



Pinedale Energy Limited
 (the "Company")
 Suite 1500 – 701 West Georgia Street
 Vancouver, British Columbia
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 www.pinedaleenergy.com

**Form 51-102F6V
 STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this statement of executive compensation:

"CEO" means the Company's chief executive officer;

"CFO" means the Company's chief financial officer;

"Named Executive Officer" or "NEO" means:

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, other than the CEO and CFO, 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 an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at December 31, 2018, the end of the most recently completed financial period of the Company, the Company had two (2) NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

Director and named executive officer compensation

The following table is a summary of compensation awarded to, earned by, paid to, or payable to each director and NEO of the Company for the two most recently completed financial years ended December 31, 2018 and December 31, 2017.

Table of compensation excluding compensation securities							
Name and position	Fiscal period end	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Brad Windt⁽¹⁾ <i>Director, President & CEO</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities

Name and position	Fiscal period end	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Barry Loughlin ⁽²⁾ <i>CFO & Corporate Secretary</i>	2018	67,000	Nil	Nil	Nil	Nil	67,000
	2017	63,000	Nil	Nil	Nil	Nil	63,000
Chris Schultze ⁽³⁾ <i>Director & COO</i>	2018	72,000	Nil	Nil	Nil	Nil	72,000
	2017	64,000	Nil	Nil	Nil	Nil	64,000
John Proust ⁽⁴⁾ <i>Director & Former CEO</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Donald Sharpe ⁽⁵⁾ <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Gordon Nielsen ⁽⁶⁾ <i>Director</i>	2018	Nil	Nil	4,000	Nil	Nil	4,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Delaram Salem ⁽⁷⁾ <i>Former CFO</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Danny Lee ⁽⁸⁾ <i>Former Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Eileen Au ⁽⁹⁾ <i>Former Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Windt was appointed as a director, the CEO and the President of the Company effective as of May 31, 2017.
- (2) Mr. Loughlin was appointed as the CFO and Corporate Secretary of the Company effective as of May 31, 2017. Mr. Loughlin received compensation for acting as the CFO of the Company.
- (3) Mr. Schultze was appointed as the Chief Operating Officer of the Company effective as of June 2, 2017 and as a director of the Company effective as of December 18, 2018. Mr. Schultze received compensation for acting as the COO of the Company.
- (4) Mr. Proust was appointed as a director of the Company effective as of December 17, 2007. Mr. Proust was appointed CEO on March 11, 2015 and resigned as CEO on May 31, 2017
- (5) Mr. Sharpe was appointed as a director of the Company effective as of May 31, 2017.
- (6) Mr. Nielsen was appointed as a director of the Company effective as of August 30, 2018.
- (7) Ms. Salem was appointed as CFO of the Company effective as of August 1, 2016 and resigned on May 31, 2017.
- (8) Mr. Lee was appointed as a director on February 4, 2016 and resigned on May 31, 2017.
- (9) Ms. Au was appointed as a director on February 4, 2016 and resigned on May 31, 2017.

Stock options and other compensation securities

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	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
Brad Windt ⁽²⁾ <i>Director, President & CEO</i>	N/A						
Barry Loughlin ⁽³⁾ <i>CFO & Corporate Secretary</i>	N/A						
Chris Schultze ⁽⁴⁾ <i>Director & COO</i>	N/A						
John Proust ⁽⁵⁾ <i>Director & Former CEO</i>	N/A						
Donald Sharpe ⁽⁶⁾ <i>Director</i>	N/A						
Gordon Nielsen ⁽⁷⁾ <i>Director</i>	N/A						

Notes:

- (1) These options will vest over a period of three years from the date of grant, with 1/3 of the options exercisable on the date that is one year from the date on which the options are granted, an additional 1/3 on the date that is two years from the date on which the options are granted and the final 1/3 on the date that is three years from the date on which the options are granted.
- (2) Mr. Windt held no compensation securities on the last day of the most recently completed financial year.
- (3) Mr. Loughlin held 438,021 compensation securities on the last day of the most recently completed financial year.
- (4) Mr. Schultze held 438,021 compensation securities on the last day of the most recently completed financial year.
- (5) Mr. Proust held no compensation securities on the last day of the most recently completed financial year.
- (6) Mr. Sharpe held no compensation securities on the last day of the most recently completed financial year.
- (7) Mr. Nielsen held no compensation securities on the last day of the most recently completed financial year.

No compensation securities were exercised by the directors or NEOs during the most recently completed financial year.

Stock option plans and other incentive plans

The Company's 2017 Stock Option Plan (the "**Plan**") was previously approved by the Company's shareholders on August 9, 2018. The Plan will be placed before the Company's shareholders for approval at the next meeting of shareholders. The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

Eligible Participants. Options may be granted to directors or officers of the Company or an affiliate of the Company (collectively, the "**Directors**"), employees of the Company (collectively, the "**Employees**") consultants of the Company or its affiliate (collectively, the "**Consultants**") or Management Company Employees (as that term is

defined in Policy 4.4 of the TSX-V's Corporate Finance Manual). The board of directors of the Company (the "**Board**"), in its discretion, determines which of the Directors, Employees, Consultants or Management Company Employees will be awarded Options under the Plan.

Number of Shares Reserved. The number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding common shares at the date of granting of options. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of options granted to any one individual in a 12-month period must not exceed 5% of the issued and outstanding common shares of the Company, calculated on the date the option is granted, unless disinterested shareholder approval is obtained. The aggregate number of options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding common shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding common shares of the Company in any 12-month period, calculated at the date an option is granted to any such person.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Exercise Price. The exercise price of options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the TSX Venture Exchange policy manual or such other minimum price as is permitted by the TSX Venture Exchange in accordance with the policies in effect at the time of the grant, or, if the common shares are no longer listed on the TSX Venture Exchange, then such other exchange or quotation system on which the common shares are listed or quoted for trading.

Vesting. All options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the TSX Venture Exchange, if applicable, or as may be imposed by the Board.

Termination. Any options granted pursuant to the Plan will terminate upon the earliest of:

- (a) such date as the Board has fixed when the stock option is granted, provided that the date is no more than one year from the date on which the holder ceases to be eligible (the "**Cessation Date**") to hold the stock option;
- (b) the end of the term of the stock option;
- (c) if the Cessation Date is as a result of dismissal for cause or regulatory sanction, then immediately on the Cessation Date; or
- (d) if the Cessation Date is as a result of death or disability, then the date that is one year from the date of such death or disability.

Employment, consulting and management agreements

The Company did not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities during the most recently completed financial year.

Oversight and description of director and named executive officer compensation

The objective of the Company's compensation program is to compensate the directors and executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its directors and executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the directors and executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. The Company does not provide medical and dental benefits, pension or other benefits to the directors and executive officers.

The base compensation of the directors and executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Company's Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.