

NEW STRATUS ENERGY INC.

FORM 51-102F6V

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
(FOR THE YEAR ENDED MARCH 31, 2017)**

DATED: SEPTEMBER 11, 2017

General

The following information of the Corporation is provided in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

For the purpose of this Statement of Executive Compensation:

"**Board**" means the board of directors of the Corporation as it may be comprised from time to time.

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Corporation or any of its subsidiaries (if any).

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Corporation**" means New Stratus Energy Inc.

"**NEO**" or "**named executive officer**" means:

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

"**plan**" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons.

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

The NEOs of the Corporation for financial year ended March 31, 2017 were Sandy L. Loutitt, the former President and CEO, and Michael Matishak, the former CFO. Mr. Loutitt and Mr. Matishak each resigned effective May 3, 2017 and were replaced by Krishna Vathyam, the current Interim CEO and Bruce Cameron, the current Interim CFO.

The Board for financial year ended March 31, 2017 was comprised of Sandy L. Loutitt, David E. T. Pinkman, David M. Lewis and Brent J. Walter. Mr. Lewis and Mr. Walter each resigned from the Board effective May 3, 2017 and Mr. Loutitt and Mr. Pinkman each resigned from the Board effective June 7, 2017. As at the date hereof, the Board is

comprised of Jose Francisco Arata, Marino Ostos and Krishna Vathyam who were each appointed to the Board effective May 3, 2017.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation thereof to each NEO and each director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation:

Name and Position	Year Ended Mar 31	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) ⁽¹⁾	Value of all other Compensation (\$)	Total Compensation (\$)
Sandy L. Loutitt	2017	9,534	Nil	Nil	Nil	Nil	9,534
Former President, CEO and Director	2016	120,000	Nil	Nil	Nil	Nil	120,000
Michael Matishak	2017	5,459	Nil	Nil	Nil	Nil	5,459
Former CFO	2016	12,500	Nil	Nil	Nil	Nil	12,500
David E. T. Pinkman	2017	Nil	Nil	Nil	Nil	Nil	Nil
Former Vice-President, Corporate Secretary and Director	2016	18,000	Nil	Nil	Nil	Nil	18,000
David M. Lewis	2017	Nil	Nil	Nil	Nil	Nil	Nil
Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
Brent J. Walter	2017	Nil	Nil	Nil	Nil	Nil	Nil
Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation or any subsidiary thereof in the year ended March 31, 2017 for services provided, or to be provided, directly or indirectly, to the Corporation or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Sandy L. Loutitt Former President, CEO and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Michael Matishak Former CFO	Nil	Nil	N/A	N/A	N/A	N/A	N/A
David E. T. Pinkman Former Vice-President, Corporate Secretary and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
David M. Lewis Former Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Brent J. Walter Former Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by Directors and NEOs

The following table sets out all compensation securities exercised by directors and NEOs in the year ended March 31, 2017:

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price Per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on the Date of Exercise (\$)	Total Value on Exercise Date (\$)
Sandy L. Loutitt Former President, CEO and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Michael Matishak Former CFO	Nil	Nil	N/A	N/A	N/A	N/A	N/A

David E. T. Pinkman Former Vice-President, Corporate Secretary and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
David M. Lewis Former Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Brent J. Walter Former Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Stock Option Plans and Other Incentive Plans

The Corporation's current stock option plan (the "**Plan**") is a "rolling" stock option plan, whereby the aggregate number of Common Shares reserved for issuance, together with any other Common Shares reserved for issuance under any other plan or agreement of the Corporation, shall not exceed 10% of the total number of issued Common Shares (calculated on a non-diluted basis) at the time an option is granted. As at the financial year ended March 31, 2017, there were no stock options outstanding under the Plan. As at the date hereof, there were 3,500,000 options outstanding under the Plan.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, a copy of which is attached as Schedule A to the management information circular dated December 2, 2016 and filed on SEDAR on December 6, 2016 at www.sedar.com.

The Plan complies with the policies of the TSX Venture Exchange (the "**TSX-V**"). Under the Plan, the Board may, from time to time, grant options to purchase Common Shares to certain directors, officers, employees and consultants of the Corporation and of its subsidiaries and affiliates. The maximum number of Common Shares issuable under the Plan and all other security based compensation arrangements of the Corporation is 10% of the Common Shares outstanding from time to time, subject to the following additional limitations:

- (a) 5% the total number of outstanding Common Shares to any one individual in a 12 month period;
- (b) 2% of the total number of outstanding Common Shares to any one consultant in a 12 month period;
- (c) 2% of the total number of outstanding Common Shares to persons employed to provide investor relations activities in any 12 month period; and
- (d) 10% of the total number of outstanding Common Shares to insiders of the Corporation in any 12 month period;

unless the Corporation receives the permission of the TSX-V to exceed such threshold.

Pursuant to the Plan, the exercise price for each option shall be determined by the Board, but shall in no event be less than the Market Price (as defined in the Plan) less the maximum discount permitted under the regulations of the TSX-V or such other price as may be agreed to by the Corporation and approved by the TSX-V. All options granted shall be exercisable for a period as determined by the Board but in any event, not exceeding 10 years from the date the option is granted. The Plan also provides that the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, subject to any vesting restrictions imposed by the TSX-V.

In the event of a change of control of the Corporation (as defined in the Plan), the vesting period for all options outstanding shall be accelerated so that such options may be exercised, in whole or in part, at any time during the 15 day period prior to the date upon which the change of control occurs. In the event of a change of control, the Board may, in its discretion, as to the outstanding options: (a) provide for payment of an amount equal to the excess of the price of the Common Shares, as determined under the transaction causing the change of control or if no price is determinable, as determined by the Board, over the exercise price of such Common Shares as of the date of the change of control, in

exchange for the surrender of the right to exercise such options; or (b) provide for the assumption of such options, or the substitution thereof of new options, by the successor corporation or entity.

The Board may, at any time, suspend or terminate the Plan. The Board may also at any time amend or revise the terms of the Plan, subject to regulatory approval and, if deemed necessary or desirable by the Board, shareholder approval.

The Plan is subject to yearly approval of the shareholders of the Corporation and the TSX-V. The Plan was last approved by the shareholders of the Corporation at the Corporation's annual and special meeting held on February 14, 2017.

Employment, Consulting and Management Agreements

The Corporation was not party to any formal, written employment, consulting or management agreements with any NEO or director during the financial year ended March 31, 2017.

Oversight and Description of Director and NEO Compensation

The Board has not created or appointed a compensation committee given the Corporation's current size and stage of development. All tasks related to developing and monitoring the Corporation's approach to the compensation of the Corporation's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Corporation's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula, criteria or peer group. NEOs that are also directors of the Corporation are involved in discussions relating to compensation, but disclose their interest in, and abstain from voting on, decisions related to their own respective compensation.

The overall objective of the Corporation's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Corporation has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the CEO, if any, in this regard. The Corporation currently has a short term compensation component in place, which includes the payment of management fees to certain NEOs, and a long-term compensation component in place, which includes the grant of stock options under the Plan. The Corporation intends to further develop these compensation components. The Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Corporation and the performance of the executive officer. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium term compensation component.

The objectives of the Corporation's compensation policies and procedures are to align the interests of the Corporation's employees with the interests of the shareholders of the Corporation. Therefore, a significant portion of total compensation granted by the Corporation, being the grant of stock options, is based upon overall corporate performance. The Corporation relies on Board discussion, without formal objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

Pension Plan Benefits

The Corporation does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.