors is to supervise the management of the Corporation to ensure the long term success of the Corporation and to maximize shareholder value. Any responsibility which has not been delegated to management remains with the Board of Directors of the Corporation (the “**Board**”).

COMPOSITION

The Board shall consist of such number of Directors as is fixed by the Articles of Incorporation (the “**Articles**”), or where the Articles specify a variable number, such number of Directors as may be determined from time to time by the Corporation’s shareholders by ordinary resolution. At least 25 percent of the Directors shall be resident Canadians. Except as set out in the By-Laws of the Corporation, Board members will be elected at the annual meeting of the shareholders and will serve until their successors are duly appointed. All members of the Board shall have the skills and abilities required to carry out their duties and responsibilities in the most effective manner. The Board shall endeavour to always have the right mix of experience and competencies to discharge its responsibilities.

MEETINGS

The Board meets or has conference call meetings at least four times per year, and as deemed necessary in order to carry out its duties effectively. The Board shall also retain independent advice, if deemed necessary, which will be paid for by the Corporation.

DUTIES AND RESPONSIBILITIES

The Board is charged with the overall stewardship of the Corporation and manages or supervises the business of the Corporation and its management. The Board’s responsibilities include:

1. Management Selection, Retention and Succession

- Select, appoint and if necessary terminate the Chief Executive Officer (“**CEO**”)
- Approve the list of directors standing for election
- Review this mandate annually and recommend changes to the Board when necessary
- Annually appoint directors to Board committees and delegate to such committees specific responsibilities, pursuant to their respective mandate, as approved by the Board
- At the Board’s discretion, appoint any other Board committees that the Board decides are needed and delegate to such committees specific responsibilities, pursuant to their respective mandate, as approved by the Board
- Approve compensation and compensation programs for senior management, as recommended by the CEO
- Assess the CEO against corporate objectives approved by the Board
- Assess, annually, the effectiveness and the performance of the Board, committees and directors in fulfilling their responsibilities
- Approve director’s compensation

2. Strategy

- Review and approve the corporate objectives developed by the CEO
- Review, adopt and monitor the Corporation's strategic planning process
- Monitor the Corporation's performance in light of the approved strategic planning process

3. Corporate Ethics and Integrity

- Review and monitor the Corporation's Code of Conduct and disclose any waivers of the code for officers and directors
- Review and respond to potential conflict of interest situations
- Ensure policies and processes are in place for the identification of principal business risks and review and approve risk management strategies
- Approve corporate policies and other corporate protocols and controls
- Approve the Corporation's policy on public disclosure

4. Financial Responsibilities

- Approve the annual financial statements of the Corporation, as recommended by the Audit Committee
- Approve the quarterly interim financial statements of the Corporation, as recommended by the Audit Committee
- Recommend to the shareholders the appointment of the Corporation's external auditors, as recommended by the Audit Committee
- Review and approve annually the Corporation's operating budget
- Review, as deemed necessary, approval authorities to the CEO and senior management
- Approve financial commitments in excess of delegated approval authorities
- Review and approve any material acquisitions, divestments, and corporate reorganizations
- Assess and approve any material securities offerings, financing or banking arrangements

TIMETABLE

The Board's work schedule will be conducted on an ongoing basis to serve the requirements of applicable regulations.

