



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

NEW STRATUS ENERGY INC.

to be held on

October 21, 2022

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

**at Dentons Canada LLP
10th 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 October 21, 2022 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 Friday, October 21, 2022 at Dentons Canada LLP, 10th 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, 2022 and 2021 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 auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving an amendment to the stock option plan of the Corporation, as more particularly set forth in the accompanying Management Information Circular;
6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the adoption of a restricted share unit and deferred share unit compensation plan, as more particularly set forth in the accompanying Management Information Circular; and
7. 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 September 16, 2022 are entitled to receive notice of the Meeting.

DATED at Calgary, Alberta as of the 16th day of September, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “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. We encourage all shareholders to vote their shares prior to the Meeting by completing the enclosed instrument of proxy and returning 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, Odyssey Trust Company. The enclosed proxy must be deposited with Odyssey Trust Company, Trader’s Bank Building, 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8 so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or an adjournment or postponement thereof.

Registered shareholders may also email their proxy to proxy@odysseytrust.com or use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions using the 12 digit control number located at the bottom of their 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 Friday, October 21, 2022 (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 September 16, 2022 (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, Odyssey Trust Company at Trader’s Bank Building, 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8 so that the proxy is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or an adjournment or postponement thereof. Registered Shareholders may also email their proxy to proxy@odysseytrust.com or use the internet site at <https://login.odysseytrust.com/pxlogin> to transmit their voting instructions using the 12 digit control number located at the bottom of their proxy. A proxy must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a company, under its seal by an officer or attorney thereof duly authorized.**

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 the auditor.

QUORUM

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if at least two (2) persons are present who hold or represent by proxy not less than five percent (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 September 16, 2022 (the “**Record Date**”). Shareholders are entitled to one vote per Common Share held. As at the Record Date, there were 120,087,004 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 – *Communication with Beneficial Owners of a Reporting Issuer* 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 the 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 the Meeting Materials to Beneficial Shareholders.

Generally, Beneficial Shareholders who have not waived the right to receive the 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 Odyssey Trust Company 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.

NORMAL COURSE ISSUER BID

On July 13, 2022, the Corporation received approval from the TSX Venture Exchange (the "TSX-V") to conduct a normal course issuer bid (the "NCIB") to acquire up to an aggregate of 6,024,675 Common Shares over a 12-month period, representing approximately 5% of the 120,493,505 Common Shares issued and outstanding as of July 13, 2022. All Common Shares purchased under the NCIB will be returned to treasury and cancelled. The Corporation commenced the NCIB on July 20, 2022 and the NCIB will terminate on July 19, 2023, unless earlier completed or terminated by the Corporation. As of the Effective Date, the Corporation has purchased 1,159,000 Common Shares pursuant to the NCIB.

Purchases pursuant to the NCIB are expected to be made pursuant to open market transactions through the facilities of the TSX-V at prevailing market prices. The Corporation has engaged Paradigm Capital Inc. ("Paradigm") to conduct the NCIB on behalf of the Corporation and has entered into an automatic share repurchase plan with Paradigm dated July 13, 2022 pursuant to which Paradigm will purchase Common Shares under the NCIB for cancellation.

Shareholders may obtain, without charge, a copy of the "Notice of Intention to Make a Normal Course Issuer Bid" filed by the Corporation with the TSX-V by contacting the Corporation.

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, 2022 were: Jose Francisco Arata, CEO; Mario Miranda, CFO; and Wade Felesky, President.

The board of directors of the Corporation (the “**Board**”) is comprised of Jose Francisco Arata, Marino Ostos, Wuilian Mauco, Wade Felesky, Humberto Calderón Berti and Greg Bay. Krishna Vathyam was also a director during the financial year ended March 31, 2022 but resigned from the Board effective June 2, 2021. Mr. Felesky and Mr. Calderón Berti were appointed to the Board effective June 2, 2021. Mr. Bay was appointed to the Board effective September 16, 2021.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets forth information concerning the total compensation paid to the directors and NEOs for the financial years ended March 31, 2022 and 2021.

Total compensation includes 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.

Table of Compensation, Excluding Compensation Securities							
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 ⁽²⁾ <i>Chairman and Chief Executive Officer</i>	2022	226,698	125,027	Nil	Nil	Nil	351,725
	2021	48,020	Nil	Nil	Nil	Nil	48,020
Wade Felesky ⁽³⁾⁽⁴⁾ <i>President and Director</i>	2022	243,668	124,460	Nil	Nil	Nil	368,128
Mario Miranda ⁽³⁾ <i>Chief Financial Officer</i>	2022	138,156	76,200	Nil	Nil	Nil	214,356
	2021	80,354	Nil	Nil	Nil	Nil	80,354
Marino Ostos ⁽²⁾⁽⁵⁾ <i>Chief Geoscience Officer and Director</i>	2022	226,683	125,027	Nil	Nil	Nil	351,710
	2021	48,020	Nil	Nil	Nil	Nil	48,020
Wuilian Mauco ⁽²⁾⁽⁶⁾ <i>Chief Midstream and Downstream Officer and Director</i>	2022	47,201	Nil	34,662	Nil	Nil	81,863
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Humberto Calderón Berti ⁽²⁾⁽⁴⁾ <i>Director</i>	2022	73,105	318,947 ⁽⁷⁾	52,938	Nil	Nil	444,990
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Greg Bay ⁽³⁾⁽⁸⁾ <i>Director</i>	2022	Nil	Nil	35,292	Nil	Nil	35,292
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Krishna Vathyam ⁽⁹⁾ <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (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) Compensation is paid in U.S. dollars and converted into Canadian dollars for the purposes of this table using the applicable CAD/USD exchange rate at the time of payment.
- (3) Compensation is notionally in U.S. dollars but converted into and paid in Canadian dollars using the applicable CAD/USD exchange rate at the time of payment.
- (4) Mr. Felesky and Mr. Calderón Berti were appointed to the Board effective June 2, 2021. Mr. Felesky was also appointed to the role of President on June 2, 2021.
- (5) Mr. 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.
- (6) Mr. Mauco was appointed to the role of Chief Midstream and Downstream Officer on February 1, 2022. From February 1, 2022 through the end of the financial year on March 31, 2022, Mr. Mauco received a salary of \$47,201 in his role as Chief Midstream and Downstream Officer. Prior thereto, Mr. Mauco received committee and meeting fees of \$34,662 in his role as an independent director of the Corporation and as Chair of the Corporation's audit committee (the "Audit Committee").
- (7) Represents compensation paid to Mr. Calderón Berti for consulting services in connection with the acquisition of Repsol Ecuador S.A. in January 2022. The compensation was paid in U.S. dollars and converted into Canadian dollars for the purposes of this table using the applicable CAD/USD exchange rate at the time of payment.
- (8) Mr. Bay was appointed to the Board effective September 16, 2021.
- (9) Mr. Vathyam resigned from the Board effective June 2, 2021.

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 financial year ended March 31, 2022 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>	Options	100,000	April 14, 2021	0.24	0.24	0.59	April 14, 2026
		500,000	October 1, 2021	0.30	0.285	0.59	October 1, 2026
Wade Felesky <i>President and Director</i>	Options	500,000	October 1, 2021	0.30	0.285	0.59	October 1, 2026
Mario Miranda	Options	50,000	April 14, 2021	0.24	0.24	0.59	April 14, 2026

Chief Financial Officer		200,000	October 1, 2021	0.30	0.285	0.59	October 1, 2026
Marino Ostos Chief Geoscience Officer and Director	Options	100,000	April 14, 2021	0.24	0.24	0.59	April 14, 2026
		500,000	October 1, 2021	0.30	0.285	0.59	October 1, 2026
Wuilian Mauco Chief Midstream and Downstream Officer and Director	Options	100,000	April 14, 2021	0.24	0.24	0.59	April 14, 2026
		200,000	October 1, 2021	0.30	0.285	0.59	October 1, 2026
Humberto Calderón Berti Director	Options	300,000	October 1, 2021	0.30	0.285	0.59	October 1, 2026
Greg Bay Director	Options	200,000	October 1, 2021	0.30	0.285	0.59	October 1, 2026
Krishna Vathyam Former Director	Options	100,000	April 14, 2021	0.24	0.24	0.59	April 14, 2026

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, 2022:

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 Chairman and Chief Executive Officer	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Wade Felesky President and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Mario Miranda Chief Financial Officer	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>Chief Midstream and Downstream Officer and Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Humberto Calderón Berti <i>Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Greg Bay <i>Director</i>	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Krishna Vathyam <i>Former Director</i>	Options	200,000	0.10	August 6, 2021	0.30	0.20	40,000

Stock Option Plans and Other Incentive Plans

The Corporation has two incentive plans: a stock option plan (the “**Option Plan**”) and a restricted share unit and deferred share unit compensation plan (the “**RSU/DSU Plan**”). The Corporation is seeking Shareholder approval of an amendment to the Option Plan and the adoption of the RSU/DSU Plan. The following is a summary of the material terms of the Option Plan and the RSU/DSU Plan.

Option Plan

The Option Plan was previously approved by the Shareholders on September 16, 2021. A copy of the Option Plan, as amended, is attached as Schedule “A” to this Management Information Circular.

The Option Plan is a “rolling” 10% security-based compensation plan that permits the granting of stock options to purchase Common Shares (“**Options**”) to directors, officers, employees and consultants of the Corporation (each, a “**Participant**”). Pursuant to the Option Plan, the Board (or a committee thereof) may grant Options as incentive payments to Participants (each, an “**Optionee**”).

The Option Plan limits the total number of Common Shares that may be issued on exercise of Options outstanding at any time under the Option 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-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 Option 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 Option 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 Option 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 Option 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 Option 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 Option 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 Option Plan specifies the types of amendments to the Option Plan and the Options granted thereunder that can be made by the Board without the approval of the Shareholders. The Option Plan allows the Board to terminate or discontinue the Option 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 Option Plan. The only amendments to the Option 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 Option 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 Option 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 Option Plan;
or
- (f) amend the amendment provisions of the Option Plan.

Pursuant to the Option 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.

Proposed Amendment to the Option Plan

The Corporation wishes to update and amend the Option Plan to include net exercise and cashless exercise provisions. Pursuant to the net exercise and cashless exercise provisions, to the extent permitted by and otherwise subject to the rules and policies of the TSX-V, an Optionee may, in lieu of exercising an Option pursuant to an exercise notice, pay the exercise price for an Option through a cashless exercise process or net exercise process, at the sole discretion of the Board.

An Optionee may, conditional upon approval of the Board, exercise Options in whole or in part by electing, in lieu of making a cash payment of the applicable exercise price, to pay the exercise price pursuant to a cashless exercise whereby the Corporation has an arrangement with a specified brokerage firm and permits such brokerage firm to: (i) loan money to the Optionee to purchase the Common Shares underlying the Options; (ii) sell a sufficient number of Common Shares to cover the aggregate exercise price of the Options in order to repay the loan; and (iii) receive an equivalent number of Common Shares from the exercise of the Options, with the Optionee receiving the balance of the Common Shares.

An Optionee may, conditional upon approval of the Board, in lieu of exercising an Option pursuant to a written notice of exercise, elect to surrender such Option to the Corporation (a “**Net Exercise**”) in

consideration for an amount from the Corporation equal to: (i) the market price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”) by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Net Exercise, and such other information that the Corporation may require. Subject to the provisions of the Option Plan, the Corporation will satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having an aggregate fair market value (based on the market price on the date of exercise) equal to the In-the-Money Amount. Any Options surrendered in connection with a Net Exercise will not be added back to the number of Common Shares reserved for issuance under the Option Plan.

Policy 4.4 of the TSX-V requires the Corporation to obtain Shareholder approval of the amendment to the Option Plan to include the net exercise and cashless exercise provisions. 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 amendment to the Option Plan.

RSU/DSU Plan

The RSU/DSU Plan is a “fixed” 10% security-based compensation plan that permits the granting of restricted share units (“**RSUs**”) and deferred share units (“**DSUs**”). A copy of the RSU/DSU Plan is attached as Schedule “B” to this Management Information Circular.

The following is a summary of the material terms of the RSU/DSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU/DSU Plan and is qualified in its entirety by reference to the full text of the RSU/DSU Plan which is attached as Schedule “B” to this Management Information Circular. Readers are advised to review the full text of the RSU/DSU Plan to fully understand all terms and conditions of the RSU/DSU Plan.

Purpose

The RSU/DSU Plan is intended to provide the Corporation with flexibility in designing various equity-based incentives to be awarded to the directors, employees, consultants and other persons or companies engaged to provide ongoing services to the Corporation and its affiliates, other than persons involved in investor relations activities relating to the Corporation, (each, an “**Eligible Person**”) to recognize and reward their significant contributions to the long-term success of the Corporation and to align their interests more closely with the Shareholders, as well as to bring the Corporation’s compensation policies in line with trends in industry practice. Pursuant to the RSU/DSU Plan, the Board (or a committee thereof) may grant RSUs and DSUs as incentive payments to Eligible Persons (each, a “**Grantee**”). The Board intends to use the awards of RSUs and DSUs (“**Awards**”) as part of the Corporation’s overall compensation plan and as an equity-based compensation mechanism that can minimize Shareholder dilution.

Administration

Under the RSU/DSU Plan, the Board may, at any time, appoint a committee to, among other things, interpret, administer and implement the RSU/DSU Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the RSU/DSU Plan.

Eligibility to Participate

The Board (or a committee thereof) has the authority to designate the persons who are eligible to participate in the RSU/DSU Plan and to grant one or more Awards to Eligible Persons.

Granting of Awards

Subject to the adjustment provisions provided for in the RSU/DSU Plan and applicable rules and regulations of all regulatory authorities to which the Corporation is subject (including the TSX-V), the maximum aggregate number of Common Shares that may be reserved for issuance in connection with the Awards granted under the RSU/DSU Plan is 12,008,700, which represents 10% of the number of issued and outstanding Common Shares as at the date of approval of the RSU/DSU Plan by the Board.

If any Award is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Common Shares reserved for issue pursuant to such Award will, upon cancellation of such Awards, revert to the RSU/DSU Plan and will be available for other Awards. Any Award that is settled through the issuance of Common Shares from treasury shall not be considered cancelled, and that number of Shares issued shall not be available for other Awards.

The issue of Awards to Grantees is subject to, among other things, the following restrictions:

- (a) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to any one Eligible Person within a 12-month period may not exceed in the aggregate 5% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Corporation has received disinterested Shareholder approval;
- (b) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to all insiders of the Corporation (as defined by applicable Canadian securities laws) shall not exceed 10% of the number of Common Shares issued and outstanding on a non-diluted basis at any point in time unless the Corporation has received disinterested Shareholder approval;
- (c) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to all insiders of the Corporation (as defined by applicable Canadian securities laws) within a 12-month period may not exceed in the aggregate 10% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Corporation has received disinterested Shareholder approval; and
- (d) the number of Common Shares which may be reserved for issued pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation, including the Option Plan, to any one consultant in any

12-month period may not exceed 2% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award.

Vesting of RSUs

The Board may determine the vesting schedule of any RSUs at the time of grant. Notwithstanding such determination and provided that no RSUs may vest within one year of the date of grant except in the event of the death of the Grantee or if the Grantee ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction, in the event that the Grantee ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), upon the death of the Grantee, in the case of eligible retirement of the Grantee, in the case of total Disability of the Grantee or in the case of termination without cause of the Grantee by the Corporation (each, an “**Accelerated Vesting Event**”), the Grantee’s non-vested RSUs will (i) in the case of a Change of Control (as such term is defined in the RSU/DSU Plan), eligible retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or (ii) in the case of total disability being the Accelerated Vesting Event, vest within 60 days following the date on which the Grantee is determined to be totally disabled.

If the Grantee’s employment with the Corporation is terminated for any reason whatsoever other than death, total disability, eligible retirement or termination without cause by the Corporation, subject to the provisions of the RSU/DSU Plan governing a Change of Control (as such term is defined in the RSU/DSU Plan), any non-vested RSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Corporation or is otherwise terminated by the Corporation for cause, all non-vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

The term of RSUs shall be determined by the Board on the date of the award of RSUs, provided that the term shall not exceed ten years from the date the RSUs are awarded. Each RSU outstanding and all rights thereunder shall expire at the expiry time determined by the Board, subject to earlier termination in accordance with the RSU/DSU Plan.

Vesting of DSUs

The Board may determine the vesting schedule of any DSUs at the time of grant. Notwithstanding such determination, no DSUs may vest within one year of the date of grant except in the event of the death of the Grantee or if the Grantee ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction.

If the Grantee’s employment with the Corporation is terminated for any reason whatsoever other than death, total disability, eligible retirement or termination without cause by the Corporation, subject to the provisions of the RSU/DSU Plan governing a Change of Control (as such term is defined in the RSU/DSU Plan), any non-vested DSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Corporation or is otherwise terminated by the Corporation for cause, all non-vested DSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

Subject to the above, in the event of a Change of Control (as such term is defined in the RSU/DSU Plan), all non-vested DSUs of the Grantee will immediately become 100% vested.

Settlement of RSUs and DSUs

Payment to the Grantee to settle vested RSUs and DSUs will be made in respect of the number of vested RSUs and DSUs recorded in the Grantee's notional account (rounded down to the nearest whole number) in the form of (i) fully paid and non-assessable Common Shares issued from treasury, (ii) Common Shares purchased in the open market, (iii) a cash equivalent, or (iv) a combination of (i), (ii) and (iii). The decision as to the mode of payment shall be made by the Board in its sole discretion.

Vested RSUs will be settled as soon as reasonably practicable following the vesting thereof and in any event within 30 days thereof, but in no event later than December 31 of the third calendar year following the year in which the services giving rise to the Award were rendered. Vested DSUs will be settled as soon as reasonably practicable following the eligible retirement of a Grantee, the death of a Grantee or the time the Grantee otherwise ceases to hold office, and in any event within 30 days thereof. Notwithstanding any other provision of the RSU/DSU Plan, all amounts payable to, or in respect of a Grantee in respect of DSUs including, without limitation, the delivery of Common Shares, shall not be made prior to the date the Grantee ceases to be an Eligible Person and shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the date the Grantee ceases to be an Eligible Person.

The settlement of Awards will be subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of the RSU/DSU Plan.

Transferability

Awards granted under the RSU/DSU Plan are non-transferable and non-assignable except upon the death of a Grantee.

Amendment and Termination of RSU/DSU Plan

The RSU/DSU Plan allows the Board to suspend or terminate the RSU/DSU Plan at any time. Subject to the terms of the RSU/DSU Plan and any applicable requirements of the TSX-V, the Board has the right at any time to amend the RSU/DSU Plan, provided that the requisite Shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, Shareholder approval is not required for the amendments set out below:

- (a) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
- (b) amendments necessary to comply with the provisions of applicable law and the applicable rules of the TSX-V;
- (c) amendments necessary in order for the Awards to qualify for favourable treatment under the *Income Tax Act* (Canada) or under the United States Internal Revenue Code;
- (d) amendments respecting administration of the RSU/DSU Plan; and

- (e) any other amendment, whether fundamental or otherwise, not requiring Shareholder approval under applicable law or the rules of the TSX-V.

Adjustments

Appropriate adjustments to the RSU/DSU Plan and to Awards granted thereunder will be made by the Corporation to give effect to adjustments in the number and type of Common Shares (or other securities or other property) resulting from subdivisions, consolidations, substitutions, or reclassifications of Common Shares, payment of stock dividends or other prescribed changes in the Corporation's capital. Any such adjustment other than a Common Share consolidation or Common Share split shall be subject to approval of the TSX-V. In the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results in a Change of Control (as such term is defined in the RSU/DSU Plan), the Board may take whatever action with respect to the Awards outstanding that it deems necessary or desirable including accelerating the vesting date of Awards to the date which is immediately preceding the change of control. If approved by the Board prior to or within 30 days after such time as a Change of Control (as such term is defined in the RSU/DSU Plan) is deemed to have occurred, the Board has the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Common Shares.

Employment, Consulting and Management Agreements

Executive Employment Agreements

Each of the NEOs and Mr. Ostos and Mr. Mauco (each, an "**Executive**") is a party to an executive employment agreement with the Corporation:

- Mr. Arata provides services as CEO pursuant to Mr. Arata's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$250,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices.
- Mr. Felesky provides services as President pursuant to Mr. Felesky's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$250,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices.
- Mr. Miranda provides services as CFO pursuant to Mr. Miranda's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$120,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices.
- Mr. Ostos provides services as Chief Geoscience Officer pursuant to Mr. Ostos's executive employment agreement with the Corporation, effective July 1, 2021, which provides for an annual salary of US\$250,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices.
- Mr. Mauco provides services as Chief Midstream & Downstream Officer pursuant to Mr. Mauco's executive employment agreement with the Corporation, effective February 1, 2022, which provides for an annual salary of US\$220,000, less statutory deductions, payable in accordance with the Corporation's usual payroll practices.

(collectively, the “**Employment Agreements**”)

Pursuant to the Employment Agreements, each of the NEOs is also eligible to participate in the Corporation’s bonus program, benefit plan and long-term incentive plan or plans, each as may be amended from time to time.

Each of the Employment Agreements continues for an indefinite term, until terminated either:

(a) by the Executive:

- (i) at any time and for any reason by providing a minimum of 30 days’ advance written notice to the Corporation; or
- (ii) by providing 30 days’ advance written notice to the Corporation within 90 days following a change of control (“**Change of Control Notice**”). Upon receipt of a Change of Control Notice by the Corporation and subject to the expiry of the 30 days’ written notice, the Executive shall be entitled to receive the following payments within ten business days of the expiry of such written notice period:
 - A. payment of any remuneration that has accrued and is unpaid up to the date of termination (the “**Termination Date**”);
 - B. payment of earned but unpaid bonus amounts;
 - C. all accrued vacation pay and reimbursable expenses owing up to and including the Termination Date; and
 - D. a lump sum payment representing: (1) the Executive’s salary as at the time of the termination for a period of 24 months (the “**Severance Period Salary**”); and (2) an additional amount equal to 15% of the Severance Period Salary to compensate the Executive for the loss of eligibility for bonuses and benefits,

A, B, C and D collectively, the “**Termination Payments**”; or

(b) by the Corporation:

- (i) for just cause at any time, without notice and without any payment to the Executive whatsoever; or
- (ii) without just cause at any time by providing written notice of the Termination Date to the Executive, and in such event the Corporation shall pay the Executive the Termination Payments within 10 business days of the Termination Date.

Independent Consultant Agreement

The Corporation is party to an independent consultant agreement with Mr. Calderón Berti, effective December 1, 2021 (the “**Consultant Agreement**”) pursuant to which Mr. Calderón Berti provides advisory services to the Corporation. The Consultant Agreement provides for a one-time incentive fee of US\$18,000 (\$22,688) in connection with entering into the Consultant Agreement and payments of US\$4,000 per month thereafter (the “**Fees**”) in exchange for his provision of the advisory services. The Fees are paid to Mr.

Calderón Berti in U.S. dollars and have been converted into Canadian dollars using the applicable CAD/USD exchange rate at the time of payment for the purposes of this Statement of Executive Compensation.

The term of the Consultant Agreement terminates on December 31, 2022, unless earlier terminated in accordance with the Consultant Agreement:

- (a) for just cause, in which case Mr. Calderón Berti will be provided with payment of accrued Fees up to the date of such termination (and will have no entitlement to any additional notice or payment of any additional Fees);
- (b) by the Corporation without just cause upon providing Mr. Calderón Berti one week's written notice and payment of accrued Fees up to the date of such termination (with no entitlement to any further payments or any additional Fees); or
- (c) by Mr. Calderón Berti by providing one week's written notice to the Company, in which case Mr. Calderón Berti shall be provided payment of accrued Fees up to the date of such termination.

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 Options under the Option 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. Therefore, a significant portion of total compensation granted by the Corporation, being the grant of 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	9,390,000	\$0.21	944,226
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	9,390,000	\$0.21	944,226

Note:

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Option Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. As at March 31, 2022, the number of Common Shares issued and outstanding was 103,342,265. As at the Effective Date, the Corporation had 120,087,004 Common Shares and 8,505,000 Options issued and outstanding, leaving 3,503,700 Common Shares remaining available for issuance under the Option Plan. The aggregate number of Common Shares that may be reserved for issuance in connection with the Awards granted under the RSU/DSU Plan is 12,008,700 (being 10% of the issued and outstanding Common Shares as at September 16, 2022). As at the Effective Date, the Corporation had 12,008,700 Common Shares available for issuance under the RSU/DSU Plan, subject to receipt of all necessary approvals.

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 Charter

The text of the Audit Committee's charter is attached as Schedule "C" to this Management Information Circular.

Audit Committee Composition

As at the Effective Date, the members of the Audit Committee are as follows:

Wuilian Mauco ⁽²⁾	Not 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 – *Audit Committees* ("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 auditor, 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.

Wuilian Mauco

Mr. Mauco is an engineer with specialization studies in management and executive development at Harvard Business School, the Wharton School of University of Pennsylvania, Southern Methodist University and the Fuqua School of Business of Duke University. In Refining and Trading, Mr. Mauco attended specialization seminars at the College of Petroleum Studies of Oxford and the International Institute for Management Development (IMD) at Lausanne. During his professional career, Mr. Mauco has been a member of the board of several oil companies and member of numerous executive committees with technical and financial responsibilities and corporate plans, projects, and budget approvals.

Wade Felesky

Mr. Felesky has over 25 years of investment banking, financing and business experience and has advised and acted for both domestic and international issuers. He holds a Bachelor of Business Administration degree from Bishop's University and a Master of Business Administration degree from the Rotman School

of Management at the University of Toronto. Mr. Felesky was previously the Head of Oil & Gas Investment Banking at Laurentian Bank and before that, was Co-Head of Energy Investment Banking at GMP Securities L.P. Mr. Felesky is also the Chairman of the board of directors of Zedcor Inc.

Greg Bay

Mr. Bay has over 25 years of experience in the investment industry with a focus on the oil and gas sector. He obtained his Chartered Financial Analyst designation in 1988 and also holds a Bachelor of Commerce degree from Brigham Young University. Mr. Bay has been the Founding Partner and Managing Partner of Cypress Capital Management Ltd., an investment management firm, since 1998. Mr. Bay also serves on the board of directors of Gear Energy Ltd., White Owl Energy Services Ltd. and Broadview Energy Ltd.

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.

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.

On February 1, 2022, Mr. Mauco became an employee of the Corporation upon his appointment as Chief Midstream and Downstream Officer of the Corporation and as a result, a majority of the members of the Audit Committee, being Mr. Mauco and Mr. Felesky, are executive officers of the Corporation. The Corporation is relying on the exemption in subsection 6.1.1(4) of NI 52-110 (Circumstances Affecting the Business or Operations of the Venture Issuer) in respect of Mr. Mauco's appointment as an officer and employment with the Corporation. The Corporation will cease to rely on such exemption upon the reconstitution of the Audit Committee.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditor in each of the last two financial 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⁾
2022	\$425,000	Nil	\$20,000	Nil
2021	\$63,700	Nil	\$8,560	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 six members: Jose Francisco Arata, Wade Felesky, Marino Ostos, Wuilian Mauco, Humberto Calderón Berti and Greg Bay. All of the directors are being nominated for re-election at the Meeting.

Greg Bay is an independent director of the Corporation. Mr. Bay has no ongoing interest or relationship with the Corporation other than his security holdings in the Corporation and serving as a director.

Each of Jose Francisco Arata, the CEO of the Corporation, Wade Felesky, the President of the Corporation, Marino Ostos, the Chief Geoscience Officer of the Corporation, and Wuilian Mauco, the Chief Midstream and Downstream Officer of the Corporation, are members of management and, as a result, are not independent directors. Pursuant to applicable securities laws, Humberto Calderón Berti is considered not to be an independent director by virtue of the amount of compensation Mr. Calderón Berti received during the last fiscal year.

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. Arata joined the board of TSX-V listed company Western Atlas Resources Ltd. on August 12, 2017 and joined the board of TSX-V listed company Unigold Inc. on May 26, 2022. Mr. Arata continues to serve on each 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. 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. 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. Refer to the disclosure under the heading “*Audit Committee*” for information relating to the Audit Committee, including its mandate and composition and fees paid to the Corporation’s auditor.

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.

1. Report and Financial Statements

The audited financial statements of the Corporation for the financial years ended March 31, 2022 and 2021 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.

2. Fix Number of Directors to be Elected at the Meeting

The Shareholders 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 the 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).**

3. 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 the board of Western Atlas Resources Ltd. and of various private companies.</p>	<p>5,585,381 (4.65%)</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>1,079,377 (0.90%)</p>
<p>Marino Ostos</p> <p>Bogotá, Colombia</p> <p>Chief Geoscience Officer and Director</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</p>	<p>5,515,381 (4.59%)</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⁾
Director since May 4, 2017	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>Wuilian Mauco⁽¹⁾</p> <p>Panama City, Panama</p> <p>Chief Midstream and Downstream Officer and 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. In the period from 1998 to 2000, Mr. Mauco was International Trading Director of Petróleos de Venezuela, S.A. ("PDVSA") and a member of the board of Deltaven, CVP (Corporacion Venezolana del Petroleo), Nynas, Isla Refinery and Bonaire Petroleum Corporation. From 2001 until 2007, Mr. Mauco was Vice President of Business Development of several US companies and from 2008, VP of Trading of Pacific Rubiales Energy. In 2016, Mr. Mauco founded Vision Energy Consultants where he is a consultant in the development of downstream oil business in Latin America.</p>	<p>6,028,906 (5.02%)</p>
<p>Humberto Calderón Berti</p> <p>Madrid, Spain</p> <p>Director</p> <p>Director since June 2, 2021</p>	<p>Mr. Calderón 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>Mr. Bay has been the Founding Partner and Managing Partner of Cypress Capital Management Ltd., an investment management firm, since 1998. Mr. Bay is also a director of Gear Energy Ltd., White Owl Energy Services Ltd. and Broadview Energy Ltd.</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 120,087,004 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.

4. Appointment of Auditor

The Shareholders 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.

5. Amendment of Stock Option Plan

The Corporation is proposing to amend the Option Plan to include provisions providing for the net exercise and cashless exercise of Options at the sole discretion of the Board. A copy of the Option Plan, as amended, is attached 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 (the “**Plan**”) be amended to include provisions providing for the net exercise and cashless exercise of options issued pursuant to the Plan, at the sole discretion of the Board;
- (b) the Plan, as amended, in substantially the form attached as Schedule “A” to the management information circular of the Corporation dated September 16, 2022 be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;
- (c) 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;
- (d) all issued and outstanding stock options previously granted are hereby continued under and governed by the Plan;
- (e) 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
- (f) 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 Option 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.

6. Approval of RSU/DSU Plan

The Corporation is proposing to approve the RSU/DSU Plan of the Corporation. A copy of the RSU/DSU Plan is attached as Schedule “B” to this Management Information Circular.

The implementation of the RSU/DSU Plan is intended to provide the Corporation with flexibility in designing various equity-based incentives to be awarded to the directors, employees, consultants and other persons or companies engaged to provide ongoing services to the Corporation and its affiliates, other than persons involved in investor relations activities relating to the Corporation, to recognize and reward their significant contributions to the long-term success of the Corporation and to align their interests more closely with the Shareholders, as well as to bring the Corporation’s compensation policies in line with trends in industry practice. The Board intends to use the Awards as part of the Corporation’s overall compensation plan and as an equity-based compensation mechanism that can minimize Shareholder dilution. The maximum aggregate number of Common Shares that may be reserved for issuance in connection with the Awards granted under the RSU/DSU Plan is 12,008,700.

Refer to the disclosure under the heading “*Stock Option Plans and Other Incentive Plans – RSU/DSU Plan*” for a more detailed summary of the RSU/DSU Plan. The summary provided is qualified in its entirety by reference to the full text of the RSU/DSU Plan which is attached as Schedule “B” to this Management

Information Circular. The RSU/DSU Plan remains subject to the policies of the TSX-V and receiving the requisite Shareholder approval.

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 restricted share unit and deferred share unit compensation plan of the Corporation (the **“RSU/DSU Plan”**), substantially in the form attached as Schedule “B” to the management information circular of the Corporation dated September 16, 2022, be and is hereby ratified, approved and adopted as the restricted share unit plan of the Corporation;
- (b) the form of the RSU/DSU 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) 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
- (d) 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 RSU/DSU 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 Shareholders. All special resolutions, if any, to be brought before the Meeting require, for the passing of the same, a 66⅔% majority of the votes cast at the Meeting by the Shareholders. 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 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 September, 2022.

SCHEDULE "A"

OPTION PLAN

(See attached)

**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 Corporations 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 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 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 16 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, restricted share unit plan, deferred share unit plan, or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to directors, 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. EXERCISE OF OPTION

- (a) Manner of Exercise. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office, or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased by certified cheque, bank draft or wire transfer.

- (b) Cashless Exercise. Subject to paragraph 8(d) and the approval of the Board, which approval is at the sole discretion of the Board, an optionee (other than an optionee who is performing Investor Relations Activities (as such term is defined in the policies of the TSX Venture Exchange (the “**TSX-V**”))) may choose to undertake a “cashless exercise” with the assistance of a brokerage firm with which the Corporation has an arrangement, if any, in order to facilitate the exercise of such optionee’s Option. The “cashless exercise” procedure, if permitted by the Board, shall include the following:
- (i) the brokerage firm will loan money to an optionee to purchase the Shares in respect of which the Option is being exercised;
 - (ii) the brokerage firm will then sell a sufficient number of Shares to cover the aggregate exercise price for the applicable exercise of the Option in order to repay the loan made to the optionee; and
 - (iii) the brokerage firm will receive an equivalent number of Shares from the exercise by the optionee of the Option, and the optionee will then receive the balance of the Shares in respect of which the Option is being exercised or the cash proceeds from the balance of such Shares.

For greater certainty, the Corporation is not obligated to permit, facilitate or enable a “cashless exercise” of any Option or to enter into or maintain an arrangement with any brokerage firm. Whether an Option may be exercised on a “cashless exercise” basis is at the sole discretion of the Board.

- (c) Net Exercise. Subject to paragraph 8(d) and the approval of the Board, which approval is at the sole discretion of the Board, an optionee may choose to undertake a “net exercise” pursuant to which an optionee shall receive only the number of Shares that is equal to the quotient obtained by dividing:
- (i) the product of (A) the number of Shares in respect of which the Option is being exercised, multiplied by (B) the difference between the VWAP (as defined herein) of the Shares in respect of which the Option is being exercised and the exercise price of the subject Option; by
 - (ii) the VWAP of the Shares in respect of which the Option is being exercised.

“**VWAP**” means the volume weighted average trading price of the Shares on the TSX-V, or such other Exchange on which the Corporation’s Shares may be trading, calculated by dividing the total value by the total volume of Shares traded for the five trading days immediately preceding the exercise of the subject Option. Where appropriate, the TSX-V may exclude internal crosses and certain other special terms trades from the calculation.

For greater certainty, the Corporation is not obligated to permit, facilitate or enable a “net exercise” of any Option. Whether an Option may be exercised on a “net exercise” basis is at the sole discretion of the Board.

- (d) Notwithstanding any other provision of this Plan:
- (i) the “cashless exercise” and “net exercise” provisions contained in paragraphs 8(b) and 8(c), respectively, shall at all times be subject to the policies of the Exchange; and

- (ii) an Option held by an optionee performing Investor Relations Activities (as such term is defined in the policies of the TSX-V) may not be exercised on a “cashless exercise” or “net exercise” basis.

9. 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 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 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 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.

10. 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 12 and 13, 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-V, the maximum term may not exceed 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.

11. 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 12 and 13 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. In the event of a Change of Control and notwithstanding any other vesting or other restrictions or conditions, the Board may take whatever action with respect to the Options outstanding that it deems necessary or desirable, including any acceleration of vesting of any or all of the Options which shall be deemed to occur immediately prior to the Change of Control.
- (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 12 and 13, 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.

“Change of Control” has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSX-V.

12. 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 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.

13. DEATH OF PARTICIPANT

Notwithstanding Section 12, 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.

14. 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.

15. 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.

16. 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, appropriate adjustments relating to the number or kind of shares optioned or issued on exercise of Options, or the exercise price per share as set forth in the respective stock option agreements, may be made by the Board in its discretion to preserve the value of the option in relation to such events.

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.

17. 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.

18. 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 an 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.

19. 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 10 or paragraph 12 above);
- (c) amend the limitations on the maximum number of Shares reserved or issued to Insiders under paragraphs 9(a)(ii) and 9(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 19.

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.

20. 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 the TSX-V or any other 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.

21. 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.

22. INTERPRETATION

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

23. GOVERNING LAW

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

SCHEDULE "B"

RSU/DSU PLAN

(See attached)

NEW STRATUS ENERGY INC.
(the “Issuer”)

**RESTRICTED SHARE UNIT AND
DEFERRED SHARE UNIT COMPENSATION PLAN**

1. Purpose

- (a) **Background.** The Issuer currently has in place the Stock Option Plan pursuant to which Options may be granted to purchase Shares. Subject to section 14 hereof, the Issuer now also adopts this RSU/DSU Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Issuer with flexibility in designing various equity-based compensation arrangements for the Directors, Employees, Consultants and other Persons engaged to provide ongoing services to the Issuer and its Affiliates, other than Persons involved in Investor Relations Activities relating to the Issuer. The Issuer represents that Employees, Consultants or Management Company Employees who are granted Awards under this RSU/DSU Plan will be bona fide Employees, Consultants or Management Company Employees at the time of grant. Section 14 hereof sets forth the provisions concerning the effective date of the RSU/DSU Plan, its termination and its application to the existing and continuing Stock Option Plan.
- (b) **Purpose.** The purpose of this RSU/DSU Plan is to advance the interests of the Issuer by encouraging Directors, Employees and Consultants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such Persons in the Issuer, (ii) aligning the interests of such Persons with the interests of the Issuer’s shareholders generally, (iii) encouraging such Persons to remain associated with the Issuer, and (iv) furnishing such Persons with additional incentive in their efforts on behalf of the Issuer. The Board also contemplates that through the RSU/DSU Plan, the Issuer will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Issuer.

2. Definitions

For purposes of this RSU/DSU Plan, the following terms shall have the meaning set forth below:

- (a) **“Act”** means the *Business Corporations Act* (Alberta), or its successor, as amended, from time to time.
- (b) **“Affiliate”** has the meaning ascribed to that term in section 2 of Policy 1.1 of the TSXV.
- (c) **“Associate”** has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (d) **“Awards”** means, collectively, Restricted Share Units and Deferred Share Units.
- (e) **“Board”** means the board of directors of the Issuer.
- (f) **“Cash Equivalent”** means the Fair Market Value multiplied by the number of vested Awards in the Participant’s notional account on the settlement date of the applicable Awards.
- (g) **“Change of Control”** has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.

- (h) **“Committee”** means the Board, or if the Board so determines in connection with section 3 hereof, the committee of the Board authorized to administer the RSU/DSU Plan, which shall consist of not less than three (3) members of the Board.
- (i) **“Company”** means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (j) **“Consultant”** means an individual (other than an Employee or a Director) or Company, that:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Issuer or an Affiliate of the Issuer and the individual or the Issuer, as the case may be;
 - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and
 - (iv) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (k) **“Control”** means, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.
- (l) **“Deferred Share Units”** means a right designated as a “deferred share unit”, granted in accordance with section 6 hereof, to receive Shares or the Cash Equivalent thereof in accordance with the terms set forth herein.
- (m) **“Director”** means a director, senior officer or Management Company Employee of the Issuer, or a director, senior officer or Management Company Employees of the Issuer’s subsidiaries.
- (n) **“Disability”** means a physical injury or mental incapacity of a nature which the Committee determines prevents or would prevent the Grantee from satisfactorily performing the substantial and material duties of his or her position with the Issuer.
- (o) **“Disinterested Shareholder Approval”** means that the proposal must be approved by a majority of the votes cast at the shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom Shares may be issued pursuant to this RSU/DSU Plan.
- (p) **“Effective Date”** means the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Granting Authority determines an Award shall be made and, unless otherwise specified by the Granting Authority, the Effective Date will be the date the Granting Authority determines an Award shall be made.
- (q) **“Eligible Person”** means, from time to time, any Director or Employee of the Issuer or an Affiliate of the Issuer, any Consultant and any Permitted Assign, other than Persons involved in Investor Relations Activities relating to the Issuer.

- (r) **“Eligible Retirement”** means, if determined by the Granting Authority in its sole discretion, termination of service, under circumstances as shall constitute retirement for age as determined by the Granting Authority or in accordance with the written policies established by the Granting Authority as they may be amended or revised from time to time.
- (s) **“Employees”** means:
- (i) an individual who is considered an employee under the ITA (such as an individual for whom income tax, employment insurance and Canadian Pension Plan deductions must be made at the source) of the Issuer or any Affiliate;
 - (ii) an individual who works full-time for the Issuer or any Affiliate thereof providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source; or
 - (iii) an individual who works for the Issuer or any Affiliate thereof on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source.
- (t) **“Exchange”** means the TSXV or such other stock exchange where the Shares are listed for trading as at the relevant time.
- (u) **“Fair Market Value”** means, as of any date, the value of a Share determined as follows: (i) if the Shares are listed and posted for trading on the TSXV, the volume weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding such date; (ii) if the Shares are not listed and posted for trading on the TSXV, but are listed and posted for trading on another Exchange, the closing sales price for such Shares as quoted on such Exchange for the last trading day prior to such date, or if no such sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in such source the Board deems reliable; (iii) if the Shares are not listed and posted for trading on any Exchange, but are quoted on a national market or other quotation system, the closing sales price for such Shares for the last trading day prior to such date, or if no such sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in such source the Board deems reliable; and (iv) if there is no established market for the Shares, such value as determined by the Board in its sole discretion.
- (v) **“Grant Date”** means the date on which an Award is granted to a Participant.
- (w) **“Granting Authority”** means the Board, the Committee or other committee, as applicable, that is charged with exercising the powers and responsibility as to a specific matter in question affecting this RSU/DSU Plan or an Award.
- (x) **“Insiders”** has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (y) **“Issuer”** means New Stratus Energy Inc., a corporation existing under the Act, and includes any successor corporation thereof.

- (z) **“Investor Relations Activities”** has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (aa) **“ITA”** means the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time.
- (bb) **“Management Company Employee”** means an individual employed by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person involved in Investor Relations Activities relating to the Issuer.
- (cc) **“Option”** means an option granted in accordance with the terms of the Stock Option Plan to purchase a Share.
- (dd) **“Participants”** or **“Grantees”** means those individuals to whom Awards have been granted from time to time under the RSU/DSU Plan.
- (ee) **“Permitted Assign”** means for a person that is an Employee, Director or Consultant of the Issuer or any of its Affiliates, a holding entity (as defined in National Instrument 45-106) of the person or a registered retirement savings plan, registered retirement income fund, or tax-free savings account of the Person.
- (ff) **“Person”** means a Company or an individual.
- (gg) **“Restricted Period”** means the period established by the Granting Authority with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant (including as a result of a blackout period applicable to the Participant).
- (hh) **“Restricted Share Unit”** means a right designated as a “restricted share unit”, granted in accordance with section 6 hereof, to receive Shares or the Cash Equivalent thereof in accordance with the terms set forth herein.
- (ii) **“RSU/DSU Plan”** means this Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended and restated from time to time.
- (jj) **“Shareholder Approval Date”** means the date on which this RSU/DSU Plan is approved by the shareholders of the Issuer.
- (kk) **“Shares”** means the common shares of the Issuer, as adjusted in accordance with the provisions of section 9 hereof.
- (ll) **“Stock Option Plan”** means the Issuer’s stock option plan as it exists on the date hereof and as may be amended from time to time.
- (mm) **“Termination”** means: (i) in the case of an Employee, the termination of the employment of the Employee with or without cause by the Issuer or an Affiliate or the cessation of employment of the Employee with the Issuer or an Affiliate, other than the Eligible Retirement, of the Employee; and (ii) in the case of a Consultant, the termination of the services of the Consultant by the Issuer or any Affiliate.
- (nn) **“TSXV”** means the TSX Venture Exchange.
- (oo) **“TSXV Hold Period”** means the day that is four months and one day after the date of granting of the Award.

- (pp) **“Vested” or “Vesting”** means, with respect to an Award, that the applicable conditions established by the Granting Authority or this RSU/DSU Plan have been satisfied or, to the extent permitted under the RSU/DSU Plan, waived, whether or not the Participant’s rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

3. Administration

- (a) **Powers of the Board and the Committee.** Subject to and consistent with the terms of the RSU/DSU Plan, applicable law and applicable rules of the Exchange, and subject to the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Board will have the general power to administer the RSU/DSU Plan in accordance with its terms (including all powers specified in clause 3(a)(ii) hereof) and make all determinations required or permitted to be made, provided, however, that the Board may delegate all or any portion of such powers to the Committee or to other committees and provided, further, that with respect to Awards of the Issuer’s executive officers, the Committee shall have such powers as are set forth in clause 3(a)(i) hereof.

- (i) **Specific Provisions Concerning Delegation of Authority to the Committee.** In addition to any authority of the Committee specified under any other terms of the RSU/DSU Plan, and notwithstanding any other provision herein to the contrary, insofar as Awards under the RSU/DSU Plan are to be made to executive officers, the Committee will make recommendations to the Board with respect to Awards.

The foregoing shall not limit the Board in delegating any other powers to the Committee or in delegating any or all determinations or other powers with respect to certain types of Awards, including the full power to make Awards and to exercise the other powers set forth in clause 3(a)(ii) hereof and the other powers granted herein to the Granting Authority.

- (ii) **Specific Powers of the Granting Authority.** Without limiting the lead-in paragraph of subsection 3(a) hereof, the powers of the Granting Authority shall include the powers to, subject to subsection 10(c) hereof:

- (1) interpret the RSU/DSU Plan and instruments of grant evidencing the Awards;
- (2) prescribe, amend and rescind such procedures and policies, and make all determinations it deems necessary or desirable for the administration and interpretation of the RSU/DSU Plan and instruments of grant evidencing Awards;
- (3) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related instrument of grant;
- (4) determine the terms and conditions of Awards granted to any Participant, including, without limitation, and subject always to the RSU/DSU Plan (1) subject to subsection 4(b) and 4(c), the type, and number of Shares subject to an Award, (2) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or instalment Vesting, and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Granting Authority, (3) the circumstances upon which an Award or any portion thereof shall be forfeited, be cancelled or expire, (4) the

consequences of a Termination with respect to an Award, (5) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (6) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;

- (5) set forms of consideration, if any, to be paid with respect to the settlement of an Award (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
- (6) determine whether and the extent to which any conditions applicable to Vesting of an Award have been satisfied or shall be waived or modified;
- (7) amend the terms of any instrument of grant or other documents evidencing Awards; provided, however, that subject to subsection 5(d) hereof, no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with respect to such Award in any material respect;
- (8) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants; and
- (9) determine whether and the extent to which adjustments shall be made pursuant to section 9 hereof and the terms of any such adjustments.

However, the Granting Authority shall not have any discretion under this subsection 3(a) or any other provisions of the RSU/DSU Plan that would modify the terms or conditions of any Award that is intended to be exempt from the definition of "salary deferral arrangement" in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt. The Granting Authority will also exercise its discretion in good faith in accordance with the Issuer's intention that the terms of the Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the rules of the Exchange.

- (b) **Effects of Granting Authority's Decision.** Any action taken, interpretation or determination made, or any rule or regulation adopted by the Granting Authority pursuant to this RSU/DSU Plan shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Issuer, any of its Affiliates, any Grantee, holder or beneficiary of an Award, any shareholder and any Eligible Person.
- (c) **Liability Limitation and Indemnification.** No member of the Granting Authority or the Board generally shall be liable for any action or determination made in good faith pursuant to the RSU/DSU Plan or any instrument of grant evidencing any Award granted under the RSU/DSU Plan. To the fullest extent permitted by law, the Issuer shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the RSU/DSU Plan by reason of the fact that such Person is or was a member of the Granting Authority or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.
- (d) **Delegation and Administration.** The Granting Authority may, in its discretion, delegate such of its powers, rights and duties under the RSU/DSU Plan, as it may determine, from time to time, on terms and conditions as it may determine, except the Granting Authority shall not, and shall not be permitted to, delegate any such powers, rights or duties: (i) with

respect to the grant, amendment, administration or settlement of any Award of a Participant, or (ii) with respect to any matter that would be in violation of applicable law or the rules of any Exchange. The Granting Authority may also appoint or engage a trustee, custodian or administrator to administer and implement the RSU/DSU Plan or any aspect of it, subject to the exception of the immediately preceding sentence hereof.

4. Shares Subject to the Plan

- (a) **Aggregate Plan Limits.** Subject to adjustment pursuant to section 9 hereof, the maximum aggregate number of Shares that may be reserved for issue at any given time in connection with the Awards granted under this RSU/DSU Plan (including any Shares reserved for issue under this RSU/DSU Plan on account of additional Awards credited to Participants in respect of dividend equivalents under Section 6(f)) shall not exceed 12,008,700 Shares (being 10% of the issued and outstanding Shares as at September 16, 2022, the date on which the Board approved this RSU/DSU Plan) unless Disinterested Shareholder Approval for an additional listing of Shares under this RSU/DSU Plan has been obtained.
- (b) **Certain Additional Limits.** Notwithstanding anything to the contrary in this RSU/DSU Plan, as long as the Shares are listed on the TSXV:
- (i) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Person within a 12 month period shall not exceed in the aggregate 5% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval;
 - (ii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders shall not exceed 10% of the number of Shares issued and outstanding on a non-diluted basis at any point in time unless the Issuer has received Disinterested Shareholder Approval;
 - (iii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders within a 12 month period shall not exceed in the aggregate 10% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval; and
 - (iv) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with those Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Consultant in any 12 month period shall not exceed 2% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date.

For the purposes of determining compliance with the above restrictions, the Granting Authority will take into account Shares reserved or issued pursuant to Options together with Shares reserved or issued pursuant to all of the Issuer's security-based compensation arrangements (including this RSU/DSU Plan and including any Shares reserved for issue under this RSU/DSU Plan on account of additional Awards credited to Participants in respect of dividend equivalents under Section 6(f)) to the extent required by applicable law and applicable rules of the TSXV.

- (c) **Source of Shares.** Except as expressly provided in the RSU/DSU Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards may be authorized but unissued Shares, Shares purchased in the open-market or in private transactions. The Board shall take such action as may be necessary to authorize and reserve for issue from unissued Shares such number of Shares as may be necessary to permit the Issuer to meet its obligations under the RSU/DSU Plan, provided, however, that the Issuer may satisfy its obligations from treasury shares or Shares purchased in the open market or private transactions. Any Shares purchased in open-market transactions by a non-independent trustee or purchasing agent will comply with Section 4.14 of TSXV Policy 4.4 - *Security Based Compensation*.
- (d) **Legends.** In addition to any resale restrictions required under applicable securities laws or the policies of the TSXV, all Awards issued to Insiders and any Shares issued upon the Vesting of the Awards prior to the expiry of the TSXV Hold Period, must be legended as prescribed under the policies of the TSXV with the TSXV Hold Period commencing on the date the Awards were granted.

5. General Provisions Relating to Awards

- (a) **Eligibility.** Awards will be granted only to those Persons who are, at the time of the grant, Eligible Persons. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Granting Authority may grant any Award to which such Person would otherwise be entitled to the Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. The Granting Authority shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.
- (b) **Terms of Grant.** Subject to the other express terms of this RSU/DSU Plan, grants of Awards under the RSU/DSU Plan shall contain such terms and conditions as the Granting Authority may specify. Without limiting the foregoing:
- (i) Each Award granted under the RSU/DSU Plan shall be evidenced by an instrument of grant, in such form or forms as the Granting Authority shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the RSU/DSU Plan as the Granting Authority may determine. Each instrument of grant shall set forth, at a minimum, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Awards and the applicable Vesting conditions, and shall include a representation of the Grantee that they are an Eligible Person. Reference in the RSU/DSU Plan to an instrument of grant shall include any supplements or amendments thereto.
 - (ii) The term of each Award that is a Restricted Share Unit shall be for such period as may be determined by the Granting Authority, provided, however, that in no event shall the term of any Restricted Share Unit exceed a period of 10 years (or such other shorter term as may be required in respect of an Award so that such Award does not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA), subject to extension of such term where such term expires during the Restricted Period, provided that such extension may not be longer than 5 business days after the expiry of the Restricted Period.
 - (iii) The terms, conditions and/or restrictions contained in an Award may differ from terms, conditions and restrictions contained in any other Awards.
 - (iv) The Granting Authority may specify such other terms and conditions, consistent with the terms of the RSU/DSU Plan, as the Granting Authority shall determine or as shall be required under any other provisions of the RSU/DSU Plan. Such terms

may include, without limitation, provisions requiring forfeiture of Awards in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to his or her Award.

- (c) **Vesting Conditions.** Subject to terms of the RSU/DSU Plan, the Granting Authority shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, or any combination of the foregoing, as determined by the Granting Authority.
- (d) **Change of Control.** Unless otherwise provided in the Award or by direction of the Granting Authority as to all or any type of number of Awards, in the event of a Change of Control and notwithstanding any other Vesting or other restrictions or conditions, the Granting Authority may take whatever action with respect to the Awards outstanding that it deems necessary or desirable, including the following:
 - (i) The Granting Authority may waive all restrictions and conditions of all Restricted Share Units and Deferred Share Units then outstanding with the result that those types of Awards shall be deemed satisfied, and the Restricted Period or other limitations on payment in full with respect thereto shall be deemed to have expired, as of the date of the Change of Control or such other date as may be determined by the Granting Authority, provided that, in no event shall a payment be made in respect of a Deferred Share Unit granted to a Participant prior to the date such Participant ceases to be an Employee or Director of the Issuer or of an Affiliate.
 - (ii) Notwithstanding the above provision of this subsection 5(d), but subject to any contractual rights created by the terms of an Award, the Granting Authority shall not be required to take any action described in the preceding provisions, and any decision made by the Granting Authority, in its sole discretion, not to take some or all of the actions described in the preceding provisions shall be final, binding and conclusive with respect to the Issuer and all other interested Persons. Any acceleration of Vesting shall be deemed to have occurred immediately prior to the Change of Control, no matter when the determination of the Granting Authority occurs.
 - (iii) If approved by the Board prior to or within 30 days after such time as a Change of Control shall be deemed to have occurred, the Board shall have at any time the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Shares. Such requirement may be specified in any arrangement relating to such Change of Control transaction to which the Issuer is a party or may be specified in any notice sent by the Issuer, which arrangement or notice may also specify the terms and timing of such settlement. If not so specified, the Board may require settlement at any time within a 30-day period immediately following the date that the Change of Control is deemed to have occurred. The Issuer may require Participants to verify the amount and completeness of any settlement of Awards as a condition to the final settlement and payment.
- (e) **Fractional Shares.** No fractional Shares shall be issued under the RSU/DSU Plan and there shall be no entitlement or payment for any fractional Shares and no payment shall be made in lieu of a fractional Share.
- (f) **Compliance with the ITA.** The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the ITA are intended to comply with the ITA. Without limiting the foregoing:

- (i) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Committee may determine to be necessary or appropriate to comply with the applicable provisions of the ITA as in effect from time to time; and
- (ii) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a “salary deferral arrangement” under the ITA, as defined in subsection 248(1) or create adverse tax consequences under the ITA.

6. Restricted Share Units and Deferred Share Units

- (a) **Grants.** The Granting Authority may from time to time grant one or more Awards of Restricted Share Units and/or Deferred Share Units to Eligible Persons on such terms and conditions, consistent with the RSU/DSU Plan, as the Granting Authority shall determine and which terms shall be contained in a grant agreement in such forms as may be approved by the Granting Authority.
- (b) **Vesting Terms.** Restricted Share Units shall become Vested at such times, in such instalments and subject to such terms and conditions consistent with subsection 5(c) hereof as may be determined by the Granting Authority and set forth in the applicable instrument of grant, provided that the conditions to Vesting of Restricted Share Units may be based on the Participant’s continued employment, provided however that Restricted Share Units shall become Vested and be paid out no later than December 31 of the third calendar year following the calendar year in which the Grantee rendered the services in respect of which the Award is being made. Notwithstanding the foregoing, Restricted Share Units shall also Vest in accordance with the following terms, provided that the RSUs shall not vest within one year of the date of grant except in the event of the death of the Participant or if the Participant ceases to be an Eligible Person in connection with a Change of Control, takeover bid, reverse takeover or similar transaction:
 - (i) upon the death of the Participant, a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the date of the death, will Vest on the date the Issuer is duly notified of the Participant’s death. The Shares represented by the Restricted Share Units held by the Participant shall be issued, as determined by the Granting Authority, to the Participant’s estate forthwith;
 - (ii) in the case of Eligible Retirement of the Participant, a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the date of the Eligible Retirement will Vest on the date of Eligible Retirement, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith;
 - (iii) in the case of total Disability of the Participant, a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the date of the total Disability will Vest within 60 days following the date on which the Participant is determined to be totally disabled, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith; and
 - (iv) in the case of termination without cause by the Issuer of a Participant (other than Eligible Retirement), a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period

that has been completed as of the date of the termination shall Vest on the date of such termination, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith. For clarity, where a Participant is terminated for cause or where the Participant has voluntarily terminated his/her employment or service with the Issuer, all unvested Restricted Share Units as at the date of such termination or cessation of service shall be immediately cancelled without liability or compensation therefor and be of no further force and effect.

Unless otherwise provided at the time of the grant, the Vesting of Deferred Share Units shall occur at such times, in such instalments and subject to such terms and conditions as may be determined by the Granting Authority and set forth in the applicable instrument of grant, provided that the DSUs shall not vest within one year of the date of grant except in the event of the death of the Participant or the Participant ceases to be an Eligible Person in connection with a Change of Control, takeover bid, reverse takeover or similar transaction.

- (c) **Settlement.** Unless otherwise determined by the Granting Authority (including by the terms of the Award or the RSU/DSU Plan) and subject to subsection 6(b) hereof, (i) Restricted Share Units shall be settled as soon as reasonably practicable following the Vesting thereof and in any event within 30 days thereof, but in no event later than December 31 of the third calendar year following the year in which the services giving rise to the Award were rendered, and (ii) Deferred Share Units shall be settled as soon as reasonably practicable following the Eligible Retirement of the Participant, the death of the Participant, or the time the Participant otherwise ceases to hold office, and in any event within 30 days thereof. The settlement of Awards shall be subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this RSU/DSU Plan.

In order to settle the Restricted Share Units and Deferred Share Units, the Issuer shall, subject to the restrictions set forth in Section 4 and in Section 6(f), (i) issue to the Participant from treasury the number of Shares that is equal to the number of vested Restricted Share Units and Deferred Share Units recorded in the Participant's notional account (rounded down to the nearest whole number), as fully paid and non-assessable Shares, (ii) deliver, or cause to be delivered, to the Participant Shares purchased in the open market equal to the number of vested Restricted Share Units and Deferred Share Units recorded in the Participant's notional account (rounded down to the nearest whole number), (iii) deliver to the Participant an amount in cash equal to the Cash Equivalent for the vested Restricted Share Units and Deferred Share Units recorded in the Participant's notional account, or (iv) a combination of (i), (ii) and (iii). The decision as to the mode of payment shall be made by the Board in its sole discretion, and a payment of the Cash Equivalent and/or issuance or delivery of Shares, as the case may be, to any one Participant shall not create any obligation for the Board to make a similar payment to any other Participant. Upon settlement of such Restricted Share Units and Deferred Share Units, the corresponding number of Restricted Share Units and Deferred Share Units credited to the Participant's account shall be cancelled and the Participant shall have no further rights, title or interest with respect thereto.

If any Restricted Share Unit or Deferred Share Unit is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Shares reserved for issue pursuant to such Award shall, upon cancellation of such Restricted Share Unit or Deferred Share Unit, as applicable, revert to the RSU/DSU Plan and shall be available for other Awards. For purposes of this section 6(c), any Restricted Share Unit or Deferred Share Unit that is settled through the issuance of Shares from treasury shall not be considered cancelled, and that number of Shares issued shall not be available for other Awards.

- (d) **No Rights as Shareholder.** Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Shares have been issued and delivered.
- (e) **Timing Requirements.** Notwithstanding any other provision of the RSU/DSU Plan, all amounts payable to, or in respect of a Grantee in respect of Deferred Share Units including, without limitation, the delivery of Shares, shall not be made prior to the date such Grantee ceases to be an Eligible Person and shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the date the Grantee ceases to be an Eligible Person. All Deferred Share Units granted to a Participant shall have such terms and conditions as are necessary to comply with paragraph 6801(d) of the Regulations of the ITA.
- (f) **Dividend Equivalents.** Unless otherwise determined by the Board and set forth in the terms of the Award, Restricted Share Units and Deferred Share Units shall be credited with dividend equivalents in the form of additional Restricted Share Units and Deferred Share Units (the “**Dividend Equivalent Units**”), respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Restricted Share Units and Deferred Share Units, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Fair Market Value at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant’s accounts shall vest in proportion to the Restricted Share Units and Deferred Share Units to which they relate. Notwithstanding Section 6(c), if the Issuer does not have a sufficient number of Shares which may be reserved for issue under this RSU/DSU Plan to satisfy its obligations in respect of any Dividend Equivalent Units credited to a Participant’s account pursuant to this Section 6(f), then in order to settle such Dividend Equivalent Units for which there are insufficient Shares reserved, the Issuer shall deliver to the applicable Participant or Participants, *pro rata* or in such other proportion as the Board may determine, in its sole discretion, an amount in cash equal to the Cash Equivalent for such Dividend Equivalent Units.
- The foregoing does not obligate the Issuer to declare or pay dividends on Shares and nothing in the RSU/DSU Plan shall be interpreted as creating such an obligation.
- (g) **No Other Benefit.**
- (i) No amount will be paid to, or in respect of, a Participant (or a Person with whom the Participant does not deal at arm’s length within the meaning of the ITA) under the RSU/DSU Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm’s length within the meaning of the ITA), for such purpose.
- (ii) The Issuer makes no representations or warranties to Participants with respect to the RSU/DSU Plan or any Deferred Share Units or Restricted Share Units whatsoever. Participants are expressly advised that the value of any Deferred Share Units or Restricted Share Units in the RSU/DSU Plan will fluctuate as the trading price of the Shares fluctuates.

- (iii) In seeking the benefits of participation in the RSU/DSU Plan, a Participant agrees to exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of Deferred Share Units or Restricted Share Units.

7. Consequences of Termination

- (a) **General Provisions.** Unless otherwise determined by the Granting Authority (including by the terms of the Award or the RSU/DSU Plan):
 - (i) If a Grantee is terminated for any reason whatsoever other than death, total Disability, Eligible Retirement, termination without cause by the Issuer, subject to subsection 5(d) hereof, any non-vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
 - (ii) If employment of a Grantee is terminated for cause or retirement which is not Eligible Retirement or is otherwise voluntarily terminated by the Grantee, any non-Vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
- (b) **Discretion of the Granting Authority.** Notwithstanding any other provision hereof and without limiting the discretion of the Granting Authority, the Granting Authority may (whether by terms of the Award or by its election notwithstanding the terms of an Award):
 - (i) allow non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or total Disability;
 - (ii) provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) provide for the continuation of any Award for such period which is not longer than 12 months and upon such terms and conditions as are determined by the Granting Authority in the event that a Participant ceases to be an Eligible Person; or
 - (iv) set any other terms for the exercise or termination of Awards upon termination of employment or service.

Notwithstanding the foregoing, all Awards granted to Participants who are subject to the ITA shall be on terms that will be designed to prevent them from being considered a “salary deferral arrangement” as defined in subsection 248(1) of the ITA.

- (c) **Leave of Absence.** If an Employee is on sick leave or other bona fide leave of absence, such Person shall be considered an “Employee” for purposes of an outstanding Award during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), or, if longer, so long as the Person’s right to reemployment is guaranteed either by statute or by contract. If the period of leave exceeds 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), the employment relationship shall be deemed to have been terminated on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Granting Authority) of such leave, unless the Person’s right to reemployment is guaranteed by statute or contract.

8. **Transferability**

- (a) **Transfer Restrictions.** No Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for payment of the Participant's debts, judgments, alimony or separate maintenance.
- (b) **Transfer upon Death of Participant.** In the case where transfer is made following the death of a Participant to the Participant's legal personal representative, such legal personal representative may only receive the entitlement under the Award provided that it is exercised (if exercisable) at any time up to and including, but not after, 5:00 p.m. (Calgary time) on the date which is one year following the date of death of the Participant or up to 5:00 p.m. (Calgary time) on the date on which the Award granted to such participant expires, whichever is the earlier; such entitlement shall only occur in cases where the Award has Vested in accordance with the provisions of the RSU/DSU Plan and where it is found that the Participant is legally entitled to the Award.

9. **Adjustments**

- (a) **No Restriction on Action.** The existence of the RSU/DSU Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Issuer to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Issuer, (ii) any merger, consolidation, amalgamation or change in ownership of the Issuer, (iii) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of or affecting the capital Share of the Issuer or the rights thereof, (iv) any dissolution or liquidation of the Issuer, (v) any sale or transfer of all or any part of the assets or business of the Issuer, (vi) any declaration or payment of a dividend in cash or in shares, or (vii) any other corporate act or proceeding with respect to the Issuer. No Participant or any other Person shall have any claim against any member of the Board or the Granting Authority, or the Issuer or any employees, officers or agents of the Issuer as a result of any such action.
- (b) **Recapitalization Adjustment**
- (i) In the event that (A) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or securities of the Issuer or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation, or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (B) there shall be any change, other than those specified in (A) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (C) there shall be a distribution of assets or shares to shareholders of the Issuer out of the ordinary course of business then, the Granting Authority shall determine whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the RSU/DSU Plan and/or such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the RSU/DSU Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Granting Authority determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes. Any such adjustment other than a Share consolidation or Share split shall be subject to approval of the TSXV.

- (ii) Any adjustment to any Award granted to a Participant which has been designed to fall within a specific exemption to the definition of “salary deferral arrangement” in subsection 248(1) of the ITA shall be such as to ensure the continued availability of such exemption.

10. Amendment and Termination

- (a) **General.** Subject to the provisions of subsection 10(c) hereof, the Board may amend, suspend or terminate this RSU/DSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law and the rules of the Exchange, if any, that require the approval of shareholders or any governmental regulatory body.
- (b) **Amendments Specifically Permitted.** Without limiting the generality of the foregoing, the Board may make the following types of amendments to the RSU/DSU Plan without seeking shareholder approval (unless and to the extent prohibited by applicable law or rule of an Exchange):
 - (i) amendments of a technical, clerical or “housekeeping” nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
 - (ii) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Exchange;
 - (iii) amendments necessary in order for Awards to qualify for favourable treatment under the ITA or under the United States Internal Revenue Code;
 - (iv) amendments respecting administration of the RSU/DSU Plan; and
 - (v) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the Exchange.
- (c) **Shareholder Approval.** To the extent required by applicable law or by the rules of the Exchange, shareholder approval will be required for the following types of amendments:
 - (i) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the RSU/DSU Plan;
 - (ii) any amendment extending eligibility to participate in the RSU/DSU Plan to persons other than Eligible Persons;
 - (iii) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, or similar plan;
 - (iv) any amendment increasing the maximum aggregate number of Shares that may be subject to issue at any given time in connection with Awards granted under the RSU/DSU Plan;
 - (v) any amendment to these amendment provisions;
 - (vi) any amendments to the vesting provision of the RSU/DSU Plan or any Award; and

- (vii) any other amendment required to be approved by shareholder under applicable law or rules of an Exchange.

To the extent of any conflict between subsection 10(b) and subsection 10(c) hereof, subsection 10(c) shall prevail.

11. Regulatory Approval

Notwithstanding anything herein to the contrary, the Issuer shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the RSU/DSU Plan, unless and until the Issuer is advised by its legal counsel that the issue and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada, the United States and any other applicable jurisdiction, and the requirements of the Exchange. The Issuer shall in no event be obligated to take any action in order to cause the issue or delivery of Shares or such certificates to comply with any such laws, regulations, and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under section 7 hereof or, after his or her death, the Participant's estate, as described in section 7 hereof, make such covenants, agreements and representations as the Granting Authority deems necessary or desirable.

12. No Additional Rights

No Person shall have any claim or right to be granted Awards under the RSU/DSU Plan, and the grant of any Awards under the RSU/DSU Plan shall not be construed as giving a Participant any right to continue in the employment of the Issuer or affect the right of the Issuer to terminate the employment of a Participant. Unless otherwise determined by the Granting Authority, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the RSU/DSU Plan.

13. Miscellaneous Provision

- (a) **Shareholder Rights.** A Participant entitled to Shares as result of the settlement of a Restricted Share Unit or Deferred Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the Issuer by virtue of such settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. Other than as provided for herein, no adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Share certificate is issued.
- (b) **Withholding.** The Issuer or any Affiliate may withhold from any amount payable to a Participant, either under this RSU/DSU Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer or any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied, at the minimum statutory rate. Subject to the other provisions of the RSU/DSU Plan, the Issuer shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Issuer may require a Participant, as a condition to the settlement of a Restricted Share Unit or a Deferred Share Unit, to pay or reimburse the Issuer for any such withholding (at the minimum statutory rate) or other required deduction amounts related to the settlement of Restricted Share Units or Deferred Share Units.
- (c) **Governing Law.** The RSU/DSU Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the RSU/DSU Plan

shall be interpreted and construed in accordance with the laws of Alberta (and the federal laws having application therein), except to the extent the terms of the RSU/DSU Plan, any supplement to the RSU/DSU Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Granting Authority may provide that any dispute as to any Award shall be presented and determined in such forum as the Granting Authority may specify, including through binding arbitration. Any reference in the RSU/DSU Plan, in any instruments of grant evidencing Awards granted hereunder or in any other agreement or document relating to the RSU/DSU Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

- (d) **Compliance with Securities Laws.** The obligation of the Issuer to issue and deliver Shares in accordance with the RSU/DSU Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Issuer.
- (e) **Compliance with Laws of Other Jurisdictions.** Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada or the United States on such terms and conditions different from those under the RSU/DSU Plan as may be determined by the Granting Authority to be necessary or advisable to achieve the purposes of the RSU/DSU Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the RSU/DSU Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.
- (f) **Funding.** Except as would not result in adverse tax consequences to a Participant, no provision of the RSU/DSU Plan shall require or permit the Issuer, for the purpose of satisfying any obligations under the RSU/DSU Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Issuer maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the RSU/DSU Plan other than as unsecured general creditors of the Issuer, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Eligible Persons under general law.
- (g) **No Guarantee of Tax Consequences.** Neither the Board, nor the Issuer nor the Granting Authority makes any commitment or guarantee that any specific tax treatment will apply or be available to any Person participating or eligible to participate hereunder.

14. **Effective Date and Term of RSU/DSU Plan**

- (a) **Effective Date of the Plan.** The RSU/DSU Plan shall initially become effective on the Shareholder Approval Date. Any subsequent amendments to the RSU/DSU Plan, shall become effective upon their adoption by the Board, subject to approval by the shareholders of the Issuer at the next annual meeting of shareholders of the Issuer or any adjournment thereof, to the extent required. If the shareholders do not approve any amendments to the RSU/DSU Plan requiring shareholder approval, such amendments and any and all actions taken prior thereto pursuant to the amendments effected thereby, including the making of any Awards subject to such approval being obtained, shall be null and void or shall, if necessary, be deemed to have been fully rescinded.
- (b) **Effect on Stock Option Plan.** The Stock Option Plan shall remain in effect. All Options granted under the Stock Option Plan shall continue to be governed by the terms of the

Stock Option Plan and the terms of their individual option agreements as in effect from time to time, including provisions concerning change of control or other related events.

- (c) **Termination.** The Board may suspend or terminate the RSU/DSU Plan at any time, provided that such suspension or termination shall not affect any Awards that became effective pursuant to the RSU/DSU Plan prior to such termination or suspension.

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

(See attached)

**NEW STRATUS ENERGY INC.
(THE "CORPORATION")**

AUDIT COMMITTEE CHARTER

1. Policy Statement

It is the policy of the Corporation to establish and maintain an Audit Committee (the "**Committee**") to assist the directors (individually a "**Director**" and collectively the "**Board**") of the Corporation in carrying out the Board's oversight responsibility for the accounting, internal controls, financial reporting, audits of financial statements and risk management processes of the Corporation.

The Committee shall be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including appropriate administrative support. Without limiting the generality of the foregoing, the Corporation shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of: (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Corporation; (b) compensation to any advisers engaged by the Committee under section (c)(iii) of this charter; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

If determined appropriate by the Committee, it shall have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or other experts. The Committee shall have unrestricted access to the Corporation's external auditors, is authorized to seek any information that it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

2. Composition of Committee

- (a) The Committee shall be established by a resolution of the Board. The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Compensation and Corporate Governance Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the "**Chair**").
- (b) A majority of the members of the Committee shall be Directors who are independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), and the rules of any stock exchange or market on which the Corporation's shares are listed or posted for trading (collectively, "**Applicable Governance Rules**") and the Chair of the Committee shall be independent.
- (c) All members of the Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (d) A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

3. Meetings of the Committee

- (a) The Committee shall convene a minimum of four times each year at such times and places as may be determined by the Chair of the Committee, and whenever a meeting is

requested by the Board, a member of the Committee, the auditors or senior management of the Corporation. Scheduled meetings of the Committee shall correspond with the review of the quarterly and year-end financial statements and management's discussion and analysis.

- (b) Notice of each meeting of the Committee shall be given to each member of the Committee.
- (c) Notice of a meeting of the Committee shall:
 - (i) be in writing, which includes electronic communication facilities;
 - (ii) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (iii) to the extent practicable, be accompanied by a copy of any documentation to be considered at the meeting; and
 - (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- (d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of important matters by all members of the Committee.
- (e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (f) In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to chair the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- (g) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this charter or by applicable laws.
- (h) The Committee may invite the external auditors to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.
- (i) The Committee (i) shall meet with the external auditors separately from individuals other than the Committee and (ii) may meet separately with management of the Corporation.
- (j) Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting. The Chair of the Committee shall circulate the minutes of the meetings of the Committee (which may be in draft form) to all members of the Board.

4. Duties and Responsibilities of the Committee

- (a) The Committee, in its capacity as a committee of the Board, is directly responsible for recommending to the Board the public accounting firm to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (the "**external auditor**") as well as the compensation of the external

auditor. The Committee shall also be directly responsible for the oversight of the work of the external auditor (including resolution of disagreements between management and the auditor regarding financial reporting), and each such external auditor must report directly to the Committee.

- (b) The other primary duties and responsibilities of the Committee are to:
- (i) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
 - (ii) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
 - (iii) monitor the independence, objectivity and performance of the external auditors, including, without limitation: (A) ensuring the Committee's receipt from the external auditors at least annually of a formal written statement delineating all relationships between the external auditors and the Corporation; (B) actively engaging in dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and (C) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditors;
 - (iv) evaluate the performance of the external auditors at least annually;
 - (v) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
 - (vi) directly oversee the external audit process and results (in addition to items described in subsection (e) below);
 - (vii) provide an avenue of communication between the external auditors, management and the Board;
 - (viii) review annually with management of the Corporation the anti-fraud, anti-bribery, anti-corruption and risk assessment programs of the Corporation;
 - (ix) carry out a review designed to ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and
 - (x) oversee all pension and retirement benefit plans if and when established.
- (c) The Committee shall have the authority to:
- (i) inspect any and all of the books and records of the Corporation and its subsidiaries;
 - (ii) discuss with the management of the Corporation and its subsidiaries, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers appropriate;
 - (iii) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
 - (iv) set and pay the compensation for any advisors engaged by the Committee.

Relationship with the Board

- (d) The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as considered appropriate.

Relationship with External Auditors

- (e) The Committee shall:
- (i) review the audit plan with the external auditors and with management;
 - (ii) review with the external auditors the critical accounting policies and practices used by the Corporation, all alternative treatments of financial information within international financial reporting standards ("**IFRS**") that the external auditors have discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
 - (iii) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of material risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
 - (iv) review with management and with the external auditors material financial reporting issues arising during the most recent financial period and the resolution or proposed resolution of such issues;
 - (v) review any problems experienced or concerns expressed by the external auditors in performing any audit, including any restrictions imposed by management or any material accounting issues on which there was a disagreement with management;
 - (vi) review with the external auditors any accounting adjustments that were noted or proposed by the independent auditor but that were "passed" (as immaterial or otherwise), any communications between the audit team and the external auditor's national office respecting auditing or accounting issues presented by the engagement, any "management" or "internal control" letter or schedule of unadjusted differences issued, or proposed to be issued, by the external auditors to the Corporation, or any other material written communication provided by the external auditors to the Corporation's management;
 - (vii) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
 - (viii) review and discuss with management and the external auditors any off-balance sheet transactions or structures and their effect on the Corporation's financial results and operations, as well as the disclosure regarding such transactions and structures in the Corporation's public filings;
 - (ix) review the audited annual financial statements (including management's discussion and analysis) and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all material variances between comparative reporting periods;
 - (x) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and

management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls and procedures for financial reporting of the Corporation and subsequent follow-up to any identified weaknesses;

- (xi) review with financial management and the external auditors the quarterly unaudited financial statements and management's discussion and analysis before release to the public;
 - (xii) periodically meet separately with management and the external auditors;
 - (xiii) oversee the financial affairs of the Corporation and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
 - (xiv) discuss with management and the external auditors any correspondence with regulatory or governmental agencies that raise material issues regarding the Corporation's financial statements or accounting policies;
 - (xv) consider the recommendations of management in respect of the appointment and terms of engagement of the external auditor;
 - (xvi) pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by its external auditors, or the external auditors of subsidiaries of the Corporation, subject to the overriding principle that the external auditors not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Committee, with any decisions of the member with the delegated authority presented to the Committee at the next scheduled meeting;
 - (xvii) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates thereof together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
 - (xviii) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the notice of change of auditors and documentation required pursuant to the then current legislation, rules, policies and instruments of applicable regulatory authorities and the planned steps for an orderly transition period; and
 - (xix) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable laws, on a routine basis, whether or not there is to be a change of the external auditors.
- (f) In connection with the public disclosure of financial information and other public disclosure, the Committee shall:
- (i) review the Corporation's financial statements, management's discussion and analysis, and annual and interim profit or loss press releases before the Corporation publicly discloses this information;
 - (ii) review with management its evaluation of the Corporation's procedures and controls designed to assure that information required to be disclosed in the Corporation's periodic public reports is recorded, processed, summarized and

reported in such reports within the time periods specified by applicable securities laws for the filing of such reports ("**Disclosure Controls**"), and consider whether any changes are appropriate in light of management's evaluation of the effectiveness of such Disclosure Controls;

- (iii) establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;
- (iv) satisfy itself that adequate procedures are in place for the review of the Corporation's public information extracted from the Corporation's financial statements, other than the public information reviewed in accordance with section (f)(i), and periodically assess the adequacy of those procedures;
- (v) to the extent deemed appropriate, review and supervise the preparation by management of:
 - A. the annual information forms, management information circulars and annual and interim financial statements of the Corporation and any other information of the Corporation filed by the Corporation with the applicable securities regulators;
 - B. press releases of the Corporation containing financial information, earnings guidance, forward-looking statements, information about operations or any other material information;
 - C. correspondence broadly disseminated to shareholders of the Corporation; and
 - D. other relevant written and oral communications or presentations;
- (vi) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management's discussion and analysis, and press releases, focusing particularly on:
 - A. any changes in accounting policies and practices;
 - B. any important areas where judgment must be exercised;
 - C. significant adjustments resulting from the audit;
 - D. the going concern assumption, if any;
 - E. compliance with accounting standards; and
 - F. compliance with stock exchange and legal requirements;
- (g) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditors or senior management.

- (h) The Committee shall periodically review with management the need for an internal audit function.
- (i) The Committee shall review the accounting and reporting of costs, liabilities and contingencies of the Corporation.
- (j) The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (k) The Committee shall establish, monitor and review policies and procedures for internal accounting, financial control and management information.
- (l) The Committee shall periodically discuss with management the Corporation's process for performing its quarterly certifications pursuant to National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.
- (m) The Committee shall review with the Chief Executive Officer and Chief Financial Officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
- (n) The Committee shall establish and maintain procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting practices, accounting controls, or auditing practices;
 - (ii) the confidential, anonymous submission by directors, officers, employees, consultants and contractors of the Corporation of concerns regarding questionable accounting or auditing matters; and
 - (iii) reviewing arrangements by which staff of the Corporation may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for proportionate and independent investigation and follow-up action.
- (o) At each meeting of the Committee, the Committee shall review any complaints or concerns of employees of the Corporation regarding accounting, internal accounting controls, or auditing matters relating to the Corporation and violations of the Code of Business Conduct and Ethics of the Corporation, the Anti-Corruption Policy of the Corporation and of any applicable law, rule or regulation and shall follow the procedures established under the Whistleblower Policy regarding such concerns and complaints.
- (p) The Committee shall review all related party transactions and discuss the business rationale for these transactions and determine whether appropriate disclosures have been made. For this purpose, the term "related party transactions" includes any "material transaction" required to be disclosed under Item 13 of Form 51-102F2 under National Instrument 51-102 - *Continuous Disclosure Obligations*.
- (q) The Committee shall review the Corporation's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management its periodic evaluation of the effectiveness of such programs.

- (r) The Committee shall, in consultation with the Compensation and Corporate Governance Committee, review the Corporation's Code of Business Conduct and Ethics and programs that management has established to monitor compliance with such code, and periodically, after consultation with the Compensation and Corporate Governance Committee, make recommendations to the Board regarding the Corporation's Code of Business Conduct and Ethics that the Committee shall deem appropriate.
- (s) The Committee shall periodically review the Corporation's Anti-Corruption Policy and make recommendations to the Board regarding the Corporation's Anti-Corruption Policy that the Committee shall deem appropriate.
- (t) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.
- (u) The Committee shall receive any reports from legal counsel of evidence of a material violation of securities laws or breaches of fiduciary duty by the Corporation.
- (v) The Committee shall review with the Corporation's legal counsel, on no less than an annual basis, any legal matter that could have a material impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.
- (w) The Committee shall assess, on an annual basis, the adequacy of this charter and the performance of the Committee.

Approved by the Board of
Directors on December 12,
2021.