

**SINTANA ENERGY INC.**

**ANNUAL INFORMATION FORM  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

**NOVEMBER 15, 2019**

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## **GENERAL**

Reference is made in this annual information form (the “Annual Information Form” or “AIF”) to the audited annual consolidated financial statements (the “Financial Statements”) and management’s discussion and analysis (“Management’s Discussion and Analysis”) for Sintana Energy Inc. (the “Company”), for the fiscal years ended December 31, 2018 and December 31, 2017, together with the auditors’ report thereon.

The Financial Statements are available for review on the SEDAR website located at [www.sedar.com](http://www.sedar.com). All financial information in this Annual Information Form is prepared in accordance with International Financial Reporting Standards.

Unless otherwise noted herein, information in this Annual Information Form is presented as at November 15, 2019.

### **STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

Except for statements of historical fact relating to Sintana, certain information contained in this Annual Information Form constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of Sintana’s properties; the future price of crude oil and natural gas; success of exploration activities; cost and timing of future exploration and development; the estimation of crude oil and natural gas reserves; conclusions of economic evaluations; requirements for additional capital and other statements relating to the financial and business prospects of Sintana. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “continue”, “is expected”, “budget”, “scheduled”, “project”, “intends”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “will”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Sintana to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- Sintana’s goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic reserves;
- future plans for the VMM-37 block (as further detailed herein) and other property interests which may be acquired on a going forward basis, if at all;
- management’s outlook regarding future trends; and
- governmental regulation and environmental liability.

Forward-looking information is based on the reasonable assumptions, estimates, analyses and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that Sintana will continue to conduct its operations in a manner consistent with past operations; results from drilling activities; the accuracy of the estimates of resource volumes and interpretations of drilling activity results; availability of financing and/or cash flow to fund current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Sintana has participation interests; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Sintana to obtain qualified staff, equipment and/or

services in a timely and cost efficient manner; the ability of the operator of each project in which Sintana has participation interests to operate in a safe, efficient and/or effective manner and to fulfill its respective obligations and current plans; future commodity prices; currency, exchange and/or interest rates; regulatory framework regarding royalties, taxes and/or environmental matters in the jurisdictions in which Sintana has participation interests; and the ability of Sintana to successfully market its crude oil and/or natural gas products.

Forward looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Sintana to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks associated with the uncertainty of exploration results and estimates, inaccurate estimation of Sintana's crude oil and/or natural gas resource volumes, currency fluctuations, the uncertainty of conducting operations under a foreign regime, risks inherent in crude oil and gas exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations, the uncertainty of obtaining all applicable regulatory approvals, the availability of labour, services and/or equipment, the fluctuating prices of crude oil and/or natural gas, the timing and availability of financing and dependence on Sintana's management personnel, other participants in the property areas and/or certain other risks detailed from time-to-time in the Company's public disclosure documents, (including, without limitation, those risks identified herein and in the Company's current management's discussion and analysis), unexpected events and delays during permitting; future prices of crude oil and natural gas; government regulation of crude oil and/or natural gas operations; failure of equipment or processes to operate as anticipated; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Certain information contained herein is considered "analogous information" as defined in National Instrument 51-101 ("NI 51-101"). Such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. In particular, this document notes specific analogous crude oil discoveries and corresponding details of said discoveries in the area of Sintana's property interests and makes certain assumptions about such property interests as a result of such analogous information and potential recovery rates as a result thereof. Such information is based on public data and information recently obtained from the public disclosure of other issuers who are active in the area, and the Company has no way of verifying the accuracy of such information and cannot determine whether the sources for the information are independent. Such information has been presented to help demonstrate that hydrocarbons may be present in commercially recoverable quantities in Sintana's area of interest. There is no certainty that such results will be achieved by Sintana and such information should not be construed as an estimate of future reserves or resources or future production levels of Sintana.

## CURRENCY AND EXCHANGE RATES

In this AIF, references to “US\$” are to United States dollars, and references to “\$” or “Cdn\$” are to Canadian dollars. The Bank of Canada noon buying rate on November 14, 2019, for the purchase of one United States dollar using Canadian dollars, was \$1.3258 (one Canadian dollar equalled US\$0.7543).

## CORPORATE STRUCTURE

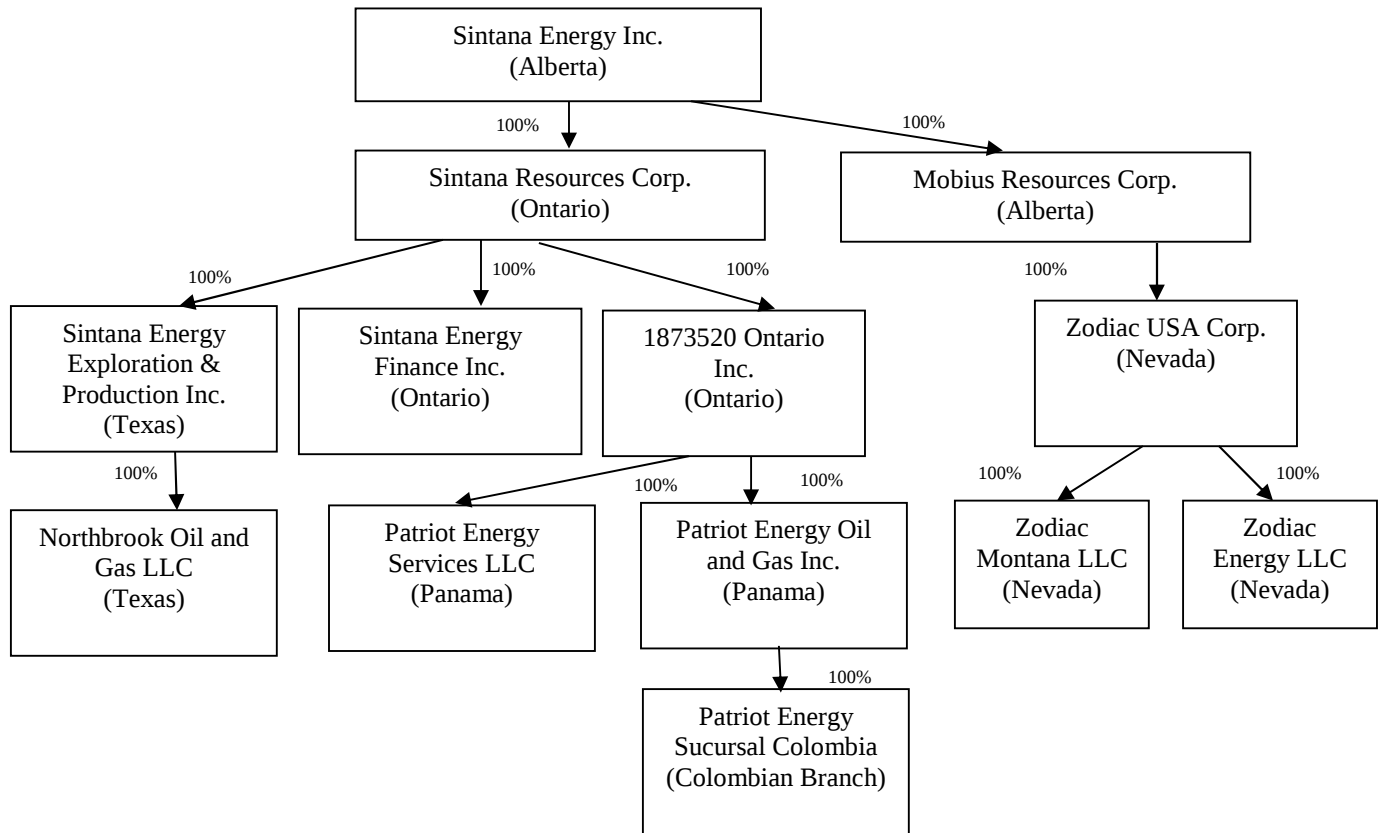
### *Name, Address and Incorporation*

The Company was incorporated under the name “Nugget Resources Inc.” on February 22, 1994 in the Province of Alberta. On March 12, 2008, the Company was continued into the Province of British Columbia. The Company changed its name to “Peninsula Resources Ltd.” on May 8, 2008. The Company was continued under the *Business Corporations Act* (Alberta) (the “ABCA”) on September 28, 2010 under the name “Zodiac Exploration Inc.” in connection with a plan of arrangement. Articles of amendment were filed on May 1, 2014 to change the name of the Company to “Mobius Resources Inc.” and to consolidate the common shares of the Company on the basis of one “new” common share (“Common Share”) for every 15 “old” common shares then outstanding. On August 6, 2015, articles of arrangement were filed giving effect to a plan of arrangement (the Plan of Arrangement”) involving the amalgamation of an Ontario based company named Sintana Energy Inc. (“Old Sintana”) and 1935370 Ontario Inc. (“Newco”) which was a wholly-owned subsidiary of the Company, resulting in the indirect acquisition of all of the issued and outstanding common shares of Old Sintana by the Company. In connection with the Plan of Arrangement, the Company filed articles of amendment on August 6, 2015 to change its name to “Sintana Energy Inc.”

The registered office of the Company is located at Suite 3300, 421 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 4K9, and its principal business office is located at 82 Richmond Street East, Suite 201, Toronto, Ontario, M5C 1P1.

The Company is a reporting issuer under applicable securities legislation in each of the provinces of Canada other than Quebec and the Common Shares are listed on the TSX Venture Exchange (the “TSXV”) under the symbol “SEI”, and on the over-the-counter market in the United States under the symbol “ZDEXF”.

The Company has two direct subsidiaries, being (i) Sintana Resources Corp. which exists under the laws of Ontario; and (ii) Mobius Resources Corp., which exists under the laws of Alberta. In addition, the Company also has several other indirect subsidiaries and a branch, all as further set forth below:



References to “Sintana” in this AIF refer to the Company, and its subsidiaries and branch office as shown above, taken as a whole.

## GENERAL DEVELOPMENT OF THE BUSINESS

### *General*

Sintana is a Canadian-based company primarily focused on the acquisition, exploration, development, production and/or sales of crude oil and natural gas resources, including with respect to a 30% carried participation interest in the unconventional resources and a 100% participation interest in the conventional resources in the 43,158 acres property known as the VMM-37 block located in the Middle Magdalena Valley (VMM) Basin, Columbia (“VMM-37”), subject to applicable regulatory and government approvals, including those of the Agencia Nacional de Hidrocarburos (“ANH”).

Pursuant to NI 51-101, the Company has filed on SEDAR at [www.sedar.com](http://www.sedar.com), a Statement of Reserves Data and Other Information on Form 51-101F1 in respect of the fiscal year of the Company ended December 31, 2018 (the “51-101 Filing”). The full text of the 51-101 Filing is incorporated by reference herein.

### ***Three Year History***

On January 27, 2016, the Company issued an aggregate of 361,110 Common Shares at a deemed price of Cdn\$0.18 per share in partial consideration of the past services provided to the Company by five officers of the Company, in lieu of cash compensation earned by such officers in the second and third quarters of 2015, but not paid.

Effective July 31, 2016, Mr. Pelligrew resigned as Vice-President – Canadian Operations of the Company.

Effective November 30, 2016, Mr. Ian Macqueen resigned as a director of the Company.

On June 20, 2017, Sintana sold its 15% carried participation interest in the conventional and unconventional formations of the 154,904 acres property known as the VMM-4 Block in Colombia for consideration of Cdn\$364,330 (US\$275,000).

Effective July 27, 2017, the Company completed an internal reorganization pursuant to which (i) it incorporated a new subsidiary named Sintana Resources Corp. (“Sintana Resources”) under the laws of the Province of Ontario; and (ii) all of the issued and outstanding shares of each of Sintana Energy Finance Inc. and 1873520 Ontario Inc., which were formerly held by Sintana Holdings Corp. (“Sintana Holdings”), were transferred to Sintana Resources for nominal consideration. Subsequently, effective August 1, 2017, all of the issued and outstanding shares of Sintana Energy Exploration & Production Inc., which were formerly held by Sintana Holdings, were also transferred to Sintana Resources for nominal consideration.

On December 27, 2017, the Company completed the sale of all of the issued and outstanding common shares of Sintana Holdings, and its Colombian branch, Sintana Energy Inc. Sucursal Colombia, for net proceeds of US\$190,000.

On March 19, 2018, Mr. Dean Gendron was appointed as a director of the Company.

On July 24, 2018, the Company closed a financing pursuant to which it issued senior convertible debentures (the “Debentures”) in the principal amount of Cdn\$650,000 and 5,720,000 share purchase warrants (“Warrants”) to a private investor. Each Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.10 for a period of three years. The Debentures have a term of five years and an annual interest rate of 8%, and the principal amount thereof may be converted into Common Shares at the option of the holder at a conversion price of \$0.07 per share during the first year following closing and \$0.10 thereafter (the “Conversion Prices”). Interest is also convertible under the Debentures at the election of the holder, subject to the approval of the TSXV. Commencing two years after the date of closing, the Company may elect to redeem part or all of the remaining balance of the Debentures. The Debentures are also automatically convertible into Common Shares at the applicable Conversion Price in the event the closing price of the Common Shares exceeds 500% of the then applicable Conversion Price for 40 of 60 consecutive trading days. While the Debentures remain outstanding, the holder is entitled to appoint one nominee to the board of directors of the Company, subject to TSXV approval. In a separate transaction, the private investor also purchased 416,666 Common Shares at a price of \$0.06 per share. On July 16, 2019, the Company announced that notice had provided for partial conversion of the Debentures, being (i) \$550,000 of the principal aggregate amount of the Debentures at \$0.07 per share; and (ii) \$42,874 of interest owing under the Debentures at a conversion price of \$0.075 per share.

On December 18, 2018, Mr. Robert Bose was elected as a director of the Company.

## **DESCRIPTION OF BUSINESS**

The Company is a Canadian-based company primarily focused on the acquisition, exploration, development, production and/or sales of crude oil and natural gas resources. As of November 15, 2019, the principal holdings of the Company consist of its private participation interest in VMM-37.

### ***Acquisition of VMM-37***

On May 17, 2012, the predecessor to the Company, Old Sintana, completed a business combination with ColCan Energy Corp. (“ColCan”) pursuant to which it acquired, amongst other interests, the interest held by ColCan in VMM-37. In November, 2012, Old Sintana announced that its Panama subsidiary Patriot Energy Oil and Gas Inc. and its Colombian branch Patriot Energy Sucursal Colombia (collectively, “Patriot”), had entered into a farmout agreement (the “Exxon Agreement”) with ExxonMobil Corporation (“Exxon”) for the exploration and development of unconventional crude oil and natural gas resources underlying VMM-37 pursuant to which Patriot retained a 30% carried participation interest in the unconventional resources and a 100% participation interest in the conventional resources overlying the top of the unconventional interval.

In April 2013, the ANH approved the acquisition by Exxon of the undivided 70% private participation interest and operatorship in the formations defined as unconventional by completing the contractually required work program specified in the license agreement. Effective January 17, 2014, Old Sintana announced that Patriot Energy Oil & Gas Inc. had received written notice from the Autoridad Nacional de Licencias Ambientales of Colombia (the “ANLA”) of final approval of the Environmental License for VMM-37.

In August, 2013, the ANH approved an amendment to the Exxon Agreement which revised the contract work program to include the hydraulic stimulation (fracking or frack) and production testing of one A3 exploration well, drilled to a minimum depth of 14,000 feet. Also now required is the drilling/fracture-stimulation of a second A3 well to a depth of at least 14,000 feet plus the drilling of a lateral segment (horizontal) of at least 4,000 feet with fracture-stimulation and production testing of the horizontal segment. The horizontal segment replaced a previously required third vertical well and the prior requirement for a seismic acquisition program was cancelled. The amendment also increased warranties related to the expected increase in costs to drill and fracture-stimulate the wells, which costs are the responsibility of the operator. Though the requirement for a seismic data acquisition program was cancelled, management anticipates that one will be executed at some point after the initial drilling campaign has been executed.

As per the Exxon Agreement, Patriot was reimbursed for past expenses of US\$7,500,000 in two equal instalments. Also pursuant to the Exxon Agreement, the contractual work program currently consists of two exploration wells, two fracks and two flow tests in Phase I (with the second well to include a horizontal wellbore), in respect of which Exxon will pay 100% of all costs. Exxon will then have the option to commit to Phase II and pay 100% of all additional costs to a maximum of US\$45 million, of which US\$10 million will be recouped by Exxon from 50% of Patriot’s production proceeds (if any). In the event that exploration and development of the unconventional

resources continues beyond the activities and costs enumerated above, all future costs will be shared based on the parties individual participation interests.

In October, 2015, the Company announced that the Manati Blanco-1 exploration well located on VMM-37 was successfully drilled and cased through multiple tight crude oil formations to a measured depth of 14,345 feet. The Manati Blanco-1 vertical well commenced drilling on April 27, 2015. Its primary targets were the Cretaceous age La Luna and Tablazo/Paja tight crude oil formations. The well drilled through a total of approximately 2,600 feet gross in the La Luna, and approximately 500 feet gross in the Tablazo/Paja.

In September, 2019, Colombia's highest administrative court announced that three yet to be designated pilot projects will be authorized to test the use of fracking in unconventional formations under the close supervision of the ANH, ANLA and other regulatory bodies. Close monitoring of environmental, social, economic and other impacts is required. Ecopetrol S.A., Colombia's national crude oil company, must be designated as operator and hold a participation interest in each of the pilots.

To date, the specific blocks to be included in the pilots, the size of the minimum participation interests that must be held by Ecopetrol S.A. and the consideration to be exchanged to obtain the participation interests have not been announced.

Ecopetrol S.A. has announced that the pilots, in total, will require more than 20 wells and that it expects to invest up to US\$500 million, net to its participation interests.

### ***Employees***

As at November 15, 2019, Sintana had three full-time employees and one consultant.

Sintana is dependent on the services of key executives, including the Executive Chairman, Chief Executive Officer, Chief Financial Officer, President & Chief Operating Officer and Vice-President, Controller, Corporate Secretary & Treasurer of the Company. See "Risk Factors – Management".

### ***Environmental Protection***

All phases of Sintana's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Currently, there are no known material environmental liabilities associated with VMM-37. Numerous environmental studies and permits will be required prior to any additional field operations. See "Risk Factors – Environmental regulation and risks".

### ***Foreign Operations***

Sintana has operations in Colombia. Colombia has a democratically elected government, steady GDP growth, competitive royalty and corporate tax regimes and an educated work force. Its crude oil and natural gas resource base is substantial. Production costs are below average, pipeline infrastructure is in place and capacity is available.

Sintana holds its interests in VMM-37 contractually through agreements with Exxon. There are currently no restrictions or conditions that have been imposed by the government of Colombia on the ability of Sintana or Exxon to conduct business in Colombia with respect to VMM-37, other than those restrictions contained in the applicable license agreement. Management of the Company has satisfied itself that Exxon has, or has applied for, all currently required permits, business licenses and other regulatory approvals to carry out current and proposed activities in Colombia with respect to VMM-37.

See “Risk Factors – Political risks”.

### ***Subsidiary Operations***

The Company holds its participation interest in VMM-37 through the Colombian branch of its indirect subsidiary, Patriot Energy Oil and Gas Inc. (which exists under the laws of Panama). See “Corporate Structure”. The Company also has several other direct and indirect subsidiaries existing under the laws of the Province of Ontario, Panama and the States of Texas and Nevada. Currently, these other subsidiaries hold no material assets. The Company holds a direct or indirect 100% interest in each of its subsidiaries and branches, and has control over the timing of any dividend declarations.

Management of the Company directs, and must consent to, all decisions being made at the subsidiary and branch levels. The Company, as the direct or indirect sole shareholder of each of these subsidiaries and the branch, can also resolve in a short period of time to remove directors and officers at its discretion. Finally, the supreme authorities for each of the Ontario, Texas, Nevada and Panama corporations are the shareholders (who can function through unanimous written resolutions or through meetings). The shareholders can, therefore, act directly in making management decisions and can overrule any decisions made by the board of directors of any entity. All of the minute books and corporate records of the Company’s subsidiaries are kept at the offices of local corporate secretarial services in the respective jurisdictions in which such subsidiaries and the branch exist.

The Company currently maintains a majority of its funds outside of Colombia in U.S. dollars. A limited amount of cash is maintained in a Colombia bank account, generally representing approximately one month of working capital which is typically less than US\$5,000. All disbursements are approved by a corporate executive in writing.

At this stage in the Company’s development, cash is not yet generated from operations. However, in the future, the board of directors of the Company will be able to cause its Colombian branch to transfer funds to the Company’s non-Colombian bank accounts to fund various headquarters expenses, and for general corporate purposes, based on the controls described above, if required. As a result of the foregoing, the Company is of the view that any financial risks associated with its corporate structure are minimal and effectively managed based on the controls described above.

### **Experience of Directors and Officers**

Three of the current members of the board of directors of the Company have served as directors of the Company since 2015, prior to which they served as directors of Old Sintana since 2011 and, as such, have had a minimum of approximately eight years of experience in conducting business in Colombia. On a combined basis, the Executive Chairman, Chief Executive Officer, President & Chief Operating Officer and Vice-President, Controller, Corporate Secretary & Treasurer of the Company have more than 100 years of experience in upstream exploration and production. Further, the Executive Chairman, Chief Executive Officer, President & Chief Operating Officer and Vice-President, Controller, Corporate Secretary & Treasurer of the Company have each previously visited Sintana’s projects in Colombia.

These directors and officers in turn impart their experience to other members of the board and management based in Canada.

The majority of the directors and executive officers have some familiarity with the legal and regulatory requirements of Colombia through their history with the Company and previous experience working and conducting business in Colombia or other regions of South America. The Company's officers and directors are advised by the Company's legal counsel in Colombia of new developments in the legal regime and new requirements that come into force from time to time, such that management is kept aware of relevant material legal developments in Colombia as they pertain to and affect Sintana's business and operations. Any material developments are then discussed with the directors at the board level.

As a result of their experience in Colombia and other regions of South America, the directors and officers of the Company have a strong understanding of, and appreciation for, local business culture and practices. The Company has also retained service providers to assist and monitor community relations. Knowledge of the local business, culture and practices is imparted by these individuals to other directors and officers of the Company.

#### *Local Laws and Government Relations*

The Company engages local experts and professionals (i.e. legal, accounting, audit and tax service providers) to advise the Company with respect to current and new regulations in Colombia. Sintana currently holds the majority of its funds with Royal Bank of Canada in Toronto, Ontario, which is a large, established and well recognized financial institution.

In Colombia, regulation of the crude oil and natural gas industry is conducted at the national level. The ANH is the primary regulator of the Colombia crude oil and natural gas industry. Its role is to ensure that industry exploration, development and production activities benefit Colombia and its citizens. Royalties received are split between the national government and the territory governments with jurisdiction over VMM-37. Technical regulations are established and enforced by the Ministry of Mines and Energy (MME). The national crude oil company is Ecopetrol S.A. Private parties have been allowed to operate properties and conduct exploration and production activities since 2003. The Company uses local counsel and local service providers to assist with its government relations. The government of Colombia does not retain interests in exploration, development and/or production companies other than Ecopetrol S.A. in which it holds a majority ownership position.

#### *Competition*

The crude oil and natural gas industry is intensely competitive in all its phases. Sintana indirectly competes with many other crude oil and natural gas exploration companies that have greater financial resources and experience. The market prices of crude oil and natural gas are volatile and are not controlled by the Company. See "Risk Factors – Commodity Prices".

#### *Strategy*

Sintana's overall strategy is to successfully explore and develop VMM-37. It is focused on the unconventional shale crude oil formations and associated resources.

### **RISK FACTORS**

The following discussion summarizes the principal risk factors that apply to Sintana's business and that may have material adverse effects on Sintana's business, financial condition and results of operations and/or the trading price of its Common Shares.

### **Requirement to invest to retain rights**

Most of the leases and other operating rights that Sintana has and may acquire granting Sintana the right to explore for and exploit crude oil and natural gas resources require, within defined lengths of time, Sintana to drill wells and/or conduct seismic activities to maintain those rights. There can be no assurance that Sintana will have the resources necessary to drill the required wells or conduct the requisite seismic activities within the required time periods. Sintana does not have adequate cash at present to complete all of the drilling and seismic activities required to maintain its interests in crude oil and/or natural gas properties. In addition, Sintana will prioritize its drilling and seismic programs so as to pursue its best prospects, thus running the risk that certain of its rights may expire. If Sintana does not perform the required drilling and other activities within the defined time periods, its rights to explore may lapse, which could have a material adverse effect on Sintana.

### **Ongoing need for financing**

As Sintana has limited financial resources, its ability to continue exploration, development, acquisition and divestiture efforts are largely reliant on its continued attractiveness to equity investors. Sintana will incur operating losses as it continues to expend funds to explore and develop its properties. There is no guarantee that Sintana will be able to develop any of its properties to commercial production. Additionally, Sintana will require additional capital to continue exploration and development. Failure to raise such capital could result in Sintana going out of business. From time to time, Sintana may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase Sintana's debt levels above industry standards.

### **Crude oil and natural gas development**

No reserves have been assigned in connection with Sintana's property interests to date, given their early stage of development. The future value of Sintana is therefore dependent on the success or otherwise of Sintana's activities, which are principally directed toward the further exploration and development of its assets in Colombia, and potential acquisition of additional property interests in the future. Exploration and development of crude oil and natural gas reserves are speculative and involve a significant degree of risk. There is no guarantee that exploration or development of the property interests of Sintana will lead to a commercial discovery or, if there is a commercial discovery, that Sintana will be able to realize the value of such reserves as intended. Few properties that are explored are ultimately developed into new reserves. If at any stage Sintana is precluded from pursuing its exploration or development programs, or such programs are otherwise not continued, Sintana's business, financial condition and/or results of operations and, accordingly, the trading price of the Common Shares, is likely to be materially adversely affected.

Crude oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made for future exploration or development activities by Sintana will result in discoveries of crude oil and/or natural gas reserves that are commercially or economically viable. It is difficult to project the costs of implementing any exploratory drilling or development program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

## **Political risks**

All of Sintana's current operations are conducted in Colombia and as such, Sintana's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; terrorism; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and government regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Sintana. Changes, if any, in crude oil and/or natural gas or investment policies or shifts in political attitude in the countries in which Sintana holds property interests may materially and adversely affect Sintana's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and crude oil and/or natural gas safety matters. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to property applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have a material adverse effect on the Company's consolidated business, results of operations and financial condition.

## **Volatile stock price**

The stock price of the Company is highly volatile and will most likely be drastically affected by exploration and development results. Sintana cannot predict the results of its exploration and development activities expected to take place in the future. The results of these activities will inevitably affect Sintana's decisions related to further exploration and development of any of the properties that Sintana may hold in the future, and will likely trigger major changes in the trading price of the Common Shares.

## **Potential conflicts of interest**

Some of the individuals who serve as directors and/or officers of Sintana are also directors, officers and/or promoters of other reporting and non-reporting issuers. As of the date hereof, and to the knowledge of the directors and officers of Sintana, there are no existing conflicts of interest between Sintana and any of the individuals who are directors or officers of Sintana other than as disclosed elsewhere herein. Situations may arise where the directors and/or officers of Sintana may be in competition with Sintana. Any conflicts will be subject to and governed by the laws applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of Sintana's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Sintana are required to act honestly, in good faith and in the best interests of Sintana.

### **No history of production**

Sintana's properties are exploration stage only. Sintana has never had any material interest in crude oil and/or natural gas producing properties. There is no assurance that commercial quantities of crude oil and/or natural gas will be discovered at VMM-37 or any future properties, nor is there any assurance that the exploration or development programs of Sintana thereon will yield any positive results. Even if commercial quantities of crude oil and/or natural gas are discovered, there can be no assurance that any property of Sintana will ever be brought to a stage where crude oil and/or natural gas can profitably be produced thereon. Factors which may limit the ability of Sintana to produce crude oil and/or natural gas from its properties include, but are not limited to, commodity prices, availability of additional capital and financing and the nature of any crude oil and/or natural gas deposits.

### **Reliance on one property**

The principal property interest of Sintana is currently VMM-37. As a result, any adverse developments affecting VMM-37 or any portion thereof could have a material adverse effect upon Sintana and would materially and adversely affect the potential production, profitability, financial performance and results of operations of Sintana.

### **Future sales of Common Shares by existing shareholders**

Sales of a large number of Common Shares, or the potential for such sales, could decrease the trading price of the Common Shares and could impair Sintana's ability to raise capital through future sales of Common Shares. The Company may from time to time have previously issued securities at an effective price per share that is lower than the then current market price of Common Shares. Accordingly, certain shareholders of the Company may have an investment profit in Common Shares that they may seek to liquidate.

### **Market price of the Common Shares**

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in crude oil and/or natural gas prices or in Sintana's financial condition or results of operations of Sintana. Other factors unrelated to Sintana's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning Sintana's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of the Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect Sintana's long-term value. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. Sintana may in

the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

### **Environmental regulation and risks**

All phases of Sintana's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Sintana's operations. Environmental hazards may exist on the properties in which Sintana holds interests that are unknown to Sintana at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals, approval of aboriginal people and permits are currently and may in the future be required in connection with Sintana's direct and indirect operations. To the extent such approvals are required and not obtained, Sintana may be curtailed or prohibited from continuing its crude oil and/or natural exploration operations or from proceeding with planned exploration or development of its properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment and/or remedial actions. Parties engaged in the exploration or development of natural resource properties may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of crude oil and natural gas exploration companies, or more stringent implementation thereof, could have a material adverse impact on Sintana and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

### **Requirement for permits and licenses**

The operations of Sintana require it to obtain licenses for operating, permits, and in some cases, renewals of existing licenses and permits from various authorities in Colombia. Sintana believes that it and/or Exxon currently holds or has applied for all necessary licenses and permits to carry on the activities it is currently conducting under applicable laws and regulations in respect of VMM-37, and also believes that it is complying in all material respects with the terms of such licenses and permits. However, the ability of Sintana to obtain, sustain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions.

### **Exploration, development and operating risks**

Exploration, development and production operations generally involve a high degree of risk. The operations of Sintana are subject to all the hazards and risks normally encountered in the exploration, development and production of crude oil and natural gas, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability.

### **Insurance and uninsured risks**

Sintana's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, mechanical failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to crude oil and/or natural gas properties and/or production facilities, personal injury or death, environmental damage to the properties of Sintana, or the properties of others, delays in exploration, development and production activities, monetary losses and possible legal liability.

Although Sintana maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all of the potential risks associated with crude oil and natural gas operations. Sintana may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to Sintana or to other companies in the crude oil and natural gas industry on acceptable terms. Sintana might also become subject to liability for pollution or other hazards that may not be insured against or which Sintana may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Sintana to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### **Infrastructure**

Crude oil and natural gas exploration, development and production activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, water supply and disposal facilities are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of Sintana.

### **Participation Interests**

No assurances can be given that there are no participation interests defects affecting any properties of Sintana. Insurance generally is not available, and the ability of Sintana to ensure that it has obtained secure claim to individual properties or concessions may be severely constrained. Furthermore, Sintana has not conducted surveys of the claims in which it currently holds direct or indirect interests and,

therefore, the precise area and location of such claims may be in doubt. Accordingly, such natural resource properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and participation interests may be affected by, among other things, undetected defects. In addition, Sintana may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

### **Competition**

The crude oil and natural gas industry is competitive in all of its phases. Sintana indirectly faces strong competition from other companies in connection with the acquisition of properties producing, or capable of producing, crude oil and/or natural gas. Many of these companies have greater financial resources, operational experience and technical capabilities than Sintana. As a result of this competition, Sintana may be unable to maintain or acquire attractive properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of Sintana could be materially adversely affected.

### **Commodity prices**

The price of the Common Shares, and Sintana's financial results and its exploration, development and production activities, if any, could be significantly adversely affected by declines in the price of crude oil and/or natural gas. The prices of crude oil and natural gas fluctuate widely and are affected by numerous factors beyond Sintana's control, such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major crude oil-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future price declines in the market value of crude oil and/or natural gas could cause continued development of and commercial production from Sintana's properties to be impracticable. Depending on the price of crude oil and/or natural gas, cash flow from any potential future operations may not be sufficient and Sintana could be forced to discontinue production and may lose its interests in, or be forced to sell, some of its interests. Potential future production from Sintana's properties, if any, is dependent upon the price of crude oil and/or natural gas being adequate to make these properties economic.

In addition to adversely affecting Sintana's financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

### **Government regulation**

Sintana's exploration, development and production activities are subject to various laws, regulations and rules governing prospecting, development, production, taxes, labour standards and occupational health and safety, toxic substances, land use, water use, land claims of local people and other matters. Although to the best knowledge of Sintana, all exploration, development and production activities are currently carried out in all material respects in accordance with all applicable laws, rules and regulations, no assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules

and regulations will not be applied in a manner that could limit or curtail exploration, development, production and/or sales activities. Amendments to current laws, rules and regulations governing crude oil and natural gas operations, or more stringent implementation thereof, could have a substantial adverse impact on Sintana.

### **Global financial conditions**

Over the last several years global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or had to be rescued by governmental authorities. Access to public financing has been negatively impacted by government debt burdens, sub-prime mortgages, the liquidity crisis affecting the asset-backed commercial paper market and other factors. These factors may adversely impact the ability of Sintana to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, the operations of Sintana could be impacted and the value and the price of the Common Shares and other securities could be adversely affected.

### **Dividend policy**

No dividends on any of the Common Shares have been paid to date. Payment of future dividends, if any, will be at the discretion of the Board of Directors after taking into account multiple factors, including Sintana's operating results, financial condition, and current and anticipated cash needs.

### **Management**

The success of Sintana is heavily dependent on the performance of management. Shareholders will be relying on the good faith, experience and judgment of the Company's management, directors and advisers in supervising and providing for the effective management of Sintana's business. The loss of the services of one or more of these persons could have a materially adverse effect on Sintana's business. There is no assurance that Sintana can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on Sintana.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other reporting issuers from time to time. The Company has not purchased "key-man" insurance.

### **DIVIDENDS**

The Company has never declared or paid cash dividends on the Common Shares. Any future dividend payment will be made at the discretion of the board of directors, and will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the board deems necessary to consider in the circumstances.

### **DESCRIPTION OF CAPITAL STRUCTURE**

The Company is authorized to issue an unlimited number of Common Shares, of which as at November 15, 2019 there were 126,473,297 issued and outstanding Common Shares. Holders of the Common Shares are entitled to receive notice of any meetings of shareholders of the Company, and to attend and to cast one vote per Common Share at all such meetings. Holders of the Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of the Common Shares are entitled to receive on a pro rata basis such dividends on the

Common Shares, if any, as and when declared by the Company's board of directors at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of the Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

### MARKET FOR SECURITIES

The Common Shares are listed and traded on the TSXV under the symbol "SEI". The following table indicates the high and low values and volume with respect to trading activity for the Common Shares on a monthly basis during the fiscal year ended December 31, 2018.

| Month          | High    | Low     | Volume    |
|----------------|---------|---------|-----------|
| December 2018  | \$0.07  | \$0.05  | 963,451   |
| November 2018  | \$0.07  | \$0.045 | 1,368,037 |
| October 2018   | \$0.075 | \$0.045 | 2,398,766 |
| September 2018 | \$0.125 | \$0.055 | 2,872,215 |
| August 2018    | \$0.16  | \$0.085 | 1,468,243 |
| July 2018      | \$0.16  | \$0.075 | 1,769,717 |
| June 2018      | \$0.08  | \$0.055 | 874,017   |
| May 2018       | \$0.07  | \$0.04  | 1,113,659 |
| April 2018     | \$0.05  | \$0.03  | 2,594,938 |
| March 2018     | \$0.045 | \$0.035 | 1,179,078 |
| February 2018  | \$0.055 | \$0.035 | 2,566,868 |
| January 2018   | \$0.07  | \$0.04  | 913,955   |

### ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the knowledge of the Company, no Common Shares are subject to any contractual restriction on transfer as of November 15, 2019.

### DIRECTORS AND OFFICERS

The following table sets forth the name and province and country of residence of each director and executive officer of the Company, as well as such individual's position with the Company, principal occupation within the five preceding years and periods of service as a director (if applicable). Each of the directors of the Company will hold office until the next annual meeting of shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal. As of November 15, 2019, an aggregate of 17,849,946 Common Shares (representing approximately 14% of all issued and outstanding Common Shares as of November 15, 2019) are beneficially owned or controlled or directed (directly or indirectly) by all of the directors and executive officers of the Company, as a group.

| <b>Name and Province and Country of Residence</b>       | <b>Position</b>                                             | <b>Principal Occupation Within Five Preceding Years</b>                                                                                                                                                                                                                                                                                          | <b>Director Since</b> |
|---------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Keith D. Spickelmier<br>Texas, United States            | Executive Chairman and Director                             | Executive Chairman of the Company (2015 to present)<br><br>Executive Chairman of Sintana Holdings (2011 to 2015), a crude oil and natural gas exploration company<br><br>Chairman of Discovery Energy Corp. (2012 to present), a crude oil and natural gas exploration company                                                                   | 2015                  |
| Douglas G. Manner<br>Texas, United States               | Chief Executive Officer and Director                        | Chief Executive Officer of the Company (2015 to present)<br><br>Chief Executive Officer of Sintana Holdings (2011 to 2015), a crude oil and natural gas exploration company                                                                                                                                                                      | 2014                  |
| David L. Cherry<br>Texas, United States                 | President & Chief Operating Officer                         | President & Chief Operating Officer of the Company (2015 to present)<br><br>President & Chief Operating Officer of Sintana Holdings (2011 to 2015), a crude oil and natural gas exploration company<br><br>President and co-founder of PETROVEN, Inc. (1981 to present), a private crude oil and natural gas exploration and development company | N/A                   |
| Bruno C. Maruzzo <sup>(1)</sup><br>Ontario, Canada      | Director                                                    | President of TechnoVenture Inc., a business consulting company (2007 to present)                                                                                                                                                                                                                                                                 | 2015                  |
| Dean P. Gendron <sup>(1)</sup><br>Ontario, Canada       | Director                                                    | President and Chief Executive Officer, RedaN Capital Inc., a consulting company (2007 to present)                                                                                                                                                                                                                                                | 2018                  |
| Robert Bose <sup>(1)</sup> ,<br>New York, United States | Director                                                    | Principal, Charlestown Capital Advisors, investment advisory company (2014 to present)<br><br>Managing Director, Scotiabank (2011 to 2014)                                                                                                                                                                                                       | 2018                  |
| Carmelo Marrelli<br>Ontario, Canada                     | Chief Financial Officer                                     | President, Marrelli Support Services Inc., corporate services firm (2008 to present)                                                                                                                                                                                                                                                             | N/A                   |
| Sean J. Austin<br>Texas, United States                  | Vice President, Controller, Corporate Secretary & Treasurer | Vice-President, Controller, Corporate Secretary & Treasurer of the Company (2015 to present)                                                                                                                                                                                                                                                     | N/A                   |

|  |  |                                                                                                                                                                                                                                                   |  |
|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>Vice-President, Controller, Corporate Secretary &amp; Treasurer of Sintana Holdings (2011 to 2015)</p> <p>Corporate Secretary &amp; Treasurer of Discovery Energy Corp., a crude oil and natural gas exploration company (2018 to present)</p> |  |
|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

(1) Member of the Audit Committee of the Company.

Mr. Spickelmier serves as the Executive Chairman and as a director of the Company. Mr. Spickelmier holds a B.A. from the University of Nebraska at Kearney and a J.D. from the University of Houston. He founded and was the Chairmen of Westside Energy Corporation (“Westside”) which was sold in June 2008 for approx. \$200mm in enterprise value. Mr. Spickelmier was also the co-founder of JK Acquisition Inc., a special purpose acquisition company which traded on the American Stock exchange in 2006 in a \$80mm offering. Mr. Spickelmier has also served as Chairman of Discovery Energy Corp., a crude oil and natural gas exploration company, since 2012.

Mr. Douglas Manner serves as the Chief Executive Officer and as a director of the Company. Mr. Manner previously acted as Chief Executive Officer and Director of Westside, Senior Vice President and Chief Operating Officer of Kosmos Energy, LLC. (a private energy company exploring for crude oil and gas in the offshore regions of West Africa), and as President and Chief Operating Officer of White Stone Energy LLC, a Houston based crude oil and natural gas advisory firm. Mr. Manner has also previously held senior executive positions with Bellwether Exploration Company, Gulf Canada Resources Limited, Ryder Scott Company Petroleum Consultants, and Amoco Production Company. Mr. Manner has also served on the boards of directors for Gulf Midstream Services Limited, ROC Oil Blizzard Energy, Rio Vista Energy Partners LP, Resolute Energy Corporation, Cordero Energy Inc., Zenas Energy Corp. and Petrovera Energy Company. Mr. Manner holds a Bachelor’s of Science degree in mechanical engineering from Rice University and is a professional engineer certified by the Texas Board of Professional Engineers and the Association of Professional Engineers, Geologists and Geophysicists of Alberta. He is also a member of the Society of Petroleum Engineers and a previous member of the Petroleum Society of Canada.

Mr. David Cherry serves as President & Chief Operating Officer of the Company. Mr. Cherry is President and co-founder of PETROVEN, Inc., a privately held crude oil and natural gas exploration and development company. Previously, Mr. Cherry served as Vice President of American Public Energy Company which was an American Stock Exchange listed company, where he supervised and directed all land activity within the company and supervised private placement programs. Mr. Cherry also previously served as a Landman with Phillips Coal Company and Phillips Petroleum Company.

Mr. Bruno Maruzzo serves as a director of the Company. Mr. Maruzzo has been the President (principal) of TechnoVenture Inc., a Toronto based business consulting company, since May 2007. Mr. Maruzzo served as Director Corporate Development of GeneNews Ltd., a Richmond Hill based molecular diagnostic company, from November 2002 until April 2007. Mr. Maruzzo has also previously served on the audit committees of Pinetree Capital Ltd., Critical Outcome Technologies Inc. and Cleanfield Alternative Energy Inc. and currently serves on the audit committee of Hamilton Thorne Limited

(formerly Calotto Capital Inc.). Mr. Maruzzo holds a BASc in Electrical Engineering from the University of Waterloo, an MASc in Biomedical Engineering and an MBA, both from the University of Toronto.

Mr. Dean Gendron serves as a director of the Company. Mr. Gendron is the founder, President and Chief Executive Officer of RedaN Capital Incorporated, a company that provides mergers and acquisitions and corporate finance advisory services. Mr. Gendron was the Regional Manager of Solantus Inc. from October 2014 until January 2018. From April 2011 to September 2011, Mr. Gendron was the Interim Chief Executive Officer of Blue Gold Canada Ltd., a supplier of nanotechnology products for water purification. From February 2007 to October 2009, Mr. Gendron was the Chairman of the Board, President, Chief Executive Officer and founder of Calotto Capital Inc., a predecessor to Hamilton Thorne Ltd., a TSXV listed company. Previously, Mr. Gendron provided leadership in the financing and growth of Critical Outcome Technologies Inc., a drug discovery and development company, including its reverse takeover of Aviator Petroleum Corp., a TSXV listed capital pool company, and served as a director from April 2006 to September 2008. Mr. Gendron was also the President and Chief Executive Officer of DDP Therapeutics, an early stage drug development company. Mr. Gendron is also a founder and until May 2014, a Director of KCC Capital Corporation, a TSXV listed capital pool company. He is a past member of the TSXV Ontario Advisory Committee and a past member of the TSXV National Advisory Committee.

Mr. Robert Bose serves as a director of the Company. Mr. Bose is a principal at Charlestown Capital Advisors, a family office located in New York, where he focuses on investments in the energy sector. He is also the lead director of Buzzards Bench Holdings, LLC, a private company that acquired the natural gas production and processing business of ExxonMobil Corporation located in the State of Utah in February of 2019. Prior to Charlestown Capital Advisors, Mr. Bose spent 17 years in the Global Investment Banking Group at the Bank of Nova Scotia, most recently as Managing Director and Head of the Power & Utilities Group.

Mr. Carmelo Marrelli serves as the Company's Chief Financial Officer and Corporate Secretary. Mr. Marrelli is the principal of Marrelli Support Services Inc., a firm that has delivered accounting and regulatory compliance services to listed companies on the Toronto Stock Exchange and the TSX Venture Exchange for over twenty years. In addition, Mr. Marrelli beneficially controls DSA Corporate Services Inc., a firm providing corporate secretarial and regulatory filing services. Carmelo is a Chartered Professional Accountant (CPA, CA, CGA), and a member of the Institute of Chartered Secretaries and Administrators, a professional body that certifies corporate secretaries. He has a Bachelor of Commerce degree from the University of Toronto. Mr. Marrelli also acts as Chief Financial Officer to a number of reporting issuers on the Toronto Stock Exchange and the TSX Venture Exchange and as a director of select issuers.

Mr. Sean Austin serves as Vice President, Controller, Corporate Secretary & Treasurer of the Company. He also serves as Corporate Secretary and Treasurer for Discovery Energy Corp. Mr. Austin has over 30 years of both domestic and international industry experience focused on finance, accounting and administration. Prior to joining Sintana, he was a Director, Vice-President and Chief Financial Officer for Irvine Energy USA, a wholly owned subsidiary of a United Kingdom public company. Mr. Austin also previously served as Vice President, Chief Financial Officer, Secretary & Treasurer of Westside. For over two decades, Mr. Austin was employed by HESS and held senior management positions in New York, London and Houston, including Vice President and Corporate Controller and Vice President – Worldwide E & P Finance and Administration. Mr. Austin holds a BBA in Accounting from Notre Dame University, a MBA from the Amos Tuck School, Dartmouth College and, for five years, Mr. Austin served as a Supply Officer in the United States Navy.

## **Committees of the Board of Directors**

The Board of Directors discharges its responsibilities directly, as well as indirectly through the Audit Committee and Compensation Committee.

### ***Audit Committee***

The mandate of the Audit Committee is formalized in a written charter. The members of the Audit Committee are Messrs. Robert Bose, Dean Gendron and Bruno Maruzzo. The Audit Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting process and control systems, review and appraise the audit activities of the Company's independent auditors, financial and senior management, and to review the lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters. See "Audit Committee Disclosure" below.

### ***Compensation Committee***

The members of the Compensation Committee of the Board are Messrs. Robert Bose, Dean Gendron and Bruno Maruzzo. The Compensation Committee is responsible for making recommendations to the Board of Directors on all matters relating to the compensation of directors, the members of various other committees of the Board and all officers of the Company. For this purpose the Compensation Committee reviews all aspects of compensation paid to directors, committee members, management and employees to ensure that the Company's compensation programs are competitive, and that the Company can attract, motivate and retain high calibre individuals.

### ***Conflicts of Interest***

In the future, circumstances may arise where officers or members of the Board of Directors of the Company are directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company. Pursuant to the ABCA, directors who have an interest in a proposed transaction upon which the board of directors is voting are required to disclose their interests and refrain from voting on that transaction. See also "Risk Factors – Potential Conflicts of Interest".

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Company, other than as set forth below.

On July 24, 2018, the Company closed a financing pursuant to which it issued the Debentures in the principal amount of Cdn\$650,000 and 5,720,000 Warrants, with each Warrant entitling the holder to acquire one Common Share at an exercise price of \$0.10 for a period of three years. The Debentures have a term of five years and an annual interest rate of 8%, and the principal amount thereof may be converted into Common Shares at the Conversion Prices. Interest is also convertible under the Debentures at the election of the holder, subject to the approval of the TSXV. Commencing two years after the date of closing, the Company may elect to redeem part or all of the remaining balance of the Debentures. The Debentures are also automatically convertible into Common Shares at the applicable Conversion Price in the event the closing price of the Common Shares exceeds 500% of the then applicable Conversion Price for 40 of 60 consecutive trading days. See "General Development of the Business – Three Year History".

While the Debentures remain outstanding, the holder is entitled to appoint one nominee to the board of directors of the Company, subject to TSXV approval. Mr. Bose serves as a principal of the holder of the Debentures and on December 18, 2018, he was elected as a director of the Company as the nominee of the holder of the Debentures.

## **LEGAL PROCEEDINGS**

There are not currently and were not within the most recently completed fiscal year of the Company, any material legal proceedings or regulatory actions to which the Company is or was a party or of which any of the Company's properties are or were subject, nor are any such proceedings or actions currently known by the Company to be contemplated, other than as set forth below.

On March 20, 2015, Canacol Energy Inc. ("**Canacol**") advised the Company that it was taking the position that it has the right to terminate existing Farmout Agreements for certain properties formerly held by the Company, known as the COR-11 and COR-39 Blocks. The Company concurred in writing that the Farmout Agreements had terminated. Canacol also contends that it has the right to recover certain historical costs with which the Company disagrees. Management is currently evaluating this matter and, together with legal counsel and other experts, assessing its potential options and alternatives with respect to these costs.

## **TRANSFER AGENT AND REGISTRAR**

The Company's transfer agent and registrar is Computershare Trust Company of Canada, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1.

## **MATERIAL CONTRACTS**

There are no contracts of the Company other than those entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or were entered into before the most recently completed financial year and which are still in effect.

## **AUDIT COMMITTEE DISCLOSURE**

National Instrument 52-110 - Audit Committees ("**NI 52-110**") requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

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

The Company's Audit Committee is governed by an Audit Committee charter, the text of which is included in this AIF as Appendix A.

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

The Company's Audit Committee is currently comprised of Messrs. Robert Bose, Dean Gendron and Bruno Maruzzo. As defined in NI 52-110, each of these individuals are currently considered to be "independent" of the Company and "financially literate".

Mr. Robert Bose is a principal at Charlestown Capital Advisors, a family office located in New York, where he focuses on investments in the energy sector. He is also the lead director of Buzzards Bench

Holdings, LLC, a private company that acquired the natural gas production and processing business of ExxonMobil Corporation located in the State of Utah in February of 2019. Prior to Charlestown Capital Advisors, Mr. Bose spent 17 years in the Global Investment Banking Group at the Bank of Nova Scotia, most recently as Managing Director and Head of the Power & Utilities Group.

Mr. Bruno C. Maruzzo has been the President (principal) of TechnoVenture Inc., a Toronto based business consulting company, since May 2007. Mr. Maruzzo served as Director Corporate Development of GeneNews Ltd., a Richmond Hill based molecular diagnostic company, from November 2002 until April 2007. Mr. Maruzzo has also served on the audit committees of Pinetree Capital Ltd., Critical Outcome Technologies Inc., Hamilton Thorne Limited (formerly Calotto Capital Inc.) and Cleanfield Alternative Energy Inc. Mr. Maruzzo holds a BASc in Electrical Engineering from the University of Waterloo, an MASc in Biomedical Engineering and an MBA, both from the University of Toronto.

Mr. Dean Gendron is the founder, President and Chief Executive Officer of RedaN Capital Incorporated, a company that provides mergers and acquisitions and corporate finance advisory services. Mr. Gendron was the Regional Manager of Solantus Inc. from October 2014 until January 2018. From April 2011 to September 2011, Mr. Gendron was the Interim Chief Executive Officer of Blue Gold Canada Ltd., a supplier of nanotechnology products for water purification. From February 2007 to October 2009, Mr. Gendron was the Chairman of the Board, President, Chief Executive Officer and founder of Calotto Capital Inc., a predecessor to Hamilton Thorne Ltd., a TSXV listed company. Previously, Mr. Gendron provided leadership in the financing and growth of Critical Outcome Technologies Inc., a drug discovery and development company, including its reverse takeover of Aviator Petroleum Corp., a TSXV listed capital pool company, and served as a director from April 2006 to September 2008. Mr. Gendron was also the President and Chief Executive Officer of DDP Therapeutics, an early stage drug development company. Mr. Gendron is also a founder and until May 2014, a Director of KCC Capital Corporation, a TSXV listed capital pool company. He is a past member of the TSXV Ontario Advisory Committee and a past member of the TSXV National Advisory Committee.

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

The Audit Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

### ***Audit Fees***

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2018 and 2017 for audit and non-audit related services:

| <b>Type of Work</b>               | <b>Fiscal Year Ended December 31, 2017</b> | <b>Fiscal Year Ended December 31, 2018</b> |
|-----------------------------------|--------------------------------------------|--------------------------------------------|
| Audit fees <sup>(1)</sup>         | \$37,450                                   | \$35,000                                   |
| Audit-related fees <sup>(2)</sup> | Nil                                        | Nil                                        |
| Tax advisory fees <sup>(3)</sup>  | \$19,100                                   | \$26,740                                   |
| All other fees                    | Nil                                        | Nil                                        |
| <b>Total</b>                      | <b>\$56,550</b>                            | <b>\$61,740</b>                            |

Notes

- (1) Aggregate fees billed for the Company's annual financial statements and services normally provided by the auditor in connection with the Company's statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

**EXPERTS**

***Names of Experts***

Following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under National Instrument 51-102 by the Company during or relating to the financial year ended December 31, 2018, whose profession or business gives authority to such report, valuation, statement or opinion:

1. MNP LLP (regarding the Financial Statements and auditor's report thereon).

***Interests of Experts***

MNP LLP has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information, including information concerning directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in the management proxy circular of the Company for its next annual shareholders meeting.

Additional financial information is provided in the Company's Financial Statements and Management's Discussion & Analysis for the financial year ended December 31, 2018, also available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **APPENDIX A**

### **Charter of the Audit Committee of the Board of Directors of Sintana Energy Inc.**

#### **I PURPOSE**

The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Sintana Energy Inc. (the "Corporation") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "Independent Auditors"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

#### **II AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

### **III COMPOSITION AND MEETINGS**

1. The Committee shall be composed of three or more directors as designated by the Board from time to time.
2. The Committee and its membership shall meet all applicable securities law and listing requirements relating to independence and financial literacy. Each member shall be financially literate and at least a majority of the members shall be independent, as defined by applicable securities law and listing requirements.
3. The members of the Committee shall appoint from among themselves a member who will serve as Chair.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.
11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting

of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

#### **IV RESPONSIBILITIES**

##### **A Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with International Financial Reporting Standards ("IFRS") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.
5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. If appropriate, the Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- 10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

**B Independent Auditors**

- 1. The Committee shall be responsible for recommending the appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
- 2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- 3. The Committee shall pre-approve all significant audit and all non-audit services not prohibited by law to be provided by the Independent Auditors.
- 4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
- 5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
- 6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit and receive and review the auditor's interim review reports, if any.
- 7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
- 8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- 9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- 10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

**C Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.