



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

NEW STRATUS ENERGY INC.

to be held on

September 16, 2021

at 10:00 a.m. (Calgary time)

**at Dentons Canada LLP
15th Floor, Bankers Court
850 – 2nd Street S.W.
Calgary, Alberta**

This Management Information Circular and Proxy Statement is furnished in connection with the solicitation of proxies by the management of New Stratus Energy Inc. to be voted at the Annual General and Special Meeting to be held on September 16, 2021 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting and at any adjournments thereof.

NEW STRATUS ENERGY INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an Annual General and Special Meeting (the “**Meeting**”) of the shareholders of New Stratus Energy Inc. (the “**Corporation**”) will be held at 10:00 a.m. (Calgary time) on Thursday, September 16, 2021 at Dentons Canada LLP, 15th Floor, Bankers Court, 850 – 2nd Street S.W., Calgary, Alberta for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial years ended March 31, 2021 and 2020 and the report of the auditor thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at six (6);
3. to elect the board of directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, as more particularly set forth in the accompanying Management Information Circular, relating to the re-approval of the stock option plan of the Corporation; and
6. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Information Circular.

Only shareholders of record as at the close of business on August 12, 2021 are entitled to receive notice of the Meeting.

DATED at Calgary, Alberta as of the 16th day of August 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“Jose Francisco Arata”

Jose Francisco Arata
Chief Executive Officer and Director

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. A proxy will not be valid unless it is deposited with our transfer agent, Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or (ii) by hand delivery to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed form of proxy.

NEW STRATUS ENERGY INC.

MANAGEMENT INFORMATION CIRCULAR

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This management information circular and proxy statement ("**Management Information Circular**") is furnished in connection with the solicitation of proxies by the management of New Stratus Energy Inc. (the "**Corporation**") for use at the Annual General and Special Meeting of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held at 10:00 a.m. (Calgary time) on Thursday, September 16, 2021 (the "**Meeting**"), for the purposes set forth in the Notice of Annual General and Special Meeting (the "**Notice**") accompanying this Management Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Unless otherwise stated, information contained herein is given as of August 16, 2021 (the "**Effective Date**").

Appointment of Proxyholders

Accompanying this Management Information Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be deposited at the offices of the Corporation's registrar and transfer agent, Computershare Trust Company of Canada at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or an adjournment thereof.**

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the management designees to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or an adjournment thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting or an adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted FOR the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Management Information Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors or the appointment of auditors.

QUORUM

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if at least two (2) persons are present who hold or represent by proxy not less than 5% of the shares entitled to vote at the meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is August 12, 2021 (the "**Record Date**"). The holders of Common Shares are entitled to one vote per Common Share. As at the Record Date, there were 93,496,196 Common Shares issued and outstanding. There are no other shares of any class issued and outstanding.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting; provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Voting of Common Shares – Advice to Beneficial Shareholders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "**Beneficial Shareholder**") are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited).

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Information Circular and the instrument of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders.

Intermediaries are required to forward meeting materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions Inc. ("**Broadridge**")) to forward Meeting Materials to Beneficial Shareholders.

Generally, Beneficial Shareholders who have not waived the right to receive meeting materials will:

- (a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Beneficial Shareholder in accordance with the

directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvotecanada.com; or

- (b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Beneficial Shareholder but which is otherwise uncompleted. This form of proxy need not be signed by the Beneficial Shareholder. In this case, the Beneficial Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Trust Company of Canada at the address referred to above.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should strike out the names of the persons named in the proxy and insert the Beneficial Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Only registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set forth above.

Principal Holders of Common Shares

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the votes attached to the Common Shares.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

General

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

For the purpose of this Statement of Executive Compensation:

“**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).

“**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 the financial year ended March 31, 2021 were as follows: Jose Francisco Arata, CEO and Mario Miranda, CFO.

The board of directors of the Corporation (the “**Board**”) for financial year ended March 31, 2021 was comprised of Jose Francisco Arata, Marino Ostos, Krishna Vathyam and Wuilian Mauco. Mr. Vathyam resigned from the Board effective June 2, 2021. As at the date hereof, the Board is comprised of Jose Francisco Arata, Marino Ostos, Wuilian Mauco, Wade Felesky and Humberto Calderón Berti. In addition, Greg Bay is nominated for election to the Board at the Meeting.

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 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:

Summary Compensation Table

The following table sets forth information concerning the total compensation paid to the Named Executive Officers for the years ended March 31, 2021 and 2020.

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 (\$)
Jose Francisco Arata <i>Chief Executive Officer and Director</i>	2021	49,058	Nil	Nil	Nil	Nil	49,058
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Mario Miranda ⁽²⁾ <i>Chief Financial Officer</i>	2021	80,354	Nil	Nil	Nil	Nil	80,354
	2020	13,676	Nil	Nil	Nil	Nil	13,676
Marino Ostos ⁽³⁾ <i>Chief Geoscience Officer and Director</i>	2021	49,058	Nil	Nil	Nil	Nil	49,058
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Wuilian Mauco <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Krishna Vathyam ⁽⁴⁾ <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	90,000	Nil	Nil	Nil	Nil	90,000

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.
- (2) Mario Miranda was appointed to the role of Chief Financial Officer on September 29, 2020.
- (3) Marino Ostos was appointed to the role of Chief Geoscience Officer on June 2, 2021. Prior to his appointment, he held the position of Executive Director of the Corporation.
- (4) Krishna Vathyam is the former Interim Chief Executive Officer of the Corporation. He resigned from this position on November 12, 2019 upon the appointment of Jose Francisco Arata as Chief Executive Officer.

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, 2021 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
Jose Francisco Arata <i>Chairman and Chief Executive Officer</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Mario Miranda <i>Chief Financial Officer</i>	Options	200,000	July 7, 2020	\$0.05	\$0.05	\$0.30	July 6, 2025
Marino Ostos <i>Chief Geoscience Officer and Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Wuilian Mauco <i>Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Krishna Vathyam <i>Former Director</i>	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, 2021:

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 (\$)
Jose Francisco Arata <i>Chairman and Chief Executive Officer</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Mario Miranda <i>Chief Financial Officer</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Marino Ostos <i>Chief Geoscience Officer and Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Wuilian Mauco <i>Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Krishna Vathyam <i>Former Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Stock Option Plans and Other Incentive Plans

The Corporation has a stock option plan (the “**Plan**”) previously approved by the shareholders of the Corporation on March 25, 2020. A copy the Plan is attached as Schedule “A” to this Management Information Circular.

The Plan permits the granting of stock options to purchase Common Shares ("**Options**") to directors, officers, employees of, and consultants to, the Corporation. The Plan limits the total number of Common Shares that may be issued on exercise of Options outstanding at any time under the Plan to 10% of the number of Common Shares issued and outstanding (less the number of Common Shares reserved for issuance under any other share compensation arrangement of the Corporation), subject to the following additional limitations:

- (a) the aggregate number of Options granted to any one person (and companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued Common Shares, calculated on the date an Option is granted to the person (unless the Corporation has obtained the requisite disinterested shareholder approval), less the aggregate number of Common Shares reserved for issuance to such person under any other share compensation arrangement of the Corporation;
- (b) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders of the Corporation (as defined in the policies of the TSX Venture Exchange ("**TSX-V**")) (as a group) at any point in time must not exceed 10% of the issued Common Shares, less the aggregate number of Common Shares reserved for issuance to Insiders under any other share compensation arrangement of the Corporation;
- (c) the grant to Insiders (as a group), within a 12-month period, of an aggregate number of Options must not exceed 10% of the issued Common Shares, calculated at the date an Option is granted to any Insider, less the aggregate number of Common Shares reserved for issuance to Insiders under any other share compensation arrangement of the Corporation;
- (d) the aggregate number of Options granted to any one consultant of the Corporation in a 12-month period must not exceed 2% of the issued Common Shares, calculated at the date an Option is granted to the consultant, less the aggregate number of Common Shares reserved for issuance to such consultant under any other share compensation arrangement of the Corporation; and
- (e) the aggregate number of Options granted to all persons retained to provide Investor Relations Activities (as defined in the policies of the TSX-V) must not exceed 2% of the issued Common Shares in any 12-month period, calculated at the date an Option is granted to any such person, less the aggregate number of Common Shares reserved for issuance to such person under any other share compensation arrangement of the Corporation. Options issued to persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three-month period.

Each Option and all rights thereunder will expire on the date set out in the applicable option agreement and will be subject to the earlier termination provisions of the Plan, provided that in no circumstances will the duration of an Option exceed the maximum term prescribed by the TSX-V of 10 years. Under the Plan, in the event of the death of a participant, the Options previously granted to such participant will be exercisable only within one year after such death and then only to the extent that such deceased participant was entitled to exercise his Option at the date of his death.

Pursuant to the Plan, the exercise price shall be fixed by the Board at the time that the Option is granted; however, no Option shall be granted with an exercise price at a discount to the market price. The market price shall be the closing price of the Common Shares on the TSX-V on the first day preceding the date of grant. 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.

The Plan includes a black-out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black-out periods". A black-out period is designed to prevent a person from trading while in possession of material information that is not yet available to other Shareholders. The TSX-V recognizes these black-out periods might result in an unintended penalty to employees who are prohibited from exercising their Options during that period because of their Corporation's internal trading policies. As a result, the TSX-V provides a framework for extending Options that would otherwise expire during a black-out period. The Plan includes a provision that should an Option expiration date fall within a black-out period or immediately following a black-out period, the expiration date will automatically be extended without any further act or formality to that date which is the 10th business day after the end of the black-out period, and the 10 business day period may not be further extended by the Board.

Based on the policies of the TSX-V, the Plan specifies the types of amendments to the Plan and the Options granted thereunder that can be made by the Board without the approval of the shareholders. The Plan allows the Board to terminate or discontinue the Plan at any time without the consent of the Option holders, provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Plan. The only amendments to the Plan that would be subject to shareholder approval are amendments that would:

- (a) reduce the exercise price of an outstanding Option, including a cancellation of an Option and re-grant of an Option in conjunction therewith, constituting a reduction of the exercise price of the Option;
- (b) extend the expiry date of an Option held by an Insider of the Corporation (subject to such date being extended by virtue of the black-out provision noted above or an extension of the early termination provisions of the Plan by the Board);
- (c) amend the limitations on the maximum number of Common Shares reserved or issued to Insiders;
- (d) make any amendments to the Plan that would permit an Option holder to transfer or assign Options to a new beneficial owner other than for estate settlement purposes;
- (e) increase the maximum number of Common Shares issuable pursuant to the Plan; or
- (f) amend the amendment provisions of the Plan.

Pursuant to the Plan, all benefits, rights and options accruing to any participant are not transferable or assignable unless in the event of the death of a participant.

Policy 4.4 of the TSX-V requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual general meeting. In accordance with Policy 4.4, shareholders will be asked to

consider and if thought fit, approve an ordinary resolution approving, adopting and ratifying the Plan as the Corporation's stock option plan.

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, 2021.

Oversight and Description of 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 defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,360,000	\$0.10	1,750,545
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	4,360,000	\$0.10	1,750,545

Note:

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. As at March 31, 2021, the number of Common Shares issued and outstanding was 61,105,445. As at the Effective Date, the Corporation had 93,496,196 Common Shares and 5,390,000 stock options issued and outstanding, leaving 3,959,619 Common Shares remaining available for issuance under the Plan.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation except as disclosed in the audited financial statements.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

AUDIT COMMITTEE

Audit Committee Terms of Reference

The text of the Corporation's Audit Committee charter is set out under the heading "Audit Committee Terms of Reference" in the Corporation's Annual Information Form dated May 24, 2018 and filed on SEDAR at www.sedar.com on May 24, 2018, which is incorporated by reference herein.

Audit Committee Composition

As at the Effective Date, the members of the Audit Committee are Wuilian Mauco, Marino Ostos and Wade Felesky. Following the Meeting, it is anticipated that the members of the Audit Committee will be as follows:

Wuilian Mauco ⁽²⁾	Independent	Financially Literate ⁽¹⁾
Wade Felesky	Not Independent	Financially Literate ⁽¹⁾
Greg Bay	Independent	Financially Literate ⁽¹⁾

Notes:

(1) As defined by National Instrument 52-110 ("NI 52-110").

(2) Chairman of the Audit Committee.

Relevant Education and Experience

All members of the audit committee have been involved in the financing, administration and operation of managing small private and/or public companies for several years and have been either directly or indirectly involved in the preparation of the financial statements, filing of the quarterly and annual financial statements, dealing with the auditors, or as a member of the audit committee. All members of the audit committee have the ability to read, analyze, and understand the complexities surrounding the issuance of financial statements.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Other than as disclosed below, at no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110, the exemptions in subsections 6.1.1(4) to (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Mr. Vathyam resigned from the Board, and consequently the Audit Committee, effective June 2, 2021. Following his resignation, the vacancy on the Audit Committee was filled by Mr. Felesky and as a result a majority of the members on the Audit Committee, being Mr. Ostos and Mr. Felesky, were executive officers. The Corporation is relying on the exemption in subsection 6.1.1(6) of NI 52-110 in respect of Mr.

Felesky's appointment to the Audit Committee. The Corporation will cease to rely on such exemption upon the reconstitution of the Audit Committee following the Meeting.

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all non-audit services to be provided by the Corporation by the external auditors unless otherwise provided for in NI 52-110 as described in the Audit Committee charter, referenced above under the heading "*Audit Committee Terms of Reference*".

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2021	\$50,000	Nil	\$7,500	Nil
2020	\$40,000	\$24,396	\$16,700	Nil

Notes:

- (1) "**Audit Fees**" include fees necessary to perform the annual audit of the Corporation's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "**All Other Fees**" include all other non-audit services.

Exemption

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

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

At the meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at six (6). The Board is currently comprised of the following five members: Jose Francisco Arata, Marino Ostos, Wuilian Mauco, Wade Felesky and Humberto Calderón Berti. All of these directors are being nominated for re-election at the Meeting. Greg Bay is also nominated for election to the Board at the Meeting.

Wuilian Mauco and Humberto Calderón Berti are independent directors of the Corporation and, if elected to the Board at the Meeting, Greg Bay will also be an independent director of the Corporation. Mr. Mauco, Mr. Calderón Berti and Mr. Bay have no ongoing interest or relationship with the Corporation other than their security holdings in the Corporation and serving as directors.

Each of Jose Francisco Arata, the Chief Executive Officer of the Corporation, Wade Felesky, the President of the Corporation, and Marino Ostos, the Chief Geoscience Officer of the Corporation are members of management and, as a result, are not independent directors. The Board is responsible for determining whether a director is an independent director.

An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment.

Directorships

Other than disclosed below, no current or proposed director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.

Mr. Jose Francisco Arata joined the board of TSX-V listed company Western Atlas Resources Ltd. on August 12, 2017 and continues to serve on its board as an independent director.

Mr. Calderón Berti joined the board of TSX-V listed company NG Energy International Corp. on July 15, 2021 and continues to serve on its board as an independent director.

Mr. Felesky joined the board of TSX-V listed company Zedcor Inc. on June 1, 2021 and continues to serve on its board as the Chairman of the board and an independent director.

Mr. Bay joined the board of TSX listed company Gear Energy Ltd. on August 7, 2019 and continues to serve on its board as an independent director.

Orientation and Continuing Education

At present, each new director is given an outline of the nature of the Corporation’s business, its corporate strategy, and current opportunities and prospects of the Corporation along with a description of the committees constituted by the Board. New directors are also expected to be required to meet with management of the Corporation to discuss and better understand the Corporation’s business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation. New directors are also given copies of the Corporation’s policies.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

Ethical Business Conduct

The Corporation requires the highest standards of professional and ethical conduct from its directors, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, discussion, on an informal basis, is had amongst the Board, management and employees respecting such matters as the retention of confidential information, the obligation to declare conflicts of interests and the necessity to comply with applicable laws, regulations and rules.

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. The Board has also found that the in camera sessions of the independent directors held in conjunction with Board meetings also help to ensure that directors exercise independent judgment in considering transactions and agreements.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act (Alberta)* (the "**ABCA**"), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board presently seeks and determines new nominees to the Board, although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among the Board members and officers.

Compensation

The Board has not appointed a compensation committee as the Board determines compensation matters as a whole.

Other Board Committees

The Corporation has no other standing committees at this time other than the Audit Committee. See "Audit Committee", for information relating to the Audit Committee, including its mandate and composition and fees paid to the Corporation's auditors.

Assessments

The Board has not implemented a process for assessing its effectiveness but is considering doing so. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board has considered a formal assessment process to be inappropriate at this time.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Report and Financial Statements

The audited financial statements of the Corporation for the years ended March 31, 2021 and 2020 and the report of the auditor thereon (the "**Financial Statements**") will be placed before the Meeting. The Board has approved all of the information in the Financial Statements, copies of which are delivered herewith. The approval of the shareholders is not required in relation to the Financial Statements.

Fix Number of Directors to be Elected at the Meeting

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that six (6) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).**

Election of Directors

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five (5) years, the period during which the nominee has served as a director, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote for the election of the persons named in the following table to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by management designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the ABCA to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five (5) Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date ⁽²⁾⁽³⁾
<p>Jose Francisco Arata</p> <p>Punta Cana, Dominican Republic</p> <p>Chief Executive Officer and Director</p> <p>Director since May 4, 2017</p>	<p>Mr. Arata was the President of Pacific Exploration & Production Corp. (TSX) (“Pacific Exploration”) from January 23, 2008 until July 2015. He was also Chief Executive Officer and director of Pacific Stratus International Energy Ltd. (TSX) (“Pacific Stratus”) from August 21, 2006 to January 23, 2008. Mr. Arata was also a director of Pacific Coal Resources Ltd. and CGX Energy Inc. (TSX-V) (“CGX”). Mr. Arata is a geologist with vast experience in Latin America markets. He presently serves on board of Western Atlas Resources Ltd. and of various private companies.</p>	<p>3,133,766</p> <p>(3.35%)</p>
<p>Marino Ostos</p> <p>Bogotá, Colombia</p> <p>Chief Geoscience Officer and Director</p> <p>Director since May 4, 2017</p>	<p>Mr. Ostos was Senior Vice President, New Business Areas for Pacific Exploration from January 23, 2008 until July 2016. He was also Chief Operating Officer of Pacific Stratus from August 2006 to October 2007, President of Colombian Operations of Pacific Stratus from May 2006 to May 2007 and President and Chief Executive Officer of Pacific Stratus from October 2004 to August 2006. Mr. Ostos was Principal of Estudios de Ingenieria Geologica LITOS C.A. from December 1999 to October 2004. Mr. Ostos was also a director of CGX until December 2016.</p>	<p>3,133,766</p> <p>(3.35%)</p>
<p>Wuillian Mauco⁽¹⁾</p> <p>Panama City, Panama</p> <p>Director</p> <p>Director since: May 10, 2019</p>	<p>Mr Mauco is an Engineer with extensive experience in Production Operations, Refining and International Oil and Gas Trading. Founding Partner and Director of NSE since May 2018. In the period 1998-2000 was International Trading Director of Petróleos de Venezuela, S.A. (“PDVSA”) and member of the board of Deltaven, CVP (Corporacion Venezolana del Petroleo), Nynas, Isla Refinery and Bonaire Petroleum Corporation. From 2001 until 2007 was Vice President of Business Development of</p>	<p>3,500,000</p> <p>(3.74%)</p>

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five (5) Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date ⁽²⁾⁽³⁾
	<p>several US companies and from 2008 VP of Trading of Pacific Rubiales Energy.</p> <p>In 2016 founded Vision Energy Consultants where he is a consultant in the development of Downstream Oil business in Latin America.</p>	
<p>Wade Felesky⁽¹⁾</p> <p>Calgary, Canada</p> <p>President and Director</p> <p>Director since: June 2, 2021</p>	<p>Mr. Felesky is chairman of the board of directors of Zedcor Inc. He was previously the Head of Oil & Gas Investment Banking at Laurentian Bank and before that, Co-Head of Energy Investment Banking at GMP Securities L.P.</p>	<p>1,000,000</p> <p>(1.07%)</p>
<p>Humberto Calderón Berti</p> <p>Madrid, Spain</p> <p>Director</p> <p>Director since: June 2, 2021</p>	<p>Mr. Calderon Berti is a Venezuelan geologist, petroleum engineer, former president of PDVSA, and the country's former Minister of Energy and Mines. He is also a former OPEC President. His undergraduate degree was from the Central University of Venezuela, and he has a Master's in petroleum engineering from the University of Tulsa in Tulsa, Oklahoma. In 2003, he and other former PDVSA petroleum executives founded the Colombian company, Vetra Energia, S.L.</p>	<p>Nil</p>
<p>Greg Bay⁽¹⁾</p> <p>Vancouver, British Columbia</p> <p>Proposed Director</p>	<p>Founding Partner and Managing Partner of Cypress Capital Management Ltd., an investment management firm, since 1998.</p>	<p>Nil</p>

Notes:

(1) Member of the Audit Committee.

(2) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based on information furnished to the Corporation by the above individuals.

(3) As at the Effective Date, the Corporation had 93,496,196 Common Shares issued and outstanding.

Cease Trade Orders or Bankruptcies

No proposed director, within 10 years before the date of this Management Information Circular, has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No proposed director has within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

No proposed director has been subject to:

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

Appointment of Auditor

The shareholders of the Corporation will be asked to vote for the appointment of Deloitte LLP, Chartered Professional Accountants, as auditor of the Corporation. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution appointing Deloitte LLP, Chartered Professional Accountants, as auditor of the Corporation for the next ensuing year**, to hold office until the close of the next annual general meeting of shareholders or until the firm of Deloitte LLP is removed from office or resigns as provided by the Corporation's by-laws, and the management designees also intend to vote the Common Shares represented by any such proxy in favor of a resolution authorizing the Board to fix the compensation of the auditor. Deloitte LLP was appointed auditor of the Corporation effective August 28, 2017.

Re-approval of Stock Option Plan

The Corporation is proposing to re-approve the Plan previously approved by the shareholders of the Corporation on March 25, 2021. A copy the Plan is as Schedule "A" to this Management Information Circular.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

"BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

- (a) the stock option plan of the Corporation in substantially the form attached as Schedule "A" to the Management Information Circular of the Corporation dated April 6, 2018 (the "**Plan**") be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;
- (b) the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
- (c) all issued and outstanding stock options previously granted are hereby continued under and governed by the Plan;
- (d) the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (e) any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution approving the Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders who vote in respect to the resolution.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All special resolutions, if any,

to be brought before the Meeting require, for the passing of the same, a 66^{2/3}% majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders, if any, require the approval of the shareholders not affected by, or interested in, the matter to be approved.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management's discussion and analysis available on SEDAR.

A shareholder may contact the Corporation at Suite 2400, 333 7th Avenue S.W., Calgary, Alberta T2P 2Z1, Attn: Chief Financial Officer to obtain a copy of the Corporation's most recent financial statements and management's discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Management Information Circular have been approved by the Board.

DATED this 16th day of August, 2021.

SCHEDULE A

**NEW STRATUS ENERGY INC.
STOCK OPTION PLAN**

1. PURPOSE

The purpose of this stock option plan (the “**Plan**”) of New Stratus Energy Inc. (the “**Corporation**”), a corporation incorporated under the *Business Corporation Act* (Alberta), is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation (the “**Board of Directors**”) or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the Board.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into hereunder, to define the terms used in the Plan and in all option agreements entered into hereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option (“**Option**”) to purchase a Share granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each Option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including Options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

3. STOCK EXCHANGE RULES

All Options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”).

4. SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of Shares of the Corporation's authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Shares from time to time less the aggregate number of Shares reserved for issuance under any other Share Compensation Arrangement (as defined herein). If any Option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

"Share Compensation Arrangement" means any share option, share option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to directors, executive officers, employees or consultants of the Corporation.

5. MAINTENANCE OF SUFFICIENT CAPITAL

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. ELIGIBILITY AND PARTICIPATION

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (**"Management Company Employees"**) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as **"Participants"**). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the Options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom Options shall be granted, the terms and provisions of the respective Option agreements, the time or times at which such Options shall be granted and vested, and the number of Shares to be subject to each Option. In the case of employees or consultants of the Corporation or Management Company Employees, the Option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an Option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange and terms hereof, be granted an additional Option or Options if the Board shall so determine.

7. EXERCISE PRICE

- (a) Options may be exercised at a price that shall be fixed by the Board at the time that the Option is granted. No Option shall be granted with an exercise price at a discount to the market price. The market price shall be the closing price of the Shares on the Exchange on the first day preceding the date of grant on which at least one board lot of Shares traded.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the Option has been granted, the exercise price of an Option may be reduced upon

receipt of Board approval, provided that in the case of Options held by Insiders (as defined in the policies of the Exchange) of the Corporation, the exercise price of an Option may be reduced only if disinterested shareholder approval is obtained.

8. NUMBER OF OPTIONED SHARES

- (a) The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Shares from time to time less the aggregate number of Shares reserved for issuance under any other Share Compensation Arrangement, subject to the following additional limitations:
 - (i) the aggregate number of Options granted to any one Participant (and companies wholly owned by that Participant) in a twelve (12) month period must not exceed 5% of the issued and outstanding Shares, calculated on the date an Option is granted to the Person (unless the Corporation has obtained the requisite disinterested shareholder approval), less the aggregate number of Shares reserved for issuance to such person under any other Share Compensation Arrangement;
 - (ii) the aggregate number of Shares reserved for issuance under Options granted to Insiders (as a group) at any point in time must not exceed 10% of the issued and outstanding Shares, less the aggregate number of Shares reserved for issuance to Insiders under any other Share Compensation Arrangement;
 - (iii) the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Options must not exceed 10% of the issued and outstanding Shares, calculated at the date an Option is granted to any Insider, less the aggregate number of Shares reserved for issuance to Insiders under any other Share Compensation Arrangement;
 - (iv) the aggregate number of Options granted to any one consultant of the Corporation in a twelve (12) month period must not exceed 2% of the issued Shares, calculated at the date an Option is granted to the consultant, less the aggregate number of Shares reserved for issuance to such consultant under any other Share Compensation Arrangement of the Corporation; and
 - (v) the aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any twelve (12) month period, calculated at the date an Option is granted to any such Person, less the aggregate number of Shares reserved for issuance to such Person under any other Share Compensation Arrangement. Options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than twelve (12) months with no more than 1/4 of the Options vesting in any three month period.
- (b) The number of Shares subject to an Option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an Option which exceeds the maximum number permitted by the Exchange.

9. DURATION OF OPTION

Each Option and all rights thereunder shall be expressed to expire on the date set out in the Option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange (“**TSX-V**”), the maximum term may not exceed ten (10) years (subject to extension where the expiry date falls within a Black Out Period, as defined herein). The Toronto Stock Exchange does not impose a maximum term for the duration of an Option.

Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth (10th) business day after the end of the Black Out Period, such tenth (10th) business day to be considered the expiry date for such Option for all purposes under the Plan. The ten (10) business day period referred to in this paragraph may not be extended by the Board.

“**Black Out Period**” means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time or a notice in writing to a Participant by a senior officer or director of the Corporation.

10. OPTION PERIOD, CONSIDERATION AND PAYMENT

- (a) The Option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the Option period shall be reduced with respect to any Option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part at any time and from time to time during the Option period. To the extent required by the Exchange, no Options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no Option may be exercised unless the Participant is at the time of such exercise, a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised (subject to Section 17). No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until

the certificates for Shares issuable pursuant to Options under the Plan are issued to him or them under the terms of the Plan.

11. CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within ninety (90) days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to extension at the discretion of the Board.

Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. DEATH OF PARTICIPANT

Notwithstanding Section 11, in the event of the death of a Participant, the Option previously granted to him shall be exercisable only within the one year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. RIGHTS OF OPTIONEE

No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until certificates representing such Shares shall have been issued and delivered.

14. PROCEEDS FROM SALE OF SHARES

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. ADJUSTMENTS

If the outstanding Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another company or entity through reorganization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of Options, or the exercise price per share as set forth in the respective Option agreements, shall be adjusted in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

16. TRANSFERABILITY

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant, any benefits, rights and Options may only be exercised by the Participant.

17. WITHHOLDING TAXES

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the optionee to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to a optionee;
- (b) require, as a condition of the issuance of Shares to an optionee, that the optionee make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the optionee to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Shares until the optionee makes such payment; or
- (c) sell, on behalf of the optionee, all or any portion of Shares otherwise deliverable to the optionee until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the optionee.

18. AMENDMENT AND TERMINATION OF PLAN

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

The Board may by resolution amend this Plan and any Options granted under it without shareholder approval, however, the Board will not be entitled, in the absence of shareholder and Exchange approval, to:

- (a) reduce the exercise price of an outstanding Option, including a cancellation of an Option and re-grant of an Option in conjunction therewith, constituting a reduction of the exercise price of the Option;
- (b) extend the expiry date of an Option held by an Insider of the Corporation (subject to such date being extended by virtue of paragraph 9 or paragraph 11 above);
- (c) amend the limitations on the maximum number of Shares reserved or issued to Insiders under paragraphs 8(a)(ii) and 8(a)(iii) hereof;
- (d) make any amendments to the Plan that would permit a Participant to transfer or assign Options to a new beneficial owner other than for estate settlement purposes;

- (e) increase the maximum number of Shares issuable pursuant to this Plan; or
- (f) amend the amendment provisions of this Plan under this Section 18.

Where shareholder approval is sought for amendments under subsections (a), (b) and (c) above, the votes attached to Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded.

19. NECESSARY APPROVALS

The ability of a Participant to exercise Options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Option exercise price paid to the Corporation will be returned to the Participant.

20. EFFECTIVE DATE OF PLAN

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

21. INTERPRETATION

Terms used but not otherwise defined herein shall have the meanings ascribed thereto in TSX-V Policy 1.1 and 4.4.

22. GOVERNING LAW

This Plan will be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein.