



ANNUAL INFORMATION FORM

For the Year Ended December 31, 2024

Dated April 23, 2025

TABLE OF CONTENTS

GLOSSARY	1
CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION.....	5
INTERPRETATION	7
MARKET AND INDUSTRY DATA.....	7
NOTES ON RESERVES DATA AND OTHER OIL AND GAS INFORMATION	8
WESTGATE ENERGY INC.....	11
GENERAL DEVELOPMENT OF THE BUSINESS.....	11
DESCRIPTION OF THE BUSINESS.....	14
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION.....	17
DESCRIPTION OF CAPITAL STRUCTURE	28
MARKET FOR COMMON SHARES	29
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER.....	31
DIRECTORS AND EXECUTIVE OFFICERS.....	32
CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS.....	32
AUDIT COMMITTEE.....	34
RISK FACTORS	35
LEGAL AND REGULATORY PROCEEDINGS	52
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	52
TRANSFER AGENT AND REGISTRAR.....	52
MATERIAL CONTRACTS.....	52
INTERESTS OF EXPERTS.....	53
ADDITIONAL INFORMATION.....	53

LIST OF EXHIBITS

EXHIBIT A	AUDIT COMMITTEE CHARTER
EXHIBIT B	REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR
EXHIBIT C	REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

GLOSSARY

The following terms have the meanings set out below.

“11-21 Well”	has the meaning given under the heading “ <i>Description of the Business - Exploration and Development Summary</i> ”.
“16-15 Well”	has the meaning given under the heading “ <i>Description of the Business - Exploration and Development Summary</i> ”.
“2022 Acquisitions”	has the meaning given under the heading “ <i>General Development of the Business - Three Year History and Outlook</i> ”.
“2022 Assets”	has the meaning given under the heading “ <i>General Development of the Business - Three Year History and Outlook</i> ”.
“2024 Sproule Report”	means the independent engineering evaluation of the oil, NGLs and natural gas interests attributable to the Westgate Assets prepared by Sproule on April 17, 2025, effective December 31, 2024.
“2025 Convertible Debentures”	has the meaning given under the heading “ <i>General Development of the Business - Recent Developments</i> ”.
“2025 Private Placement”	has the meaning given under the heading “ <i>General Development of the Business - Recent Developments</i> ”.
“2025 Private Placement Units”	has the meaning given under the heading “ <i>General Development of the Business - Recent Developments</i> ”.
“2025 Public Offering”	has the meaning given under the heading “ <i>General Development of the Business - Recent Developments</i> ”.
“2025 Public Units”	has the meaning given under the heading “ <i>General Development of the Business - Recent Developments</i> ”.
“ABCA”	means the <i>Business Corporations Act</i> (Alberta), as amended, together with all regulations promulgated pursuant thereto.
“AER”	means the Alberta Energy Regulator.
“Affiliate”	means a company that is affiliated with another company as described below: a company is an “Affiliate” of another company if: (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person. a company is “controlled” by a person if: (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company. a person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that person, or
- (b) an Affiliate of that person or an Affiliate of any company controlled by that person.
- “Amalco”** has the meaning given under the heading *“General Development of the Business”*.
- “Amalgamation”** means the amalgamation of Subco and Grafton under the ABCA, referred to thereafter as Amalco, pursuant to the Amalgamation Agreement, as a result of which Westgate holds all of the shares of Amalco, and which will constitute a Reverse Takeover of TCI by the Grafton Shareholders.
- “Amalgamation Agreement”** means the amalgamation agreement dated March 14, 2024, among TCI, Grafton and Subco.
- “Audit Committee”** means the audit committee of Westgate.
- “Beaverdam Assets”** has the meaning given under the heading *“General Development of the Business - Three Year History and Outlook”*.
- “Board”** means the board of directors of Westgate.
- “CEO”** means chief executive officer.
- “CFO”** means chief financial officer.
- “Cibolo”** means Cibolo Energy Partners, LLC and certain of its Affiliates.
- “COGE Handbook”** means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy and Petroleum (Petroleum Society), as amended from time to time.
- “Cold Lake Project”** means Westgate’s exploration and development project in the Cold Lake area of Alberta.
- “Common Shares”** means the common shares in the capital of Westgate.
- “Company” or “Westgate”** Means Westgate Energy Inc.
- “COO”** means chief operations officer.
- “CSA 51-324”** means CSA Staff Notice 51-324 – *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities*.
- “DSUs”** has the meaning given under the heading *“Description of Capital Structure”*.
- “Eat Well”** has the meaning given under the heading *“Cease Trade Orders, Bankruptcies, Penalties or Sanctions”*.
- “EMS”** means Elizabeth Metis Settlement.
- “Filing Statement”** means the filing statement prepared by TCI and Grafton in accordance with Form 3D2.

“Form 3D2”	means Form 3D2 – <i>Information Required in a Filing Statement for a Reverse Takeover or Change of Business</i> of the TSXV Corporate Finance Manual.
“Grafton”	means Grafton Ventures Energy Holdings Corp., prior to the completion of the Reverse Takeover Transaction.
“Grafton Brokered Private Placement”	has the meaning given under the heading “ <i>Market for Common Shares - Prior Sales</i> ”.
“Grafton Brokered Units”	has the meaning given under the heading “ <i>Market for Common Shares - Prior Sales</i> ”.
“Grafton Brokered Warrants”	has the meaning given under the heading “ <i>Market for Common Shares - Prior Sales</i> ”.
“Grafton Non-Brokered Private Placement”	has the meaning given under the heading “ <i>Market for Common Shares - Prior Sales</i> ”.
“Grafton Non-Brokered Units”	has the meaning given under the heading “ <i>Market for Common Shares - Prior Sales</i> ”.
“Grafton Non-Brokered Warrants”	has the meaning given under the heading “ <i>Market for Common Shares - Prior Sales</i> ”.
“Grafton Shareholders”	means, prior to the completion of the Reverse Takeover Transaction, the holders of the Grafton Shares.
“Grafton Shares”	means the class “A” common shares in the capital of Grafton.
“Grafton Subscription Receipts”	has the meaning given under the heading “ <i>Market for Common Shares - Prior Sales</i> ”.
“Insider” or “insider”	if used in relation to an entity, means: <ul style="list-style-type: none"> (a) a director or senior officer of such entity, (b) a director or senior officer of a company that is an Insider or subsidiary of such entity, (c) a person that beneficially owns or controls, directly or indirectly, voting securities (other than debt securities) carrying more than 10% of the voting rights attached to all outstanding voting securities (other than debt securities) of such entity, or (d) the entity itself if it holds any of its own securities.
“Killam Acquisition”	has the meaning given under the heading “ <i>General Development of the Business - Three Year History and Outlook</i> ”.
“Killam Assets”	has the meaning given under the heading “ <i>General Development of the Business - Three Year History and Outlook</i> ”.
“Killam Project”	means Westgate’s exploration and development project in the Killam area of Alberta.
“Moonshine Acquisition”	has the meaning given under the heading “ <i>General Development of the Business - Recent Developments</i> ”.

“Moonshine Assets”	has the meaning given under the heading <i>“General Development of the Business - Recent Developments”</i> .
“NGLs”	means natural gas liquids.
“NI 51-101”	means National Instrument 51-101 – <i>Standards for Disclosure for Oil and Gas Activities</i> .
“NI 52-110”	means National Instrument 52-110 – <i>Audit Committees</i> .
“Omnibus Plan”	has the meaning given under the heading <i>“Description of Capital Structure”</i> .
“Options”	has the meaning given under the heading <i>“Description of Capital Structure”</i> .
“Preferred Shares”	means the preferred shares in the capital of Westgate.
“PSUs”	has the meaning given under the heading <i>“Description of Capital Structure”</i> .
“Reverse Takeover”	<p>means a transaction or series of transactions, involving an acquisition by an issuer or of the issuer, and a securities issuance by the issuer that results in:</p> <ul style="list-style-type: none"> (a) new shareholders holding more than 50% of the outstanding voting securities of the issuer; and (b) a change of control of the issuer, and the TSXV may deem a transaction to have resulted in a change of control by aggregating the shares of a vendor group and/or incoming management group, <p>but does not include any transaction or series of transactions whereby the newly issued securities are to be issued to shareholders of an issuer listed on the Toronto Stock Exchange or another senior exchange under a formal takeover bid made pursuant to securities laws.</p>
“Reverse Takeover Transaction”	means the Grafton Shareholders’ Reverse Takeover of TCI, including the Grafton Brokered Private Placement, the Grafton Non-Brokered Private Placement and the Amalgamation, occurring pursuant to the Amalgamation Agreement, resulting in the amalgamation of Grafton and Subco and pursuant to which Grafton Shareholders became Shareholders.
“Richdale Acquisition”	has the meaning given under the heading <i>“General Development of the Business - Three Year History and Outlook”</i> .
“Richdale Assets”	has the meaning given under the heading <i>“General Development of the Business - Three Year History and Outlook”</i> .
“Richdale Project”	means Westgate’s exploration and development project in the Richdale area of Alberta.
“RSUs”	has the meaning given under the heading <i>“Description of Capital Structure”</i> .
“Senior Secured Loan”	has the meaning given under the heading <i>“General Development of the Business - Recent Developments”</i> .
“Senior Secured Loan Agreement”	has the meaning given under the heading <i>“General Development of the Business - Recent Developments”</i> .
“Shareholders”	means the holders of the Common Shares.

“ Sproule ”	means Sproule Associates Limited, a qualified reserves evaluator.
“ Subco ”	means 2595456 Alberta Ltd., a wholly-owned subsidiary of TCI.
“ TCI ”	means 763997 Alberta Ltd. (formerly Target Capital Inc.), a corporation incorporated under the ABCA.
“ TSXV ”	means the TSX Venture Exchange Inc.
“ Westgate Assets ”	has the meaning given under the heading “ <i>Statement of Reserves Data and Other Oil and Gas Information</i> ”.
“ Westgate Reserves Data ”	has the meaning given under the heading “ <i>Statement of Reserves Data and Other Oil and Gas Information</i> ”.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements and information contained in this Annual Information Form and the documents incorporated by reference herein and therein constitute forward-looking statements or forward-looking information (collectively “**forward-looking statements**”) within the meaning of applicable securities legislation. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words or phrases such as “will”, “may”, “is expected to”, “anticipates”, “estimates”, “intends”, “plans”, “projects”, “could”, “vision”, “goals”, “objective”, “outlook” or similar words suggesting future outcomes or language suggesting an outlook. In particular, this Annual Information Form and the documents incorporated by reference herein and therein contain forward-looking statements with respect to, among other things, the following:

- statements related to the timing and closing of the Moonshine Acquisition (as defined herein);
- the satisfaction of the conditions of the closing of the Moonshine Acquisition, including the receipt, in a timely manner, of regulatory and other required approvals;
- the strategic rationale for the Moonshine Acquisition;
- the use of proceeds of the 2025 Public Offering;
- the use of proceeds from the Senior Secured Loan;
- the Company’s drilling and capital expenditure programs and the timing thereof;
- anticipated production from new wells and the timing thereof;
- the performance characteristics of the Company’s oil and natural gas properties;
- drilling inventory;
- the Company’s objective and growth strategy;
- oil, NGLs and natural gas production levels;
- the quantity of oil, natural gas and NGLs reserves;
- projections of market prices and operating costs;
- supply and demand for oil, natural gas and NGLs;
- expectations as to the intended business activities of the Company;
- the Company’s anticipated financial performance and available funds;

- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions, exploration and development;
- treatment under governmental regulatory and royalty regimes and tax laws
- Westgate's commitment to managing its operations in a safe, environmentally responsible and efficient manner; and
- the ability to remediate sites and remedy spills, releases or emissions of various substances that may be produced in association with the Company's petroleum and natural gas operations.

By their nature, forward-looking statements involve numerous assumptions, and while management of the Company believes the assumptions reflected in its forward-looking statements to be reasonable, there can be no guarantee that actual results will be consistent with these forward-looking statements. In particular, with respect to forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein and therein the Company has made assumptions regarding, among other things:

- the ability to close the Moonshine Acquisition;
- access to land and additional opportunities;
- commodity prices and royalty regimes (including royalty rates);
- availability of skilled labour;
- timing and amount of capital expenditures;
- the performance characteristics of oil and natural gas properties;
- the size of oil and natural gas reserves;
- future exchange rates;
- the impact of increasing competition;
- conditions in general economic and financial markets;
- access to capital;
- availability of drilling and related equipment;
- effects of regulation by governmental agencies;
- the continuation of current tax law and regulation; and
- future operating costs.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein and therein. Forward-looking statements are subject to various known and unknown risks, both general to the industry as a whole and specific to the Company, that contribute to the possibility that the forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein and therein may not occur. Although management of the Company believes that the expectations reflected in its forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of known and unknown risks, uncertainties and other factors, many of which are outside the Company's control, including, but not limited to, the risk factors set forth below and elsewhere in this Annual Information Form and the documents incorporated by reference herein and therein:

- the availability of financial resources to fund the Company's expenditures;
- volatility in market prices for oil and natural gas;
- liabilities inherent in oil and natural gas operations;

- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- changes in income tax laws and incentive programs relating to the oil and natural gas industry;
- the ability to effectively anticipate and assess changes to government policies and regulations, including those related to the environment;
- failure to realize anticipated benefits of acquisitions;
- global health crises, such as pandemics and epidemics, and the unexpected impacts related thereto;
- the forward-looking statements in this Annual Information Form and the documents incorporated by reference herein and therein may prove inaccurate; and
- the factors discussed under the heading “*Risk Factors*”.

Statements relating to “reserves” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

The above summary of assumptions and risks related to forward-looking statements are provided in this Annual Information Form and the documents incorporated by reference herein and therein in order to provide readers with a more complete perspective on the Company’s current and future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein and therein are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation or is under any duty to publicly update or revise any forward-looking statements. Readers should also carefully consider the matters discussed under the heading “*Risk Factors*” in this Annual Information Form, the Filing Statement and the other documents incorporated by reference herein and therein.

INTERPRETATION

Westgate presents its financial statements in Canadian currency. In this Annual Information Form, references to “\$” are to Canadian dollars. Dollar amounts are presented herein in Canadian currency unless otherwise indicated.

MARKET AND INDUSTRY DATA

The market and industry data contained in this Annual Information Form relating to Westgate and its business is based upon information from independent industry and other publications and Westgate’s management’s knowledge of, and experience in, the industry in which Westgate operates. Market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data at any particular point in time, the voluntary nature of the data gathering process or other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data is not guaranteed. Westgate has not independently verified any of the data from third party sources referred to in this Annual Information Form or ascertained the underlying assumptions relied upon by such sources.

NOTES ON RESERVES DATA AND OTHER OIL AND GAS INFORMATION

All oil and natural gas reserve information contained in this Annual Information Form has been prepared and/or presented in accordance with NI 51-101.

Abbreviations

Oil and Natural Gas Liquids		Natural Gas	
bbbl	barrel	Mcf	thousand cubic feet
bbbls	barrels	MMcf	million cubic feet
Mbbbls	thousand barrels	Mcf/d	thousand cubic feet per day
bbbls/d	barrels per day	MMbtu	million British thermal units
Other			
boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 boe for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)		
boe/d	barrel of oil equivalent per day		
m ³	cubic metres		
Mboe	thousand barrels of oil equivalent		

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved and probable reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of oil, NGLs and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the disclosed oil and natural gas reserves does not represent the fair market value of these reserves.

Caution Respecting Boe

This Annual Information Form discloses certain estimated production information on a boe basis with natural gas converted to barrels of oil equivalent using a conversion factor of six Mcf to bbl of oil (6 Mcf:1 bbl). Condensate and other NGLs are converted to boe at a ratio of 1 bbl:1 bbl. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based roughly on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at sales point. This conversion conforms with NI 51-101 disclosure standards. Although the 6:1 conversion ratio is an industry-accepted norm, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between crude oil, NGLs and natural gas is significantly different from the 6:1 energy equivalency ratio. Accordingly, using a conversion ratio of 6 Mcf:1 bbl may be misleading as an indication of value.

Drilling Inventory

Unbooked drilling locations in respect of Westgate's current assets and the Moonshine Assets are the internal estimates of Westgate based on the assets prospective acreage and an assumption as to the number of wells that can be drilled

per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by the Company's management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Westgate will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and natural gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been de-risked by Westgate drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management of Westgate has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Definitions

Certain terms used in this Annual Information Form describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations used in this Annual Information Form, but not defined or described, are defined in NI 51-101, CSA 51-324 or the COGE Handbook and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, CSA 51-324 or the COGE Handbook.

Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates as follows:

“proved reserves” are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

“probable reserves” are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

“possible reserves” are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories as follows:

“developed reserves” are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing as follows:

“developed producing reserves” are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

“developed non-producing reserves” are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

“**undeveloped reserves**” are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator’s assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

The qualitative certainty levels referred to in the definitions above are applicable to “**individual reserves entities**”, which refers to the lowest level at which reserves calculations are performed, and to “**reported reserves**”, which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Interests in Reserves, Production, Wells and Properties

“**gross**” means: (i) in relation to a reporting issuer’s interest in production or reserves, its “company gross reserves”, which are the reporting issuer’s working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the reporting issuer; (ii) in relation to wells, the total number of wells in which a reporting issuer has an interest; and (iii) in relation to properties, the total area of properties in which a reporting issuer has an interest.

“**net**” means: (i) in relation to a reporting issuer’s interest in production or reserves, the reporting issuer’s working interest (operating or non-operating) share after deduction of royalty obligations, plus the reporting issuer’s royalty interests in production or reserves; (ii) in relation to a reporting issuer’s interest in wells, the number of wells obtained by aggregating the reporting issuer’s working interest in each of its gross wells; and (iii) in relation to a reporting issuer’s interest in a property, the total area in which the reporting issuer has an interest multiplied by the working interest owned by the reporting issuer.

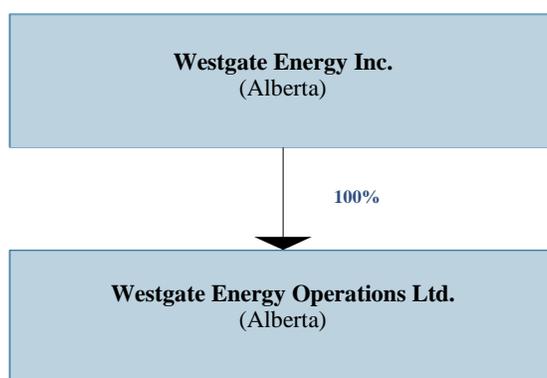
“**working interest**” means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the reporting issuer the right to “work” the property (lease) to explore for, develop, produce and market the leased substances.

WESTGATE ENERGY INC.

Westgate is a Canadian oil and gas development and production company engaged in the acquisition and enhancement of producing oil and gas properties, primarily in Alberta and Saskatchewan. Westgate's head office is located at 2020 4th Street S.W., Suite 420, Calgary, Alberta, T2S 1W3 and its registered and records office is located at 4600, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. Westgate was incorporated under the ABCA on June 8, 1993, as "Pacoota Energy Limited" and subsequently filed articles of amendment: (a) on December 5, 1996, to change its name to "Greensand Energy Inc."; (b) on March 21, 1997, to change its name to "Target Capital Inc."; (c) on January 30, 2024, to change its name to "763997 Alberta Ltd."; and (d) on May 22, 2024, to change its name to "Westgate Energy Inc." in connection with the Reverse Takeover Transaction.

Intercorporate Relationship

The following diagram demonstrates the inter-corporate relationship among the Company and its subsidiary as of the date hereof:



Westgate Energy Operations Ltd. was formed by the amalgamation of Grafton and Subco.

GENERAL DEVELOPMENT OF THE BUSINESS

In connection with the Reverse Takeover Transaction, the Company's predecessor, Grafton, was a private junior oil and gas development and production company engaged in the acquisition and enhancement of producing oil and gas properties, primarily in Alberta.

On March 14, 2024, the Company, together with Subco entered into the Amalgamation Agreement with Grafton, whereby Subco amalgamated with Grafton to form an amalgamated corporation ("**Amalco**") to complete the Reverse Takeover Transaction. The Amalgamation was structured as a three-cornered amalgamation and as a result, upon completion of the Amalgamation, Amalco became a wholly owned subsidiary of the Company. In connection with the Reverse Takeover Transaction:

- the Company consolidated the Common Shares on a 40-for-1 basis;
- Grafton completed the Grafton Non-Brokered Private Placement for aggregate gross proceeds of approximately \$3.4 million;
- each Grafton Subscription Receipt issued pursuant to the Grafton Brokered Private Placement for aggregate gross proceeds of approximately \$3.7 million was converted into one Grafton Share and one Grafton Share purchase warrant and the proceeds therefrom were released from escrow;
- each Grafton Share and Grafton Share purchase warrant was exchanged for 0.34433507 Common Shares and 0.34433507 Common Share purchase warrants, respectively;

- the Company issued 547,090 Common Shares to certain former directors and officers of the Company pursuant to compensation settlement agreements; and
- the Company, as the resulting issuer, continued the business of Grafton and changed its name from “763997 Alberta Ltd.” to “Westgate Energy Inc.”.

The Reverse Takeover Transaction was completed on May 23, 2024 and resulted in the issuance by the Company of 47,660,238 Common Shares at a deemed price per share of \$0.44.

Three Year History and Outlook

Pursuant to the Reverse Takeover Transaction, the Company continued the business of Grafton. The following describes how the Company’s business, through Grafton, has developed since January 1, 2022. Please refer to the Filing Statement for more information with respect to the TCI business prior to the Reverse Takeover Transaction.

2022

During the year ended December 31, 2022, Grafton completed two property acquisitions from Baytex Energy Ltd. and Alphas Energy Ltd. for certain oil and gas assets in the Richdale area of Alberta (the “**2022 Assets**”) for nominal cash consideration (the “**2022 Acquisitions**”). Grafton’s initial production began in August 2022 following the 2022 Acquisitions.

2023

Effective January 1, 2023, Grafton acquired certain oil and gas assets, including a second well, in the Richdale area of Alberta (together with the 2022 Acquisitions, the “**Richdale Acquisition**”) for total cash consideration of \$6,000 (together with the 2022 Assets, the “**Richdale Assets**”).

On May 17, 2023, pursuant to a purchase and sale agreement between Grafton and Surge Energy Inc. dated April 21, 2023, Grafton closed the acquisition of certain petroleum and natural gas interests, properties and related assets in the area of Killam, Alberta (the “**Killam Assets**”) including 480 net acres of associated undeveloped land for consideration of \$1.5 million in cash, subject to customary adjustments (the “**Killam Acquisition**”).

2024

On October 28, 2024, Westgate acquired a 100% working interest in six sections (1,536 hectares) of mineral rights in the Cold Lake oil sands area of Alberta (the “**Beaverdam Assets**”) as part of a master development agreement with Elizabeth Metis Settlement (“**EMS**”) that, together with certain associated agreements, granted Westgate the right to access to EMS lands for the purposes of developing certain oil and gas resources. Westgate has identified the potential for up to 40 horizontal drilling locations across multiple horizons within the Mannville Stack group of formations with respect to the Beaverdam Assets. See “*Notes on Reserves Data and Other Oil and Gas Information - Drilling Inventory*”.

Recent Developments

Moonshine Acquisition

On March 7, 2025, Westgate entered into an asset purchase and sale agreement with an arm’s length, large, well-financed private oil and gas company for the strategic acquisition of Mannville Stack focused assets in East-Central Alberta near Frog Lake (the “**Moonshine Assets**”) for total consideration of \$7.0 million, subject to customary adjustments (the “**Moonshine Acquisition**”). The Company’s net cost for the Moonshine Acquisition is expected to be approximately \$5.7 million and the Moonshine Acquisition is expected to close in June 2025. Pursuant to the Moonshine Acquisition, Westgate is expected to acquire 14.5 sections (3,712 hectares) of primarily contiguous mineral rights and 58 bbl/d of oil. Up to 57 multi-lateral horizontal well locations have been internally identified by the Company across three stacked oil bearing Mannville zones. See “*Drilling Inventory*”. The Moonshine Acquisition is subject to, among other things, customary closing conditions, including the accuracy of representations and

warranties, the performance of covenants in the definitive agreements and obtaining certain governmental and third-party approvals and the Company entering into a master development agreement with the Fishing Lake Metis Settlement with respect to the Moonshine Assets.

2025 Private Placement

On March 7, 2025, the Company closed a non-brokered private placement offering of 700 units of the Company (the “**2025 Private Placement Units**”) to Art Agolli, a director of the Company, at a price of \$1,000 per unit for gross proceeds of \$700,000 (the “**2025 Private Placement**”). Each 2025 Private Placement Unit was comprised of \$1,000 principal amount of convertible unsecured subordinated debentures of the Company (the “**2025 Convertible Debentures**”) and 285 Common Share purchase warrants. The 2025 Convertible Debentures are convertible at the election of the holder into Common Shares at a conversion price of \$0.25 until August 28, 2025, and each warrant entitles the holder to acquire one Common Share at an exercise price of \$0.27 until March 7, 2026. The proceeds from the 2025 Private Placement were used to fund a deposit required under the Moonshine Acquisition.

2025 Public Offering

On April 2, 2025, Westgate closed a best-efforts public offering of 16,541,267 units of the Company (the “**2025 Public Units**”) at a price of \$0.15 per unit for aggregate gross proceeds of approximately \$2.5 million (the “**2025 Public Offering**”). The 2025 Public Offering was led by Haywood Securities Inc. as the sole agent and bookrunner. Each 2025 Public Unit was comprised of one Common Share and one Common Share purchase warrant. Each warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.24 until April 2, 2027. Haywood Securities Inc. was granted an over-allotment option to offer for sale up to an additional 6,000,000 2025 Public Units (up to additional gross proceeds of \$900,000), which over-allotment option is exercisable until May 2, 2025. In connection with the 2025 Public Offering, Haywood Securities Inc. was issued 918,022 non-transferable compensation options of the Company. Each compensation option entitles the holder to acquire one Common Share at an exercise price of \$0.15 until April 2, 2027. The Company intends to use the net proceeds of the 2025 Public Offering to fund the Moonshine Acquisition.

Senior Secured Loan

On April 3, 2025, Westgate closed a first lien senior secured loan for up to US\$25 million (the “**Senior Secured Loan**”) from Cibolo, a Houston based firm focused on energy investment opportunities.

Westgate entered into a first lien senior secured credit agreement (the “**Senior Secured Loan Agreement**”) with Cibolo providing for a multi-draw, non-revolving term loan facility of a maximum aggregate principal amount of up to US\$25.0 million. Westgate has made an initial draw of US\$10.0 million. An additional US\$10.0 million has been committed and remains available for draw. Additional commitments are subject to further approval by Cibolo. The Senior Secured Loan carries an interest rate due quarterly of SOFR plus 7.75%, with an SOFR floor of 4.25%, and will mature on April 3, 2029. Based on the current SOFR rate, the initial interest rate will be approximately 12.04%. Westgate Energy Operations Ltd. has guaranteed the Senior Secured Loan.

In connection with the Senior Secured Loan, Cibolo was issued 24,343,659 non-transferable Common Share purchase warrants. Each warrant entitles the holder to acquire one Common Share at an exercise price equal to \$0.21 until April 3, 2030. The Company intends to use the Senior Secured Loan to fund drilling on its existing lands and the Moonshine Assets.

Outlook

Westgate is planning to commence a three well program in the second half of May 2025 pending the timing of spring road bans. The drilling program will consist of three horizontal wells, each targeting separate Mannville Stack horizons within the Beaverdam area near Cold Lake, Alberta. These three wells are expected to take 25-30 days in aggregate from spud to rig release and are anticipated to be on production in July 2025.

The Moonshine Acquisition is expected to provide Westgate with 14.5 sections of mostly undeveloped land highly prospective for horizontal development within the Mannville Stack Waseca Formation. Westgate has identified over

57 horizontal locations targeting the Waseca and other Mannville Stack zones that are oil prone in the area. See “*Notes on Reserves Data and Other Oil and Gas Information - Drilling Inventory*”. The Moonshine Lake Acquisition is subject to certain conditions that are expected to be met in the second quarter of 2025. Subject to closing the Moonshine Acquisition, Westgate expects to commence a drilling program on the Moonshine Assets later in 2025, subject to Board and lender approval.

Potential Acquisitions and Financings

Westgate continues to evaluate potential acquisitions of all types. The Company is regularly in the process of evaluating several potential acquisitions at any one time, which individually or together could be material. As of the date hereof, Westgate has not reached agreement on the price or terms of any potential material acquisition other than as disclosed herein. Westgate cannot predict whether any current or future opportunities will result in one or more acquisitions for Westgate. Westgate may, in the future, complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions, the Company’s operations and capital expenditures and repayment of indebtedness.

DESCRIPTION OF THE BUSINESS

Corporate Strategy

Westgate is focused on the emerging Mannville Stack Fairway located in East-Central Alberta and West-Central Saskatchewan. This fairway is characterized by known accumulations of medium and heavy oil which are being ‘unlocked’ via the application of innovative drilling techniques that utilize multi-lateral horizontal drilling. The application of these modernized multi-lateral drilling techniques has yielded some of the strongest oil economics throughout Western Canada.

Westgate’s objective is to position itself as one of a select few pure-play, high-growth, publicly-traded junior oil companies focused on the Mannville Stack Fairway by targeting high-quality oil assets with large quantities of oil-in-place and driving growth through successful drilling as well as strategic merger and acquisition opportunities.

As part of its growth strategy, Westgate continues to strategically evaluate and search out oil and gas properties that will result in meaningful reserve and production additions. Westgate will deploy capital to high-quality, longer-life reservoirs in proven growth areas that offer existing infrastructure, low-cost oil drilling opportunities, year-round access and operational control. Westgate’s core operating properties in East-Central Alberta will continue to be developed and expanded through a detailed technical analysis of available data, including reservoir characteristics, original crude oil and natural gas in place, recovery factors and the application of exploitation drilling and enhanced recovery techniques. In the near term, drilling activity will be focused on the Cold Lake Project area.

In each of its core areas, Westgate’s growth strategy is to:

1. acquire and consolidate complementary prospective lands and drilling location opportunities;
2. build a sufficient inventory of land and drilling locations to support five to seven years of field operational activities; and
3. manage uncertainty through the technical and operating experience Westgate has in each of these geographic areas.

To execute its business plan, Westgate requires: (i) access to land and additional opportunities; (ii) appropriate commercial terms; (iii) access to services and goods for operations; (iv) acquisition and operational success; and (v) timely financing for all such activities.

Exploration and Development Summary

Richdale

Westgate has accumulated approximately 1,273 net acres of land related to its Richdale Project. Westgate will continue to monitor the production at its two wells in the Richdale Project. Westgate currently has no plans for any additional exploration work to be completed at the Richdale Project.

Killam

Westgate has accumulated approximately 4,649 net acres of land related to its Killam Project. The exploration and development program for the Killam Project began in the fourth quarter of 2023 with the drilling of the first multi-lateral well in December 2023 which was brought onto production by year end 2023. The cost of completing the well in the Killam Project and tying the well into a production gathering system cost approximately \$1.9 million.

In August 2024, Westgate completed its two-well drilling program targeting the Mannville Stack fairway at its Killam Project. The program's first well (the "**16-15 Well**") was successfully drilled using a four-leg, open-hole horizontal design which directly offsets the Company's last well drilled in December 2023 and was drilled off the same pad and features an on-lease tie-in for solution gas. The 16-15 Well was drilled in eight days from spud to rig release, with a total of 5,197 metres of lateral length within the Mannville Sparky Formation. The 16-15 Well was subsequently brought on production on July 28, 2024 via an on-lease tie-in. The cost to drill and complete the 16-15 Well came in under budget at \$1.4 million.

The program's second well (the "**11-21 Well**") was successfully drilled as a six-leg open-hole horizontal well also targeting the Mannville Sparky Formation and was drilled from a new pad. The 11-21 Well was drilled in eight days from spud to rig release, with a total of 5,438 metres of lateral length within the Mannville Sparky Formation. The cost to drill and complete the 11-21 Well came in under budget at \$1.3 million.

Beaverdam

Westgate acquired a 100% working interest in six sections (1,536 hectares) of mineral rights related to its Cold Lake Project as part of a master development agreement with EMS that, together with certain associated agreements, grants Westgate the right to access to EMS lands for the purposes of developing certain oil and gas resources. Westgate has identified the potential for up to 40 horizontal drilling locations across multiple horizons within the Mannville Stack group of formations with respect to the Beaverdam Assets. The land has year-round road access and is proximal to other successful Mannville Stack developments. See "*Notes on Reserves Data and Other Oil and Gas Information - Drilling Inventory*".

Operations

Environmental protection and requirements play an important part in Westgate's operational plan and Westgate is committed to managing its operations in a safe, environmentally responsible and efficient manner. Environmental considerations and expenditures are included in all budget considerations, with capital and operational programs expected to meet or exceed required environmental standards and regulations. Projects are reviewed for potential environmental liabilities and compliance with applicable regulatory requirements.

Environmental legislation is continually evolving in a manner that is expected to result in stricter standards and enforcement, larger fines and potentially increased capital expenditures and operational costs. There are no assurances that current compliance with regulations and laws will prevent new legislation from having a material effect on future production or development activities, and adversely affect Westgate's future financial condition.

The AER's liability management program is designed to ensure that the suspension, abandonment, remediation and reclamation of wells, facilities and pipelines are addressed in a timely manner and the associated costs are funded by industry participants as opposed to taxpayers. Changes to this program or how it is implemented may result in increases to the security that Westgate is required to provide to the AER to ensure its liabilities are funded, which could have a material effect on future capital available to Westgate. Changes to how the AER holistically assesses the ability of

licensees to meet their regulatory and liability obligations could also interfere with Westgate's ability to acquire or dispose of assets, as the AER conducts such assessments prior to approving the transfer of assets from one company to another.

Specialized Skill and Knowledge

Westgate relies on the specialized skill and knowledge of its permanent staff to compile, interpret and evaluate technical data, drill and complete wells, design and operate production facilities and numerous additional activities required to explore for and produce oil and natural gas. From time to time, Westgate employs consultants and other service providers to provide experience and expertise to carry out its oil and natural gas operations effectively. It is the belief of management of Westgate that its officers and other staff, who have significant technical, operational and financial experience in the oil and gas industry, hold the necessary skill sets to successfully execute Westgate's business strategy in order to achieve its corporate objectives.

Market

Westgate's operations are located in the Province of Alberta and are subject to various federal, provincial and local laws affecting the petroleum industry across Canada. Westgate is subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls and control over the development and abandonment of fields (including restrictions on production). See "*Risk Factors*".

Marketing

Westgate's crude oil, NGLs and natural gas production are sold primarily through lease sales that provide current market prices. Westgate's crude oil contracts are generally for a period of up to one year and are cancellable on 30 days' notice, Westgate's natural gas contracts are generally for one year and are cancellable on 60 days' notice, and Westgate's NGLs contracts are generally for one year and allow for volume variances during their term. Westgate does not have, nor does it expect to enter into any sales contracts that are reserve specific or continue for the life of production from the specified reserves.

Competitive Conditions

The oil and natural gas industry is intensely competitive in all its phases. Westgate competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Westgate's competitors include energy companies which have greater financial resources, staff and facilities than those of Westgate. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. See "*Risk Factors*".

Cyclical and Seasonal Nature of Industry

Westgate's operational results and financial condition will be dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on Westgate's financial condition. Furthermore, the level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. An extremely cold winter can cause freezing at producing facilities or deep snow can make servicing wells difficult. A wet spring can make the ground unstable, resulting in road bans and limited access to well sites and facilities resulting in reduced operations. See "*Risk Factors*".

Proprietary Protection

Westgate does not have any proprietary protection of any of Westgate's products, including patents, copyrights and trademarks, and management does not intend to take any steps to secure proprietary protection.

Economic Dependence

Westgate has no contracts that they are currently economically dependent upon.

Environmental

Westgate operates in compliance with applicable existing environmental laws and regulations and is not aware of any proposed environmental legislation or regulations with which it would not be in material compliance. Procedures are put in place to ensure that the utmost care is taken in the day-to-day management of Westgate's oil and gas properties. However, in the future, the natural resources industry may become subject to more stringent environmental protection rules. This could increase the cost of doing business and may have a negative impact on future earnings. See "*Risk Factors*".

Employees

As at December 31, 2024, Westgate had no full-time employees and 8 consultants and contractors.

Bankruptcy and Similar Procedures

There has been no bankruptcy, receivership or similar proceedings against Westgate, or any voluntary bankruptcy, receivership or similar proceedings by Westgate.

Reorganizations

Westgate entered into the Amalgamation Agreement whereby Subco amalgamated with Grafton to form Amalco to complete the Reverse Takeover Transaction. See "*General Development of the Business*".

Social or Environmental Policies

The Company has not implemented social or environmental policies that are fundamental to its operations (such as policies regarding its relationship with the environment, with the communities in the vicinity of its exploration projects or human rights policies). However, the Company's management ensures its ongoing compliance with local environmental laws in the jurisdictions in which it does business.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Disclosure of Reserves Data

The statement of reserves data and other oil and gas information set forth below is based on the 2024 Sproule Report (the "**Westgate Reserves Data**"). The Westgate Reserves Data summarizes, as of December 31, 2024, the crude oil, NGLs and natural gas reserves attributed to Westgate's assets (the "**Westgate Assets**") and the net present values of future net revenue for these reserves using forecast prices and costs. The 2024 Sproule Report has been prepared by Sproule, an independent qualified reserves evaluator, in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which management believes is important to the readers of this information. The following tables provide summary information presented in the 2024 Sproule Report effective December 31, 2024 and based on the Sproule December 31, 2024 price forecast.

Reserves attributed to the Westgate Assets are located in the Province of Alberta.

The report on reserves data by Sproule is attached as Exhibit B to this Annual Information Form.

The report of management and directors on oil and gas disclosure is attached as Exhibit C to this Annual Information Form.

It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of crude oil, NGLs and natural gas reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth in this Annual Information Form are estimates only. The recovery and reserve estimates of the crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein. In general, estimates of economically recoverable crude oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of crude oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, among others, estimates of the economically recoverable crude oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves may vary and such variations may be material. The actual production, revenues, taxes and development and operating expenditures with respect to the reserves associated with the Westgate Assets may vary from the information presented herein and such variations could be material.

In certain of the tables set forth below, the columns may not add due to rounding.

Disclosure of Reserves Data

Summary of Oil and Gas Reserves (Forecast Prices and Costs)

Reserves Category	Heavy Crude Oil		Conventional Natural Gas (Solution Gas) ⁽¹⁾		Conventional Natural Gas (Non Associated & Associated)		NGLs		Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(MMcf)	(MMcf)	(Mbbbl)	(Mbbbl)	(Mboe)	(Mboe)
Proved										
Developed Producing	251.8	216.4	809	700	398	328	8.7	7.2	461.7	395.0
Undeveloped	84.9	72.2	238	202	-	-	1.0	0.8	125.6	106.7
Total Proved	336.7	288.6	1047	902	398	328	9.7	8.0	587.3	501.7
Probable	103.4	88.4	320	275	103	85	2.7	2.3	176.6	150.6
Total Proved plus Probable	440.1	377.0	1367	1,177	501	413	12.4	10.3	763.9	652.3

Note:

- (1) Conventional Natural Gas (Solution Gas) includes all gas produced in association with Light, Medium, and Heavy Crude Oil.

Summary of Net Present Values of Future Net Revenue (Forecast Prices and Costs)

Reserves Category	Before Income Tax Discounted at Various Rates					Unit Value Before Income Tax Discounted at 10% (\$/boe) ⁽⁴⁾
	0% (\$M)	5% (\$M)	10% (\$M)	15% (\$M)	20% (\$M)	
Proved						
Developed Producing	6,745	9,093	8,671	8,005	7,397	\$21.95
Developed Non-Producing	-	-	-	-	-	-
Undeveloped	2,187	1,511	1,042	717	487	\$9.76
Total Proved	8,932	10,604	9,713	8,722	7,884	\$19.36
Probable	5,562	4,166	3,270	2,661	2,227	\$21.71
Total Proved plus Probable	14,494	14,770	12,983	11,383	10,111	\$19.90

Notes:

- (1) Net present value of future net revenue includes all resource income: sale of oil, gas, by-product reserves; processing third party reserves; and other income.
- (2) The undiscounted proved developed producing net present value is lower than the discounted values due to the effect of discounting future asset retirement obligations.
- (3) The proved developed producing net present value discounted at 10% is higher than when discounted at 5% due to increasing future asset retirement obligations and decreasing future cash flow.
- (4) Unit values are based upon net reserves.

Reserves Category	After Income Tax Discounted at Various Rates				
	0% (\$M)	5% (\$M)	10% (\$M)	15% (\$M)	20% (\$M)
Proved					
Developed Producing	6,745	9,093	8,671	8,005	7,397
Developed Non-Producing	-	-	-	-	-
Undeveloped	2,187	1,811	1,042	717	487
Total Proved	8,931	10,604	9,712	8,722	7,883
Probable	4,575	3,439	2,721	2,238	1,896
Total Proved plus Probable	13,506	14,043	12,433	10,960	9,779

Notes:

- (1) Net present value of future net revenue includes all resource income: sale of oil, gas, by-product reserves; processing third party reserves; and other income.
- (2) The undiscounted proved developed producing net present value is lower than the discounted values due to the effect of discounting future asset retirement obligations.
- (3) The proved developed producing net present value discounted at 10% is higher than when discounted at 5% due to increasing future asset retirement obligations and decreasing future cash flow.

Total Future Net Revenue (Undiscounted) (Forecast Prices and Costs)

Reserves Category	Revenue (\$M)	Royalties (\$M)	Operating Costs (\$M)	Development Costs (\$M)	Abandonment and Reclamation Costs (\$M)	Future Net Revenue Before Income Taxes (\$M)	Future Income Tax Expense (\$M)	Future Net Revenue After Income Taxes (\$M)
Proved	36,000	5,538	14,458	1,836	5,236	8,931	-	8,931
Proved plus Probable	46,052	7,439	18,743	1,836	5,249	14,493	987	13,506

Future Net Revenue by Production Group (Forecast Prices and Costs)

Reserves Category	Production Group	Future Net Revenue Before Income Taxes (discounted at 10%/year) (\$M)	Unit Value Before Income Tax ⁽¹⁾ (discounted at 10%/year) (\$/boe)
Proved	Heavy Crude Oil (including solution gas and associated by-products)	9,427	21.31
	Conventional Natural Gas (Non Associated & Associated) (including associated by-products)	285	4.81
	Total	9,712	-
Proved plus Probable	Heavy Crude Oil (including solution gas and associated by-products)	12,637	21.87
	Conventional Natural Gas (Non Associated & Associated) (including associated by-products)	345	4.63
	Total	12,982	-

Note:

(1) Unit values are based on net reserve volumes.

Summary of Pricing and Inflation Rate Assumptions⁽¹⁾

The following tables set forth the benchmark reference prices, as at December 31, 2024, reflected in the Westgate Reserves Data. These price assumptions were provided to Westgate by Sproule and were Sproule's then current forecast at the date of the 2024 Sproule Report.

Year	Canadian Light Sweet Crude 40° API (\$Cdn/bbl)	Western Canada Select 20.5° API (\$Cdn/bbl)	Alberta AECO-C Spot (\$Cdn/MMbtu)	Edmonton Pentanes Plus (\$Cdn/bbl)	Edmonton Butane (\$Cdn/bbl)	Edmonton Propane (\$Cdn/bbl)	Operating Cost Inflation Rate ⁽²⁾ (%/year)	Capital Cost Inflation Rate ⁽²⁾ (%/year)	Exchange Rate ⁽³⁾ (\$Cdn/\$US)
2024	98.13	83.90	1.39	100.64	48.38	30.40	1.5	-0.3	0.73
2025	97.14	83.57	2.29	98.57	50.71	33.47	0.0	0.0	0.70
2026	100.69	87.59	3.42	102.07	52.41	34.59	2.0	2.0	0.73
2027	97.33	84.67	3.31	98.61	50.67	33.20	2.0	2.0	0.75
2028	99.28	86.36	3.35	100.59	51.68	33.86	2.0	2.0	0.75
2029	101.27	88.09	3.41	102.60	52.71	34.54	2.0	2.0	0.75

	Canadian Light Sweet Crude 40° API	Western Canada Select 20.5° API	Alberta AECO-C Spot	Edmonton Pentanes Plus	Edmonton Butane	Edmonton Propane	Operating Cost Inflation Rate ⁽²⁾	Capital Cost Inflation Rate ⁽²⁾	Exchange Rate ⁽³⁾
Year	(\$Cdn/bbl)	(\$Cdn/bbl)	(\$Cdn/MMbtu)	(\$Cdn/bbl)	(\$Cdn/bbl)	(\$Cdn/bbl)	(%/year)	(%/year)	(\$Cdn/\$US)
2030	103.29	89.85	3.48	104.65	53.77	35.23	2.0	2.0	0.75
2031	105.36	91.65	3.55	106.74	54.84	35.93	2.0	2.0	0.75
2032	107.46	93.48	3.62	108.88	55.94	36.65	2.0	2.0	0.75
2033	109.61	95.35	3.69	111.05	57.06	37.38	2.0	2.0	0.75
2034+	+2%/year	+2%/year	+2%/year	+2%/year	+2%/year	+2%/year	+2%/year	+2%/year	+2%/year

Notes:

- (1) This table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
- (2) Inflation rates are for forecasting costs only. Prices inflated at 2% where applicable.
- (3) Exchange rates used to generate the benchmark reference prices in this table.
- (4) Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Weighted average historical prices realized from the Westgate Assets for the year ended December 31, 2024 were \$83.75/bbl for crude oil, \$67.00/bbl for NGLs and \$0.86/Mcf for natural gas.

Reconciliation of Company Gross Reserves by Product Type (Forecast Prices and Costs)

The following tables set forth the changes between the reserves estimates made as at December 31, 2024 and the corresponding estimates made as at December 31, 2023.

Reserves Category	Heavy Crude Oil			Conventional Natural Gas		
	Gross Proved	Gross Probable	Gross Proved Plus Probable	Gross Proved	Gross Probable	Gross Proved Plus Probable
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(MMcf)
December 31, 2023	251.3	85.7	337.0	1,353	414	1,767
Discoveries	-	-	-	-	-	-
Extensions and Improved Recovery	163.0	36.9	199.9	414.6	94.0	508.6
Technical Revisions	(37.3)	(16.6)	(53.9)	21.1	(51.7)	(30.6)
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic Factors	(1.6)	(2.6)	(4.2)	(109.7)	(32.7)	(142.4)
Production	(38.7)		(38.7)	(233.5)	-	(233.5)
December 31, 2024	336.7	103.4	440.1	1,445	423	1,868

Reserves Category	NGLs			Total		
	Gross Proved	Gross Probable	Gross Proved Plus Probable	Gross Proved	Gross Probable	Gross Proved Plus Probable
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mboe)	(Mboe)	(Mboe)
December 31, 2023	11.3	3.2	14.6	488.1	157.9	646.0

Discoveries	-	-	-	-	-	-
Extensions and Improved Recovery	1.7	0.3	2.0	233.8	52.9	286.7
Technical Revisions	(0.1)	(0.6)	(0.7)	(33.8)	(25.8)	(59.6)
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic Factors	(1.4)	(0.4)	(1.8)	(21.3)	(8.4)	(29.7)
Production	(1.8)	-	(1.8)	(79.5)	-	(79.5)
December 31, 2024	9.6	2.7	12.3	587.2	176.6	763.9

Additional Information Relating to Reserves Data

Undeveloped Reserves

Undeveloped reserves are attributed by Sproule in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved undeveloped reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Proved and probable undeveloped reserves have been assigned in accordance with engineering and geological practices as defined under NI 51-101. In general, undeveloped reserves are planned to be developed over the next two years.

In some cases, it will take longer than two years to develop these reserves. There are a number of factors that could result in delayed or cancelled development, including the following: (i) changing economic conditions (due to pricing, operating and capital expenditure fluctuations); (ii) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (iii) multi-zone developments (for instance, a prospective formation completion may be delayed until the initial completion formation is no longer economic); (iv) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (v) surface access issues (including those relating to land owners, weather conditions and regulatory approvals).

The following tables set forth the proved undeveloped reserves and the probable undeveloped reserves, each by product type, first attributed to the Westgate Assets in each of the following financial years.

Proved Undeveloped Reserves

Year	Heavy Crude Oil (Mbbbl)		Conventional Natural Gas (MMcf)		NGLs (Mbbbl)	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
2022	-	-	-	-	-	-
2023	86.8	86.8	238	238	1.0	1.0
2024	84.9	84.9	238	238	1.0	1.0

Sproule has assigned 125.6 Mboe of proved undeveloped reserves in the 2024 Sproule Report under forecast prices and costs, together with \$1.83 million of associated undiscounted future development capital. The spending in the first two forecast years of the 2024 Sproule Report accounts for \$1.83 million, or 100%, of the total forecast.

Probable Undeveloped Reserves

Year	Heavy Crude Oil (Mbbbl)		Conventional Natural Gas (MMcf)		NGLs (Mbbbl)	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
2022	-	-	-	-	-	-
2023	41.3	41.3	113	113	0.5	0.5
2024	40.0	40.0	112	112	0.4	0.4

Sproule has assigned 59.2 Mboe of probable undeveloped reserves in the 2024 Sproule Report with no additional dollars allocated for future development capital over the proved undeveloped schedule.

Significant Factors or Uncertainties Affecting Reserves Data

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserve estimates and the present worth of the future net revenue therefrom. These factors and assumptions include, among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and government restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

Westgate does not anticipate any unusually high development costs or operating costs, any unusually high abandonment and reclamation costs, the need to build a major pipeline or other major facility before production of reserves can begin, or contractual obligations to produce and sell a significant portion of production at prices substantially below those which could be realized but for those contractual obligations.

Future Development Costs

The following table sets forth development costs deducted in the estimation of Westgate's future net revenue attributable to the reserve categories noted below.

Year	Forecast Prices and Costs (\$M)	
	Proved Reserves	Proved Plus Probable Reserves
2025	-	-
2026	1,836	1,836
2027	-	-
2028	-	-
2029	-	-

Thereafter	-	-
Total: Undiscounted	1,836	1,836
Total: Discounted at 10%	1,585	1,585

Westgate expects to fund the development costs of these reserves through a combination of internally generated cash flow, advances under the Senior Secured Loan and the issuance of new equity where and when it believes appropriate.

There can be no guarantee that funds will be available or that the Board will allocate funding to develop all of the reserves attributable in the 2024 Sproule Report. Failure to develop those reserves could have a negative impact on Westgate's future cash flow.

The interest or other costs of external funding are not included in the reserves and future net revenue estimates set forth above and would reduce the reserves and future net revenue to some degree depending upon the funding sources utilized. Westgate does not anticipate that interest or other funding costs would make further development of any of the Westgate Assets uneconomic.

Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table sets forth the number and status of wells in respect of the Westgate Assets as at December 31, 2024. All of the wells are located in the Province of Alberta.

	Producing				Non-Producing ⁽¹⁾			
	Oil		Gas		Oil		Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Total	10	10	2	2	7	7	7	7

Note:

- (1) "Non-Producing" means wells that may or may not have been previously on production and the date production will be obtained from these wells is uncertain. It also includes active and non-active water injection wells.

Properties with No Attributable Reserves

The Beaverdam Assets currently have no attributable reserves. See "*General Development of the Business - Three Year History and Outlook*".

Significant Factors or Uncertainties Relevant to Properties With No Attributed Reserves

There are several economic factors and significant uncertainties that affect the anticipated development of Westgate's properties with no attributed reserves. The Company will be required to make substantial capital expenditures in order to exploit, develop, prove and produce crude oil from these properties in the future. If Westgate's cash flow or credit facility are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on terms acceptable to the Company. Failure to obtain such financing on a timely basis could cause Westgate to miss certain opportunities and reduce or terminate its operations. The inability of Westgate to access sufficient capital for its exploration and development activities could have a material adverse effect on Westgate's ability to execute its business strategy to develop these prospects.

The significant economic factors that affect Westgate's development of its lands to which no reserves have been attributed are future commodity prices for crude oil and Westgate's outlook relating to such prices, and the future costs of drilling, completing, equipping, tie-in and operating the wells at the time that such activities are considered in the future.

The significant uncertainties that affect Westgate's development of such lands are: (i) the future drilling and completion results Westgate achieves in its development activities; (ii) drilling and completion results achieved by others on lands in proximity to Westgate's lands; and (iii) future changes to applicable regulatory or royalty regimes that affect timing or economics of proposed development activities. All of these uncertainties have the potential to delay the development of such lands. Alternatively, uncertainty as to the timing and nature of the evolution or development of improved exploration drilling, completion and production technologies has the potential to accelerate development activities and enhance the economics relating to such lands.

Forward Contracts

Subsequent to December 31, 2024, the Company agreed to pay on a deferred basis US\$190,319 and entered into the following risk management contracts for crude oil.

Contract	Term	Volume	Contract Price
Crude Oil			
WTI oil put contract (floor)	May 1, 2025 – Jun. 30, 2025	69 bbl/day	US\$60.20/bbl
WTI oil put contract (floor)	Jul. 1, 2025 – Sep. 30, 2025	64 bbl/day	US\$59.60/bbl
WTI oil put contract (floor)	Oct. 1, 2025 – Dec. 31, 2025	59 bbl/day	US\$59.30/bbl
WTI oil put contract (floor)	Jan. 1, 2026 – Mar.31, 2026	54 bbl/day	US\$59.20/bbl
WTI oil put contract (floor)	Apr. 1, 2026 – Jun. 30, 2026	51 bbl/day	US\$59.30/bbl
WTI oil put contract (floor)	Jul. 1, 2026 – Sep. 30, 2026	47 bbl/day	US\$59.30/bbl

Additional Information Concerning Abandonment and Reclamation Costs

Westgate estimates the costs to abandon and reclaim all its non-producing and producing wells, gas plants, pipelines, batteries and other facilities based on its previous experience, current regulations, costs, technology an industry standards area by area. No estimate of salvage value is netted against the estimated cost. Westgate's model for estimating the amount of future abandonment and reclamation expenditures was done on an individual well and facility level. Estimated expenditures for each well and facility are based on internal estimates. Each well and facility are assigned an average cost for abandonment and reclamation over a six-year period after each wells estimated reserve life. Timing of expenditures is based on budgets and estimates of such annual activities. Facility reclamation costs are generally scheduled to begin shortly before the end of the reserve life of Westgate associated reserves and continue beyond the reserve life under the assumption that decommissioning of plant/facilities are generally mobile assets with a long useful life.

Westgate estimates that it will incur reclamation and abandonment costs on the properties to be held by it upon abandonment. The approximate net cost to abandon and reclaim all wells and facilities for proven plus probable reserves, discounted at 10%, totals \$0.6 million (\$5.2 million undiscounted). Abandonment and reclamation costs undiscounted and expected to be paid over the next three years totals \$0.13 million.

Tax Horizon

It is expected that the Westgate will have approximately \$15.7 million of tax pools available associated with the Westgate Assets. It is expected that, based on current legislation, the projections contained in the 2024 Sproule Report and various other assumptions, cash income taxes are not expected to be paid by Westgate relating to the Westgate Assets in the 2025 taxation year.

Cost Incurred

The following table sets forth the costs incurred by Westgate in relation to the Westgate Assets (excluding capitalized general and administrative and other expenses) related to activities attributable to the Westgate Assets for the year ended December 31, 2024.

	Year Ended December 31, 2024 (\$ thousands)
Property acquisition costs	
Proved	63
Unproved	2,587
Exploration	-
Development	4,686
Other	-
Total	7,336

Exploration and Development Activities

The following table sets forth the gross exploratory and development wells in which Westgate participated during the year ended December 31, 2024.

Type	Exploratory Wells		Developmental Wells		Total Wells	
	Gross	Net	Gross	Net	Gross	Net
Oil	-	-	2	2	2	2
Gas	-	-	-	-	-	-
Service	-	-	-	-	-	-
Stratigraphic	-	-	-	-	-	-
Dry	-	-	-	-	-	-
Total Wells	-	-	2	2	2	2

See “General Development of the Business – Outlook”.

Production Estimates

The following table sets forth the volume of Westgate’s gross working interest production estimated for the year ended December 31, 2025, as evaluated by Sproule, which is reflected in the estimate of future net revenue disclosed in the tables above.

	Heavy Crude Oil (bbls/d)	Conventional Natural Gas (Mcf/d)	Natural Gas Liquids (bbls/d)	Boe (boe/d)
Proved	171	696	5	292
Probable	6	20	0	9
Total Proved plus Probable	177	716	5	301

Note:

- (1) Before deduction of royalties.

Production History

The following tables set forth certain information in respect of production, product prices received, royalties paid, operating expenses and resulting netback in respect of the Westgate Assets for the periods indicated below.

	2024 Quarter Ended				Year Ended December 31, 2024
	Q4 December 31	Q3 September 30	Q2 June 30	Q1 March 31	
Average Gross Daily Production⁽¹⁾					
Oil ⁽²⁾ (bbls/d)	151	97	86	88	106
Conventional Natural Gas (Mcf/d)	732	661	618	511	631
NGLs (bbls/d)	5	7	4	5	5
Combined (boe/d)	278	213	193	178	216
Average Price Received					
Oil ⁽²⁾ (\$/bbl)	83.42	83.85	91.68	76.54	83.75
Conventional Natural Gas (\$/Mcf)	0.81	0.24	0.78	1.84	0.86
NGLs (bbls/d)	65.11	56.18	83.17	68.81	67.00
Combined (\$/boe)	48.60	40.47	45.06	45.06	45.06
Royalties Paid⁽³⁾					
Oil ⁽²⁾ (\$/bbl)	10.67	10.38	10.01	7.44	9.80
Conventional Natural Gas (\$/Mcf)	0.07	0.01	0.07	0.17	0.08
NGLs (bbls/d)	10.68	8.8	12.62	9.39	10.2
Combined (\$/boe)	6.18	5.02	4.96	4.43	5.26
Production Costs⁽³⁾					
Oil ⁽²⁾ (\$/bbl)	21.47	18.51	18.18	30.01	21.90
Conventional Natural Gas (\$/Mcf)	3.58	3.08	3.03	5.00	3.60
NGLs (bbls/d)	21.47	18.51	18.18	30.01	21.79
Combined (\$/boe)	25.54	18.50	18.18	23.60	21.75
Netback Received⁽³⁾⁽⁴⁾					
Oil ⁽²⁾ (\$/bbl)	51.51	55.38	63.98	39.14	52.34
Conventional Natural Gas (\$/Mcf)	(2.85)	(2.86)	(2.32)	(3.33)	(2.82)
NGLs (bbls/d)	32.97	28.90	52.37	29.41	35.01
Combined (\$/boe)	17.01	17.14	22.14	17.05	18.19

Notes:

- (1) Before deduction of royalties.
- (2) Oil includes light and medium oil, and heavy oil.
- (3) Information in respect of operating expenses and royalties for liquids (\$/bbl) and natural gas (\$/Mcf) has been determined by allocating expenses on a relative percentage of revenue for liquids and natural gas.
- (4) Netback is calculated by deducting royalties paid and production costs, including transportation costs, from prices received, excluding the effects of hedging. Information in respect of netbacks received for liquids (\$/bbl) and natural gas (\$/Mcf) is calculated using operating expense and royalty figures for liquids (\$/bbl) and natural gas (\$/Mcf), which figures have been estimated.

The following table sets forth the average daily production from the material properties of the Westgate Assets for the year ended December 31, 2024.

	Heavy Crude Oil (bbls/d)	Conventional Natural Gas (Mcf/d)	NGLs (bbls/d)	Total (boe/d)
Richdale Assets	-	256	3	46
Killam Assets	106	374	2	170

DESCRIPTION OF CAPITAL STRUCTURE

Westgate is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at December 31, 2024, there were 50,328,051 Common Shares outstanding and nil Preferred Shares outstanding. As at the date hereof, there were 66,869,318 Common Shares outstanding and nil Preferred Shares outstanding.

Common Shares

The holders of Common Shares are entitled to receive notice of, and to vote at meetings of the Shareholders and have one vote per Common Share. Subject to the rights of holders of Preferred Shares, the holders of Common Shares are entitled to dividends, if, as and when declared by the Board, and, upon liquidation, dissolution or winding-up of the Company, to receive such assets of the Company as are distributable to the holders of Common Shares.

Preferred Shares

Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of Preferred Shares as determined by the Board, who may fix the designation, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares. The Preferred Shares shall be entitled to priority over the Common Shares and the shares of any other class ranking junior to the Preferred Shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Shareholders for the purpose of winding up its affairs.

The Preferred Shares of any series may be purchased for cancellation or made subject to redemption by the Company out of capital pursuant to the provisions of the ABCA. No class of shares may be created or rights and privileges of the Preferred Shares without the approval of the holders of the Preferred Shares.

Omnibus Equity Incentive Plan

The Company has an equity incentive plan for its directors, officers, employees and consultants (the “**Omnibus Plan**”) which provides the flexibility to grant diverse equity awards as part of the Company’s objective to attract, retain and motivate highly qualified directors, officers, employees and consultants. The Omnibus Plan is a “rolling plan” with respect to the options (“**Options**”) and a “fixed plan” with respect to the restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”). This means that the aggregate maximum number of Common Shares available for issuance pursuant to the exercise of Options under the Omnibus Plan is 10% of the outstanding Common Shares, from time to time, while the aggregate maximum number of Common Shares available for issuance on the settlement of RSUs, PSUs and DSUs is limited to a set number determined as at the effective date of the Omnibus Plan (being 5,032,805 Common Shares).

Restricted Share Units

A RSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement. The vesting period of RSUs are determined by the Board at the time of grant but shall be

a minimum of one year following the date such RSUs are granted, subject to accelerated vesting in certain circumstances. RSUs may not be granted to consultants or directors under the Omnibus Plan. As at December 31, 2024, Westgate had an aggregate of 1,674,000 RSUs outstanding. As of the date hereof, there were 1,674,000 RSUs outstanding.

Performance Share Units

A PSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement, which generally becomes vested, if at all, subject to the attainment of performance criteria established by the Board in its discretion at the time of grant. The vesting period and performance criteria for any PSUs granted are determined by the Board at the time of the grant but the vesting period shall be a minimum of one (1) year following the date such PSUs are granted, subject to accelerated vesting in certain circumstances. PSUs may not be granted to consultants or directors under the Omnibus Plan. As at December 31, 2024, Westgate had an aggregate of nil PSUs outstanding. As of the date hereof, there were nil PSUs outstanding.

Deferred Share Units

DSUs are the only type of share unit issuable under the Omnibus Plan that may be issued to non-employee directors of the Corporation. A DSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement. The vesting period of DSUs are determined by the Board at the time of grant but shall be a minimum of one year following the date such DSUs are granted, subject to accelerated vesting in certain circumstances. As at December 31, 2024, Westgate had an aggregate of 126,000 DSUs outstanding. As of the date hereof, there were 126,000 DSUs outstanding.

Options

All Options granted under the Omnibus Plan will have an exercise price fixed by the Board when the Option is granted. Such price shall not be less than the Discounted Market Price (as such term is defined in the policies of the TSXV) on the date that the Option is granted and such exercise price shall be determined in accordance with the policies of the TSXV or other applicable stock exchange. As at December 31, 2024, Westgate had an aggregate of 3,600,000 Options outstanding. As of the date hereof, there were 3,600,000 Options outstanding.

Warrants

For a description of the outstanding Common Share purchase warrants, please see “*General Development of the Business - Recent Developments*” and “*Market for Common Shares - Prior Sales*”.

MARKET FOR COMMON SHARES

Trading Price and Volume

The Common Shares are listed for trading on the TSXV under the symbol “WGT”. The following table sets forth the monthly range of high and low prices per Common Share at the close of market on the TSXV, as well as total monthly volumes of the Common Shares traded on the TSXV, for the periods indicated.

	High (\$)	Low (\$)	Volume
June 11 - 30, 2024 ⁽¹⁾	0.32	0.25	2,787,018
July 2024	0.305	0.21	2,602,637
August 2024	0.29	0.235	1,548,958
September 2024	0.26	0.20	626,830
October 2024	0.25	0.17	1,450,080

	High (\$)	Low (\$)	Volume
November 2024	0.22	0.14	1,543,285
December 2024	0.24	0.185	2,807,888

Note:

- (1) The Common Shares resumed trading on the TSXV on June 11, 2024, following the completion of the Reverse Takeover Transaction and a reinstatement to trade review by the TSXV. Please refer to the heading “*Information Concerning TCI - Stock Exchange Price*” in the Filing Statement for more information with respect to the trading of the Common Shares prior to the closing of the Reverse Takeover Transaction.

Prior Sales

The following table sets forth all issuances of Common Shares during the year ended December 31, 2024.

Date of Issuance	Number of Common Shares	Issuance Price / Deemed Price Per Common Share (\$)
May 23, 2024	30,963,659 ⁽¹⁾	0.29
May 23, 2024	7,770,496 ⁽²⁾	0.29
May 23, 2024	8,379,009 ⁽³⁾	0.29
May 23, 2024	547,090 ⁽⁴⁾	0.29

Notes:

- (1) Represents Common Shares issued in exchange for Grafton Shares, other than the Grafton Shares originally issued in connection with the Grafton Non-Brokered Private Placement and the Grafton Brokered Private Placement, pursuant to the Reverse Takeover Transaction.
- (2) Represents Common Shares issued in exchange for the Grafton Shares, originally issued in connection with a non-brokered private placement (the “**Grafton Non-Brokered Private Placement**”) of 22,566,707 units of Grafton (the “**Grafton Non-Brokered Units**”) at a price of \$0.44 per Grafton Non-Brokered Unit (such price reflecting the exchange ratio of Grafton Shares for Common Shares), pursuant to the Reverse Takeover Transaction. Each Grafton Non-Brokered Unit consisted of one Grafton Share and one Grafton Share purchase warrant (each, a “**Grafton Non-Brokered Warrant**”).
- (3) Represents Common Shares issued in exchange for the Grafton Shares, originally issued in connection with a brokered private placement (the “**Grafton Brokered Private Placement**”) of subscription receipts of Grafton (the “**Grafton Subscription Receipts**”) at a price of \$0.44 per Grafton Subscription Receipt (such price reflecting the exchange ratio of Grafton Shares for Common Shares), pursuant to the Reverse Takeover Transaction. Each Grafton Subscription Receipt was converted into one unit of Grafton (each, a “**Grafton Brokered Unit**”) immediately prior to the completion of the Reverse Takeover Transaction. Each Grafton Brokered Unit consisted of one Grafton Share and one Grafton Share purchase warrant (each, a “**Grafton Brokered Warrant**”).
- (4) Represents Common Shares issued pursuant to compensation settlement agreements entered into with certain former officers and directors of TCI to settle outstanding compensation owed under their respective consulting agreements and/or for outstanding directors’ or officers’ fees.

The following table sets forth all issuances of securities convertible into Common Shares during the year ended December 31, 2024.

Date of Issuance	Type of Security	Number of Securities	Issue Price / Deemed Price / Exercise Price / Conversion Price Per Security (\$)
May 23, 2024	Warrants ⁽¹⁾	7,770,496	0.44
May 23, 2024	Warrants ⁽²⁾	8,379,009	0.58

Date of Issuance	Type of Security	Number of Securities	Issue Price / Deemed Price / Exercise Price / Conversion Price Per Security (\$)
May 23, 2024	Warrants ⁽³⁾	335,563	0.44
August 14, 2024	Options	3,600,000	0.30
August 14, 2024	RSUs	1,674,000	N/A
August 14, 2024	DSUs	126,000	N/A

Notes:

- (1) Represents Common Share purchase warrants issued in exchange for the Grafton Non-Brokered Warrants pursuant to the Reverse Takeover Transaction, with each such warrant entitling the holder to acquire one Common Share at an exercise price of \$0.44 until May 23, 2029.
- (2) Represents Common Share purchase warrants issued in exchange for the Grafton Brokered Warrants pursuant to the Reverse Takeover Transaction, with each such warrant entitling the holder to acquire one Common Share at an exercise price of \$0.58 until May 23, 2026.
- (3) Represents Common Share purchase warrants issued in exchange for the Grafton Share purchase warrants, originally issued as compensation to the agents to the Grafton Brokered Private Placement, pursuant to the Reverse Takeover Transaction, with each such warrant entitling the holder to acquire one Common Share at an exercise price of \$0.44 until March 15, 2026.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Company's knowledge, the following securities of the Company were held in escrow or were subject to a contractual restriction on transfer as at December 31, 2024.

Designation of Class	Number of Securities Held in Escrow or Subject to a Contractual Restriction on Transfer	Percentage of Class (%)
Common Shares ⁽¹⁾	3,977,074	7.9%
Grafton Non-Brokered Warrants ⁽²⁾	2,955,546	17.9%
Seed Shares ⁽³⁾	631,281	1.3%
Zunich Shares ⁽⁴⁾	12,073	0.02%
Compensation Settlement Agreement Shares ⁽⁵⁾	273,545	0.5%

Notes:

- (1) 1,988,537 Common Shares will be released from escrow on June 7, 2025 and the remaining 1,988,537 Common Shares will be released from escrow on December 7, 2025.
- (2) 1,477,773 Grafton Non-Brokered Warrants will be released from escrow on June 7, 2025 and the remaining 1,477,773 Grafton Non-Brokered Warrants will be released from escrow on December 7, 2025.
- (3) 315,640 Seed Shares will be released from escrow on June 7, 2025 and the remaining 315,640 Seed Shares will be released from escrow on December 7, 2025. Please refer to the heading "*Seed Share Resale Restrictions*" in the Filing Statement for more information with respect to the Seed Shares.
- (4) 6,036 Zurich Shares will be released from escrow on June 7, 2025 and the remaining Zurich Shares will be released from escrow on December 7, 2025. The 24,145 Zurich Shares may not be transferred until December 7, 2025, pursuant to a lock-up agreement. Please refer to the heading "*TCI Lock-Ups*" in the Filing Statement for more information with respect to the Zurich Shares.
- (5) 136,773 Compensation Settlement Agreement Shares will be released from escrow on June 7, 2025 pursuant to the terms of certain compensation settlement agreements.

Odyssey Trust Company is the escrow agent for the escrowed securities noted above.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names, place of residence, present positions with Westgate and principal occupations during the past five years of the current directors and executive officers of Westgate. The term of office for each director is from the date of the annual meeting at which they are elected until the next annual meeting or until their successor is elected or appointed.

Name and Residence	Position(s) with Westgate	Principal Occupation(s) During the Past Five Years
Daniel Brown ⁽¹⁾ <i>Calgary, Alberta, Canada</i>	CEO and Director (May 2024)	Surge Energy (COO) (2010-2018) Entrepreneur (2018-2023) Grafton (CEO & Director) (March 2023-May 2024)
Nicholas Grafton <i>Calgary, Alberta, Canada</i>	CFO and Corporate Secretary (May 2024)	Eat Well (Director) (2020-current) HempFusion Wellness Inc. (Director, VP Business Development) (2021-2023) Grafton (CFO and Corporate Secretary) (March 2023-May 2024)
Jordan Kevol <i>Calgary, Alberta, Canada</i>	COO (May 2024)	Blackspur Oil Corp. (CEO) (2012-2021) Calima Energy Ltd. (CEO) (2021-2023) Source Rock Royalties Ltd. (Director) (2014-current) Grafton (COO) (October 2023-May 2024)
Richard Grafton ⁽²⁾ <i>Calgary, Alberta, Canada</i>	Chairman and Director (May 2024)	Grafton Asset Management Inc. (CEO) (2010-2020) Grafton (Chairman and Director) (February 2022-May 2024) Grafton Ventures Inc. (Chairman) (2020-current)
Kelly Ogle ⁽¹⁾⁽²⁾⁽³⁾ <i>Calgary, Alberta, Canada</i>	Director (May 2024)	Canadian Global Affairs Institute (Managing Director) (2016-current)
Artan Agolli ⁽¹⁾⁽²⁾⁽⁴⁾ <i>Calgary, Alberta, Canada</i>	Director (May 2024)	Dsrupt Inc. (Founder and Chairman) (2021-current) Equity Health Services ⁽¹¹⁾ (CEO) (2020-current)

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Governance, Compensation, and Nomination Committee.
- (3) Chair of the Governance, Compensation, and Nomination Committee.
- (4) Chair of the Audit Committee.

As at the date hereof, the directors and executive officers of Westgate, as a group, beneficially own, directly or indirectly, 8,284,066 Common Shares, representing approximately 12% of the outstanding Common Shares.

As at the date hereof, the directors and executive officers of Westgate, as a group, beneficially own, directly or indirectly own an aggregate of 9,836,592 Common Share purchase warrants, Options, RSUs, and DSUs. If all such Common Share purchase warrants, Options, RSUs, and DSUs were exercised or vested, as applicable, the directors and officers of Westgate, as a group, would hold approximately 17% of the outstanding Common Shares (on a fully diluted basis).

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Cease Trade Orders or Bankruptcies

To the knowledge of management, except as disclosed below, no director or executive officer of Westgate is, or has been, within the past 10 years before the date hereof, a director or chief executive officer or chief financial officer of

any issuer (including Westgate) that, while that person was acting in that capacity: (i) was the subject of a cease trade, or a similar order, or an order that denied the issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to a cease trade, or a similar order, or an order that denied the issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, which resulted from an event that occurred while that person was acting in the capacity of a director, chief executive officer or chief financial officer.

Except as disclosed herein, to the knowledge of management, no director or executive officer of Westgate, or a shareholder holding a sufficient number of securities of Westgate to affect materially the control of Westgate, is, or has been, within the past 10 years before the date hereof, a director or executive officer of any issuer (including Westgate) that, while that person was acting in that capacity or within a year of that person ceasing to act in that 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.

Nicholas Grafton is a director of Eat Well Investment Group Inc. (“**Eat Well**”). The British Columbia Securities Commission issued a general “failure to file” cease trade order pursuant to National Policy 11-207 – *Failure to File Cease Trade Orders and Revocations in Multiple Jurisdictions* dated June 30, 2023 which remains in effect. The cease trade order was issued as a result of Eat Well’s failure to file its audited annual financial statements, management’s discussion and analysis and related certifications for the fiscal year ended December 31, 2022 before the prescribed deadline and Eat Well’s failure to file its financial statements, management’s discussion and analysis and related officer certifications for the three-month period ended March 30, 2023 before the prescribed deadline. In addition, Eat Well is required to refile its unaudited interim financial statements for the three and nine months ended August 31, 2022 on a consolidated operating company basis. The cease trade order, amongst other things, replaces the management cease trade order, which was issued by the British Columbia Securities Commission on May 2, 2023, and extended until June 30, 2023, in respect to the Chief Executive Officer and the Chief Financial Officer of Eat Well, which prohibited those officers from trading in Eat Well’s securities until after Eat Well cured its failure to file.

Penalties or Sanctions

To the knowledge of management, no director or executive officer of Westgate, or a shareholder holding a sufficient number of securities of Westgate to affect materially the control of Westgate, has been subject to: (i) 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, other than penalties for late filing of insider reports; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the knowledge of management, no director or executive officer of Westgate, or a shareholder holding a sufficient number of securities of Westgate to affect materially the control of Westgate, has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person’s assets.

Conflicts of Interest

Circumstances may arise when the Company’s directors are directors or officers of companies which are in competition to the interests of Westgate. No assurances can be given that opportunities identified by such directors will be provided to Westgate. Pursuant to the ABCA, directors who have an interest in a proposed transaction upon which the board is voting are required to disclose their interests and refrain from voting on the transaction.

AUDIT COMMITTEE

Audit Committee Charter

The mandate of the Audit Committee is to carry out the responsibilities delegated to it by the Board relating to the oversight of the Company's accounting and financial reporting process and the preparation and auditing of the Company's financial statements. The full text of the Audit Committee Charter is attached to this Annual Information Form at Exhibit A.

Composition of the Audit Committee

The Audit Committee is currently comprised of Artan Agolli (Chair), Kelly Ogle and Daniel Brown. Mr. Agolli and Mr. Ogle are "independent" within the meaning of NI 52-110. Each Audit Committee member is "financially literate" within the meaning of NI 52-110 and possesses education or experience that is relevant for the performance of their responsibilities as an Audit Committee member.

Relevant Education and Experience

Each member of the Audit Committee is financially literate in that each has the ability to 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 complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the education and experience of each director relevant to the performance of their duties as a member of the Audit Committee.

Artan Agolli – The chair of the Audit Committee, Mr. Artan Agolli is the Founder and Chairman of Dsrup Inc., and is a seasoned figure in the business landscape. With a background that includes key roles at Koch Industries and as Co-founder and Vice President of Bankers Petroleum, Mr. Agolli brings visionary leadership and strategic insight to enhance the Board's capabilities. Mr. Agolli received a BA of International Relations and a Masters in Management from Grand Valley State University, Michigan.

Kelly Ogle – Mr. Kelly Ogle currently serves as President of the Canadian Global Affairs Institute, hosts the Energy Security Cubed podcast and brings a wealth of expertise as a director to the Company. A serial entrepreneur, scholar, and published author, Mr. Ogle has served on boards of public, private, and not-for-profit organizations. Mr. Ogle has a Master of Strategic Studies from the University of Calgary and the ICD.D designation from the Institute of Canadian Directors.

Daniel Brown – Mr. Daniel Brown served as the Chief Executive Officer and director of Grafton since March 2023 and has 40 years of Western Canadian executive experience. Mr. Brown previously founded Surge Energy Inc., where he played a pivotal role in establishing Surge Energy Inc. as a key player in the energy sector. As former Chairman of the Board of Governors of The Explorers and Producers Association of Canada, Mr. Brown has extensive experience in founding, developing and growing Western Canadian energy companies. Mr. Brown has a BSc in Mechanical Engineering from the University of Calgary.

Audit Committee Oversight

At no time in Company's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

In the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company; or

(b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

The Company is relying on the exemption provided in section 6.1 of NI 52-110 for venture issuers.

Pre-Approved Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditor in the last two financial years as follows:

Financial Year Ending	Audit Fees⁽¹⁾ (\$)	Audit Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)	All Other Fees⁽⁴⁾ (\$)
December 31, 2024	55,000	31,500	9,712	Nil
March 31, 2024	28,000	10,308	5,500	1,687

Notes:

- (1) Audit fees are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year.
- (2) Audit related fees are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. The audit related fees paid in the financial year ending December 31, 2024 related to quarterly reviews of the Company's interim financial statements. The audit related fees paid in the financial year ending March 31, 2024 relate to auditor's consents obtained in connection with the Reverse Takeover Transaction.
- (3) Tax fees are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. The tax fees paid in the financial years ended December 31, 2024 and March 31, 2024 relate to the preparation of the T2 Corporate Income Tax Returns of the Company.
- (4) All other fees are fees billed by the Company's external auditor for products and services not included in the foregoing categories. The fees paid in the financial years ended December 31, 2024 and March 31, 2024 relate to administrative fees.

RISK FACTORS

The market in which Westgate currently competes is highly competitive and changes rapidly. Sometimes new risks emerge, and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. If any of the following risks actually occur, the Company's business, financial condition and operating results could be materially and adversely affected. Readers should not rely upon forward-looking statements as a prediction of future results.

Operational, environmental and reserves risks relating to the Westgate Assets

Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability, marketability and future prices of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, operating costs, future capital expenditures, and royalties and other government levies which will be imposed over the producing life of the reserves, if any. Many of these factors are subject to change and will be beyond the control of Westgate. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves, if any, or higher operating or capital expenditures than anticipated. Although select title and environmental reviews were conducted in respect of the Westgate Assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Company's title to the Westgate Assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the value of the Westgate Assets and the Common Shares.

Possible failure to realize anticipated benefits of the Moonshine Acquisition

Achieving the benefits of the Moonshine Acquisition (assuming completion) will depend, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from integrating the Moonshine Assets into Westgate's existing portfolio of properties. The integration of the Moonshine Assets will require the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect the Company's ability to achieve the anticipated benefits of the Moonshine Acquisition. In connection with the Moonshine Acquisition, there may be liabilities that Westgate failed to discover or was unable to quantify in the Company's due diligence which the Company conducted prior to the execution of the acquisition agreement, and Westgate may not be indemnified for some or all of these liabilities. See "*General Development of the Business - Recent Developments*".

Nature of business of Westgate

Westgate's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing.

An investment in Westgate should be considered highly speculative due to the nature of its involvement in the exploration for, and the acquisition, production and marketing of, oil and natural gas reserves and its current stage of development. Oil and gas operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of oil and natural gas will be discovered or acquired by Westgate.

Risks relating to TCI's operations and management

Prior to the Reverse Takeover Transaction, TCI had undergone multiple changes to its business and management. TCI engaged in operations that are inherently risky and may involve potential ongoing risks, obligations and liabilities. Due to changes to TCI's management, there may be ongoing risks, obligations and liabilities that Westgate's current management is not aware of.

Volatility in the petroleum and natural gas industry

Market events and conditions, including global excess crude oil and natural gas supply, actions taken by OPEC+, sanctions against, and civil unrest in, Iran and Venezuela, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, the war in Ukraine, price caps and sanction on oil from Russia, conflict between the United States and Iran, conflict between Israel and Gaza, disruption to the Suez Canal trading route, isolationist and punitive trade policies, increased United States shale production, uncertainty surrounding the effects of tariffs imposed by the United States, sovereign debt levels, world health emergencies and political upheavals in various countries including growing anti-fossil fuel sentiment, have caused significant volatility in commodity prices.

It is anticipated that the oil and natural gas industry will experience more pressure from investors to take meaningful strides towards combating climate change in the upcoming years, including diversifying their energy portfolios. These events and conditions have caused a significant decrease in the valuation of crude oil and natural gas companies and a decrease in confidence in the petroleum and natural gas industry. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, difficulties encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the petroleum and natural gas industry in Western Canada and cross-border with the United States has led to additional downward price pressure on crude oil and natural gas produced in Western Canada. The resulting price differential between Western Canadian Select crude oil, Brent and West Texas Intermediate crude oil has created uncertainty and reduced confidence in the petroleum and natural gas industry in Western Canada.

Lower commodity prices may also affect the volume and value of the Company's reserves, especially as certain reserves become uneconomic. In addition, lower commodity prices could impact the Company's cash flow which could result in a reduced capital expenditure budget. As a result, the Company may not be able to replace its production with additional reserves and both the Company's production and reserves could be reduced on a year-over-year basis. See "*Reserves estimates*". Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, the Company may have difficulty borrowing or raising additional funds in the future or if it is able to do so, it may be on unfavourable and highly dilutive terms. Low commodity prices could impact the Company's cash flow to the extent it may not be sufficient to continue to fund operations and to satisfy obligations when due and will require additional equity or debt financing and/or proceeds from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory or at all. Similarly, there can be no assurance that the Company will be able to realize any or sufficient proceeds from asset sales to discharge its obligations.

Capital lending markets

As a result of recent economic uncertainties in the oil and gas industry and, in particular, the lack of risk capital available to the junior resource sector, the Company, along with other junior resource entities, may have reduced access to bank debt and to equity. As future capital expenditures will be financed out of funds generated from operations, bank borrowings, if available, and possible issuances of debt or equity securities, the Company's ability to fund future capital expenditures is dependent on, among other factors, the overall state of lending and capital markets and investor and lender appetite for investments in the energy industry, generally, and the Company's securities in particular.

To the extent that external sources of capital become limited, unavailable or available only on onerous terms, the Company's ability to invest, maintain existing assets and acquire oil and gas assets and properties may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Markets and marketing

The marketability and price of crude oil and natural gas that may be acquired or discovered by the Company is, and will continue to be, affected by numerous factors beyond its control. The Company's ability to market its crude oil and natural gas may depend upon its ability to acquire space on pipelines that deliver oil and natural gas to commercial markets. The Company may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and gas business.

Gathering and processing facilities, pipeline systems and rail

The products the Company produces must be delivered through gathering, processing and pipeline systems, some of which are not owned by the Company, and in certain circumstances, by rail. The amount of crude oil and natural gas produced and sold from the Company's assets is subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems and railway lines. The lack of firm pipeline capacity, production limits, and limits on availability of capacity in gathering and processing facilities continues to affect the petroleum and natural gas industry and limits the ability to transport produced crude oil and natural gas to market. In addition, the pro-rationing of capacity on inter-provincial pipeline systems continues to affect the ability of crude oil and natural gas companies to export oil and natural gas. Unexpected shutdowns or curtailment of capacity of pipelines for maintenance or integrity work or because of actions taken by regulators could also affect third parties' production and operations which may have a material adverse effect on the Company's business and financial condition.

As a result, producers have considered rail lines as an alternative means of transportation. Federal and various provincial governments have been active in recent years in their support for and opposition to major infrastructure projects in Canada, leading to increased awareness and challenges to interprovincial and international infrastructure projects.

A portion of the Company's production is processed through facilities owned by third parties over which the Company has no control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of third party facility operations could have a materially adverse effect on the Company's production and ability to deliver the same for sale, which, in turn, would indirectly reduce the Company's revenues. Midstream and pipeline companies may take actions to maximize their return on investment which may in turn adversely affect producers and shippers, especially when combined with a regulatory framework that may not always align with the interests of particular shippers.

Exploration and production risks

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Company will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Future oil, NGL, and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include, but are not limited to, delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision, effective maintenance operations and the development of enhanced recovery technologies can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow outs, cratering, sour gas releases, fires, explosions, spills or leaks. These risks could result in personal injury, loss of life, and environmental or property damage. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial conditions.

Fiscal and royalty regimes

In addition to federal regulation, each province has legislation and regulations which govern land tenure, drilling and construction permits, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on well productivity, geographical location, field discovery data and the type or quality of the petroleum product produced.

The royalty regime in Alberta may be subject to further review and changes which could adversely impact the Company's financial condition and operations. An increase in royalties would reduce the Company's earnings and could make future capital investments, or the Company's operations, less economic.

Regulatory

The petroleum industry is subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. The Company's operations require licences from various governmental authorities. There can be no assurances that the Company will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its projects. As well, governments may regulate or intervene with respect to price, taxes, royalties and the ability to export oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for oil and natural gas, increase costs and may have a material adverse impact on the Company. Export sales are subject to the authorization of provincial and federal government agencies and the corresponding governmental policies of foreign countries. Development of reserves, if any, and rates of return are also susceptible to changes in national fiscal policy.

There can be no assurances that the Company will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its properties. The further development of the Company's properties requires the applicable regulatory authorities to approve the plans of the Company with respect to the drilling and development of such properties. A failure to obtain such approval on a timely basis or the imposition of material conditions by regulatory authorities in connection with the approval may materially affect the prospects of the Company.

Insurance

The Company's involvement in the exploration for and development of oil and gas properties may result in the Company becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

Project risks

The Company will manage and participate in a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Project cost estimates may not be accurate due to a lack of history of comparable projects. Furthermore, significant project cost over-runs could make a project uneconomic.

The Company's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond the Company's control, including: the availability of processing capacity; the availability and proximity of pipeline capacity; the availability of storage capacity; the supply of and demand for oil and natural gas; the availability of alternative fuel sources; the effects of inclement weather; the availability of drilling and related equipment; unexpected cost increases; accidental events; currency fluctuations; changes in regulations; the availability and productivity of skilled labour; and the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Company could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Substantial capital requirements and liquidity

The Company anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Company's future revenues or reserves

decline, the Company may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash flow from operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have material adverse effect on the Company's financial condition, results of operations or prospects.

Competition

The Company will actively compete for acquisitions, exploration leases, licences and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than the Company. The Company's competitors will include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The oil and gas industry is highly competitive. The Company's competitors for the acquisition, exploration, production and development of oil and natural gas properties, and for capital to finance such activities include companies that have greater financial and personnel resources available to them than the Company.

The Company's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Changing investor sentiment

A number of factors, including the effects of the use of fossil fuels on climate change, the impact of oil and natural gas operations on the environment, environmental damage relating to spills of petroleum products during production and transportation and concerns of Indigenous rights, have affected certain investors' sentiments towards investing in the oil and natural gas industry. As a result of these concerns, some institutional, retail and government investors have announced that they no longer are willing to fund or invest in oil and natural gas properties or companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the board of directors, management and employees of the Company. Failing to implement the policies and practices as requested by investors may result in such investors reducing their investment in the Company or not investing in the Company at all. Any reduction in the investor base interested or willing to invest in the oil and natural gas industry and more specifically, the Company, may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Company's securities even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause a decrease in the value of the Company's assets which may result in an impairment change.

Cost of new technologies

The oil and gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil and gas companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Company. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. If the Company does implement such technologies, there is no assurance that the Company will do so successfully. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete. In such case, the Company's business, financial condition and results of operations could be materially adversely affected. If the Company is unable to utilize the most advanced commercially available technology, its business, financial condition and results of operations could be materially adversely affected.

Title to assets

Although title reviews may be conducted prior to the purchase of oil, NGLs and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise. The Company's actual interest in properties may vary from its records. If a title defect does exist, it is possible that the Company may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There may be valid challenges to title, or proposed legislative changes which affect title, to the oil and natural gas properties the Company controls that, if successful or made into law, could impair the Company's activities on them and result in a reduction of the revenue received by the Company.

Environmental risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, the initiation and approval of new oil and natural gas projects, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Reserves estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and NGLs, reserves and cash flows to be derived therefrom, including many factors beyond the Company's control. In estimating reserves, the chance of commerciality is effectively 100%.

The reserve and associated cash flow information and estimates represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil, NGLs and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Further, the evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluation.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

Actual future net revenue from the Company's assets will be affected by other factors such as actual production levels, supply and demand for oil, NGLs and natural gas, curtailments or increases in consumption by oil and natural gas

purchasers, changes in governmental regulation or taxation and the impact of inflation on costs. Actual production and revenues derived therefrom will vary from the estimates, and such variations could be material.

Liability management programs

Alberta has developed liability management programs designed to ensure that the suspension, abandonment, remediation and reclamation of wells, facilities and pipelines are addressed in a timely manner and the associated costs are funded by industry participants as opposed to taxpayers. The AER evaluates licensees on a holistic basis having regard to factors such as financial performance, quantum of liability relative to the value of deemed assets, performance relative to similar companies, operational, closure and administrative performance, and history of regulatory compliance. If the quantum of a licensee's liabilities exceeds the value of its deemed assets or a holistic assessment otherwise identifies certain financial risks, the licensee may be required to post a security deposit to ensure its liabilities will be funded. Changes of the ratio of the Company's deemed assets to deemed liabilities or changes to the requirements of liability management programs may result in significant increases to the security that the Company must post.

Natural disasters, terrorist acts, public health crises and other disruptions

Natural disasters, wars, terrorist attacks, riots or civil unrest, public health crises, including epidemics, pandemics or outbreaks of new infectious disease or viruses, and related events, could materially and negatively impact the Company's business, its revenues and ultimately its profitability. Such events or occurrences may have a materially negative affect on one or more factors upon which the Company's business relies, including without limitation the demand for (and therefore the price of) the natural resource products produced by the Company, supply chains to operate its business, and the availability of capital required by the Company to fund its operations.

Climate change

Climate change law and policy are evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of measures implemented to mitigate climate change. The direct or indirect costs of those measures may have material adverse effects on the Company's business, financial condition, results of operations and prospects.

Climate change has been linked to extreme weather conditions. Extreme hot and cold weather, heavy snowfall, heavy rainfall and wildfires may restrict or interfere with the Company's operations, increasing its costs and otherwise negatively impacting its operations. Over the last several years, certain areas of British Columbia and Alberta have been negatively impacted by wildfires. Extreme flooding in British Columbia has also interrupted pipeline systems and railway lines. Extreme weather conditions may lead to disruptions in the Company's upstream production operations and ability to transport produced oil and natural gas as well as goods and services across its supply chains. The Company's assets are located proximate to forests and rivers such that wildfires or floods, respectively, may lead to significant downtime and/or damage to such assets, which may affect production. At this time, the Company is unable to determine the extent to which extreme weather events associated with climate change may impact the Company's operations.

Foreign and domestic governments continue to evaluate and implement laws and policies focused on reducing anthropogenic greenhouse gas emissions and promoting adaptation to climate change and the transition to a low-carbon economy. It is expected that current and future climate change laws and policies will have the effect of increasing the Company's operating expenses. Long-term demand for crude oil, natural gas and related products also stands to be reduced by such laws and policies, which may have the effect of decreasing the Company's profitability and reducing the value of its assets.

Concerns about climate change have resulted in concerted opposition to the continued exploitation and development of fossil fuels by some members of the public, which has influenced investors' willingness to invest in the petroleum and natural gas industry. There have also been increased efforts in recent years among the investment community to directly engage with companies regarding their portfolios on climate change action. This has included investment advisors, sovereign wealth funds, public pension funds, universities and other institutional investors who are increasingly exercising their voting rights on matters relating to climate change and increasing capital allocations to

investments in low-carbon assets and businesses. Some investors have also made efforts to decrease the carbon intensity of their portfolios through, among other measures, divestments of companies with carbon-intensive operations and products. Certain stakeholders have also pressured insurance providers and banks to reduce or cease investing in oil, gas and related infrastructure businesses and projects. The impacts of such efforts may adversely affect the Company's operations, the demand for and price of the Company's securities and may negatively impact the Company's cost of capital and access to capital markets. Those impacts may prove to be material over time and will likely require the Company's management to allocate additional time and resources to addressing climate-related concerns.

Aside from investment pressures, political and legal opposition to the fossil fuel industry has historically focused on public opinion and the regulatory process. More recently, there has been a movement to hold governments and oil and natural gas companies directly responsible for climate change through strategic climate litigation. Among other things, this has included lawsuits against governments to implement more stringent climate laws and policies, claims against certain energy companies alleging that greenhouse gas emissions from their operations constitute a public nuisance or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. Such lawsuits have largely achieved limited or mixed success in North American courts to-date but continue to play a significant role in shaping public discourse regarding the oil and gas industry. While the Company is not a party to any such litigation or proceedings, it could be named in actions involving similar allegations. An unfavorable ruling in any such case could adversely affect the demand for and price of securities issued by the Company, impact its operations and have an adverse effect on its financial condition, which could prove to be material.

Public support for climate change action and receptivity to new technologies has grown in recent years. Governments in Canada and around the world have responded to these shifting societal attitudes by adopting ambitious emissions reduction targets and supporting legislation, including measures relating to carbon pricing, clean energy and fuel standards and alternative energy incentives and mandates. Public and political discourse on climate change, the control of greenhouse gases, and corresponding legal and policy initiatives are constantly evolving such that it is not possible to predict the impacts that climate change law and policy will have on the Company's operations and financial condition. With respect to environmental, social, governance and climate reporting, the International Sustainability Standards Board has released IFRS Sustainability Disclosure Standards with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators' proposed National Instrument 51-107 – Disclosure of Climate-Related Matters would introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. If the Company is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected.

Hydraulic fracturing

The Company is not presently engaged in hydraulic fracturing as a part of current operations. The Company may engage in hydraulic fracturing in the future. Hydraulic fracturing involves the injection of water, sand and small amounts of additives under high pressure into rock formations to stimulate the production of crude oil and natural gas. Specifically, hydraulic fracturing enables the production of commercial quantities of oil and natural gas from reservoirs that were previously unproductive. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third party or governmental claims, and could increase the costs of compliance and doing business as well as delay the development of crude oil and natural gas reserves from formations which are not commercial without the use of hydraulic fracturing. If the Company engages in hydraulic fracturing, restrictions on such could reduce the amount of crude oil and natural gas that is ultimately produced by the Company and, therefore, could materially adversely affect the Company's business, financial condition, results of operations and prospects.

Seismic events are common in certain parts of Alberta, and are generally clustered around the municipalities of Cardston, Fox Creek, Red Deer and Rocky Mountain House. Due to notable seismic activity reported around Fox Creek and the Red Deer region, the AER introduced seismic monitoring and reporting requirements for hydraulic fracturing operators in the Duvernay Formation in the Fox Creek area in February 2015 and subsequently in the Red

Deer region in December 2019. These requirements include, among others, an assessment of the potential for seismicity prior to conducting operations, the implementation of a response plan to address potential seismic events, and the suspension of operations if a seismic event above a particular threshold occurs. These requirements will remain in effect as long as the AER deems them necessary. Further, the AER continues to monitor seismic activity around the province and may extend these requirements to other areas of the province if necessary.

Failure to realize anticipated benefits of acquisitions and dispositions

The Company makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as realizing the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management of the Company will assess the value and contribution of individual properties and other assets. In this regard, non-core assets are expected to be periodically disposed of, so that the Company can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Company, if disposed of, could realize less than their carrying amount on the financial statements of the Company.

Finding, developing and acquiring petroleum and natural gas reserves on an economic basis

Petroleum and natural gas reserves naturally deplete as they are produced over time. The success of the Company's business will be highly dependent on its ability to acquire and/or discover new reserves in a cost efficient manner. Substantially all of the Company's cash flow is expected to be derived from the sale of the petroleum and natural gas reserves it accumulates and develops. In order to remain financially viable, the Company must be able to replace reserves over time at a lesser cost on a per unit basis than its cash flow on a per unit basis. The reserves and costs used in this determination are estimated each year based on numerous assumptions and these estimates and costs may vary materially from the actual reserves produced or from the costs required to produce those reserves.

Operational dependence

Other companies may operate some of the assets in which the Company will have an interest. In such cases, the Company will have limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect the Company's financial performance. The Company's return on assets operated by others may therefore depend upon a number of factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Reliance on key personnel

The Company's success will depend in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company may not have any key person insurance in effect. The contributions of the management team to the Company's immediate and near term operations are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that the Company will be able to attract and retain all personnel necessary for the development and operation of its business.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects.

Expiration of licences and leases

The Company's properties are held in the form of licences and leases, working interests in licences and leases and trust agreements pursuant to which another party holds legal title to such licenses and leases in trust for the benefit of the Company. If the Company or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Company's licences or leases, the working interests relating to a licence or lease or any trust agreement pursuant to which legal title for any license or lease is held for the benefit of the Company may have a material adverse effect on the Company's results of operations and business.

Permits and licences

The operations of the Company may require licences and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licences and permits that may be required to carry out exploration and development at its properties.

Additional funding requirements

The Company's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Company may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Company's cash flow from operations and current cash balance is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favorable terms.

Inflation and cost management

The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. The Company's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on the Company's financial performance and its funds from operations.

The cost or availability of oil and gas field equipment may adversely affect the Company's ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to the Company's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on its financial performance and funds from operations.

Variations in foreign exchange rates and interest rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/United States dollar exchange rate, which will fluctuate over time. Future Canadian/United States exchange rates could accordingly impact the future value of the Company's reserves as determined by independent evaluators. Furthermore, an increase in interest rates could result in a significant increase in the amount the Company pays to service debt.

Issuance of debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions or ongoing operations may be financed partially or wholly with debt which may increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. The Company's ability to meet its debt service obligations will depend on the Company's future operations which will be subject to prevailing industry conditions and other factors, many of which are beyond the control of the Company. As certain of the indebtedness of the Company would bear interest at rates which fluctuate with prevailing interest rates, increases in such rates would increase the Company's interest payment obligations and could have a material adverse effect on the Company's financial condition and results of operations. Further, the Company's indebtedness could be secured by substantially all of the Company's assets. In the event of a violation by the Company of any of its loan covenants or any other default by the Company on its obligations relating to its indebtedness, the lender could declare such indebtedness to be immediately due and payable and, in certain cases, foreclose on the Company's assets. In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Hedging

From time to time, the Company uses financial instruments and physical delivery agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Company may not benefit from such increases. In addition, the Company's hedging arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the hedged volumes or prices fall significantly lower than projected;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement;
- the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil, NGL and natural gas prices.

Similarly, from time to time the Company may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, the Company will not benefit from its fluctuating exchange rate.

Availability and cost of equipment and access restrictions

Oil and natural gas exploration, development and operating activities are dependent on the availability and cost of specialized materials and equipment, including drilling and related equipment in the particular areas where such activities will be conducted. The oil and natural gas industry is cyclical in nature and is prone to shortages of supply of equipment and services, including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. Demand for such limited equipment may affect the availability of such equipment to the Company and may delay the Company's exploration and development activities. In addition, the costs of equipment in the areas where the Company's assets are located are very high due to the availability of, and demands for, such equipment.

Litigation

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations.

Aboriginal claims

Aboriginal peoples have claimed aboriginal title and rights to portions of Western Canada. Westgate is not aware that any claims have been made in respect of the Westgate Assets; however, if a claim arose in respect of the Westgate Assets, or any of the Company's future properties or assets, and was successful, such claim may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Breach of confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to its business, operations or affairs. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Conflicts of interest

The directors and officers of the Company may also be involved in other projects, including other projects in the oil and gas exploration and development industry, and may have a conflict of interest in allocating their time between the business of the Company and other businesses or projects in which they are, or may become involved. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under, the ABCA.

Future sales or issuances of Common Shares and the price of Common Shares

Future sales, or the ability for sale, of substantial amounts of the Common Shares in the public market could adversely affect the prevailing market price for the Common Shares. If Westgate shareholders sell substantial amounts of their Common Shares in the public market, the market price of the Common Shares could decline these sales might also make it more difficult for Company to sell equity or equity-related securities in the future at a time and price that the Company deems appropriate.

Volatility of market price of Common Shares

The trading price of securities of crude oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Factors unrelated to the Company's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices and/or current perceptions of the crude oil and natural gas market. This includes, but is not limited to, changing and in some cases, negative investor sentiment towards energy-related businesses. In recent years, the volatility of crude oil and natural gas commodity prices, and the securities of issuers involved in the crude oil and natural gas business, has increased due, in part, to the implementation of computerized trading and the decrease of discretionary commodity trading. Similarly, recent market prices in the securities of crude oil and natural gas issuers relative to other industry sectors have led to lower crude oil and natural gas representation in certain key equity market indices. The volatility, trading volume and market price of crude oil and natural gas have been impacted by increasing

investment levels in passive funds that track major indices and only purchase securities included in such indices and subsequently dispose of those securities if they are excluded from such indices. In addition, many institutional investors, pension funds and insurance companies, including government sponsored entities, have implemented investment strategies increasing their investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in the Company's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted.

Similarly, the market price of the Common Shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. In addition, in recent years the market price for securities in the stock markets, including the TSXV, experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares.

Securities or industry analysts

The trading market for the Common Shares will be influenced in part by the research and reports that securities or industry analysts may publish about the Company, its business, its market, or its competitors. If one or more of the analysts initiate research with an unfavorable rating or downgrade of the Common Shares, provide more favorable recommendations about its competitors, or publish inaccurate or unfavorable research about its business, the Common Share price would likely decline. If any analyst who may cover the Company were to cease coverage of it or fail to regularly publish reports on it, it could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of the Common Shares to decline.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of its securities which may be dilutive. See "*Description of Capital Structure*".

Dividends

The Company does not currently intend to pay dividends on the Common Shares. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Company, the need for funds to finance ongoing operations and other considerations, as the Board considers relevant.

Third party credit risk

The Company may be exposed to third party credit risk through its contractual arrangements with its future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner.

Alternatives to and changing demand for petroleum products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Expansion into new activities

In the future, the Company may acquire or move into new industry related activities or new geographical areas, may acquire different energy related assets, and as a result may face unexpected risks or alternatively, significantly increase the Company's exposure to one or more existing risk factors, which may in turn result in the Company's future operational and financial conditions being adversely affected.

Internal controls

Effective internal controls are necessary for Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and harm the trading price of the Common Shares.

Reputational risk

The Company's business, financial condition, operations or prospects may be negatively impacted as a result of any negative public opinion toward the Company or as a result of any negative sentiment toward or in respect of the Company's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Company operates as well as their opposition to certain crude oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences and increased costs and/or cost overruns.

Any environmental damage, loss of life, injury or damage to property caused by the Company's operations could damage the reputation of the Company in active operational areas. The Company's reputation could be affected by actions and activities of other corporations operating in the crude oil and natural gas industry, over which the Company has no control. If the Company, either directly or indirectly, develops a reputation of having unsafe work sites it may impact the ability of the Company to attract and retain the necessary skilled employees and consultants to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate related litigation against fossil fuel companies may indirectly harm the Company's reputation. In addition, environmental damage, loss of life, injury or damage to property caused indirectly by the Company's operations could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital and decreasing the price and liquidity of the Common Shares.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Company's reputation. Damage to the Company's reputation could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Common Shares.

Imposition of Tariffs

The second Trump administration in the U.S. has imposed wide-ranging and substantial tariffs on certain products and materials entering the United States. Certain countries, including Canada, that are subject to increased tariffs for goods entering the U.S., have or are likely to apply retaliatory tariffs on U.S. goods as well. The scope and magnitude of such new, retaliatory or reciprocal tariffs are constantly changing and remain unclear. Imposition of such tariffs could damage the North American economy and the valuation of the Canadian dollar relative to the U.S. dollar. Also, tariffs could materially adversely affect Westgate's business and operations. Westgate cannot predict with certainty the outcomes of changing policies, tariffs or restrictions on trade, however, Westgate continues to closely monitor developments in this area.

Political uncertainty

The Company's results can be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically and duration of regulatory reviews could impact the Company's operations and planned projects. This includes actions by regulators or other political factors to delay or deny necessary licences and permits for the Company's activities or restrict the operation of third-party infrastructure that the Company relies on. Additionally, changes in environmental regulations, assessment processes or other laws, while increasing and expanding stakeholder consultation, may increase the cost of compliance or reduce or delay available business opportunities and adversely impact the Company's results.

Other government and political factors that could adversely affect the Company's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards, and the use of alternative fuels or uncompetitive fuel components could affect the Company's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for the Company's products.

Non-governmental organizations and eco-terrorism risks

The crude oil and natural gas industry may, at times, be subject to public opposition. The oil and natural gas industry has become increasingly politically polarizing in Canada, which has resulted in civil disobedience surrounding oil and natural gas development, particularly with respect to infrastructure projects. Such public opposition could expose the Company to the risk of higher costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups, landowners, environmental interest groups (including those opposed to oil and gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of the federal, provincial or municipal governments, and delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences and direct legal challenges, including the possibility of climate-related litigation. There is no guarantee that the Company will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require significant and unanticipated capital and operating expenditures which may negatively impact the Company's business, financial condition, results of operations and prospects.

In addition, the Company's oil and natural gas properties and wells could be the subject of a terrorist attack which may have a material adverse effect on its business, financial condition, results of operations and prospects. The Company does not intend on securing insurance to protect against the risk of terrorism.

Disposal of fluids used in operations

The Company is not presently engaged in hydraulic fracturing as a part of current operations. The Company may engage in hydraulic fracturing in the future. The safe disposal of the hydraulic fracturing fluids (including the additives) and water recovered from crude oil and natural gas wells is subject to ongoing regulatory review by federal and provincial governments, including its effect on fresh water supplies and the ability of such water to be recycled, amongst other things. While it is difficult to predict the impact of any regulations that may be enacted in response to such review, the implementation of stricter regulations may increase the costs of compliance for the Company which may impact the economics of certain projects and in turn impact activity levels and new capital spending on the Company's properties.

Income taxes

The Company believes that it is in full compliance with the provisions of the *Income Tax Act* (Canada) and all other applicable provincial tax legislation. Income tax laws relating to the oil and natural gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that affects the Company.

Furthermore, tax authorities having jurisdiction over the Company may disagree with how the Company calculates its income for tax purposes or could change administrative practices to the Company's detriment.

Seasonality and extreme weather conditions

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. A mild winter or wet spring may make the ground unstable, limit access and, as a result, cause reduced operations or a cessation of operations.

Municipalities and provincial transportation departments enforce road bans that restrict the movement of drilling rigs and other heavy equipment during periods of wet weather, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. In addition, extreme cold weather, heavy snowfall, heavy rainfall and wildfires may restrict access to the Company's properties and cause operational difficulties including damage to machinery or contribute to personnel injury because of dangerous working conditions. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and also to volatility in commodity prices as the demand for natural gas typically fluctuates during cold winter months and hot summer months.

Carbon pricing risk

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal and certain provincial governments have implemented legislation aimed at incentivizing the use of alternative fuels and in turn reducing carbon emissions. The federal system, which was upheld by the Supreme Court of Canada, currently applies in provinces and territories without their own system that meets federal stringency standards. Provinces with their own system are subject to continued compliance with the federal system. There is no guarantee that a province with a system that currently applies will meet, or continue to meet, federal stringency standards. The taxes placed on carbon emissions may have the effect of decreasing the demand for crude oil and natural gas products and at the same time, increasing the operating expenses of crude oil and natural gas companies, each of which may have a material adverse effect on the Company's revenue. Further, the imposition of carbon taxes puts the Company at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations.

Information technology systems and cyber-security

The Company will be subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to its business activities or competitive position. In addition, cyber-phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If the Company becomes a victim to a cyber-phishing attack it could result in a loss or theft of the Company's financial resources or critical data and information or could result in a loss of control of the Company's technological infrastructure or financial resources. The Company's employees may become the targets of such cyber-phishing attacks by parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to the Company's computers. These emails appear to be legitimate emails, but direct recipients to fake websites operated by the sender of the email or request recipients to send a password or other confidential information through email or to download malware.

Disruption of critical information technology services, or breaches of information security, could have a negative effect on the Company's performance and earnings, as well as reputation. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of operations.

Limited ability of residents in the U.S. to enforce civil remedies

The Company is a corporation formed under the laws of Alberta, Canada and has its principal place of business in Canada. All of the Company's directors and officers and the representatives of the experts who provide services to the Company (such as the Company's auditors and independent reserve engineers), and all of the Company's assets and all or a substantial portion of the assets of such persons are located outside the U.S. As a result, it may be difficult for investors in the U.S. to effect service of process within the U.S. upon such directors, officers and representatives of experts who are not residents of the U.S. or to enforce against them judgments of the U.S. courts based upon civil liability under the U.S. federal securities laws or the securities laws of any state within the U.S. There is doubt as to the enforceability in Canada against the Company or against any of the Company's directors, officers or representatives of experts who are not residents of the U.S., in original actions or in actions for enforcement of judgments of U.S. courts of liabilities based solely upon the U.S. federal securities laws or securities laws of any state within the U.S.

Forward-looking statements may prove to be inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this Annual Information Form under the heading "*Cautionary Statements Regarding Forward-Looking Information*".

LEGAL AND REGULATORY PROCEEDINGS

Westgate is not a party to any legal proceeding nor was it a party to, nor is or was any of its property the subject of, any legal proceeding during the year ended December 31, 2024, that may exceed 10% of the current assets of Westgate, which involve a claim for damages, exclusive of interest and costs, nor is Westgate aware of any such contemplated legal proceedings.

During the year ended December 31, 2024, there were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, officer or principal shareholder, nor any affiliate or associate of such a person, has or has had any material interest in any transaction or any proposed transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Westgate.

TRANSFER AGENT AND REGISTRAR

Odyssey Trust Company, at its principal office in Calgary, Alberta, is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Westgate during the year ended December 31, 2024 (or otherwise recently entered into and as described herein), or before the year ended December 31, 2024 but which are still material and are still in effect, are the following:

- the agency agreement dated March 15, 2024, among Grafton, Eight Capital, Haywood Securities Inc., ATB Securities Inc., Canaccord Genuity Corp. and Raymond James Ltd. related to the Grafton Brokered Private Placement;
- the Senior Secured Loan Agreement, see “*General Development of the Business - Recent Developments*”; and
- the agency agreement dated March 13, 2025 among the Company and Haywood Securities Inc. related to the 2025 Public Offering, see “*General Development of the Business - Recent Developments***Error! Reference source not found.**”.

INTERESTS OF EXPERTS

Sproule prepared the 2024 Sproule Report in respect of the Westgate Assets. As at the date hereof, the partners and associates of Sproule do not own, directly or indirectly, any of the securities of Westgate.

MNP LLP are the auditors of Westgate and have confirmed that they are independent of Westgate within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including information as to directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorised for issuance under equity compensation plans is contained in the Proxy Statement and Information Circular of the Company prepared in connection with the most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the Company’s financial statements and management discussion and analysis for the year ended December 31, 2024.

Copies of this Annual Information Form, any interim financial statements of the Company subsequent to the annual financial statements, the Company’s Proxy Statement and Information Circular and other additional information relating to the Company are available on SEDAR+ at www.sedarplus.ca.

EXHIBIT A

AUDIT COMMITTEE CHARTER

1. Purpose.

- 1.1 The audit committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”) of Westgate Energy Inc. (the “**Company**”). Its purpose is to carry out the responsibilities delegated by the Board relating to the oversight of the Company’s accounting and financial reporting process and the preparation and auditing of the Company’s financial statements.

2. Membership.

- 2.1 The Committee shall consist of three or more directors. A majority of the members of the Committee shall be independent in accordance with National Instrument 52-110 - *Audit Committees* (the “**Instrument**”).
- 2.2 Each member of the Committee should be financially literate, as this term is defined under the Instrument.
- 2.3 The members of the Committee shall be appointed by the Board based on the Governance, Compensation and Nomination Committee’s recommendations. The members of the Committee shall be appointed for one-year terms or such other terms as the Board may determine, provided that each member of the Committee is appointed or reappointed following each annual general meeting of the Company, and each member shall serve until a successor is duly appointed by the Board or until the member’s earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all the Committee’s powers so long as a quorum exists.
- 2.4 The Board shall appoint the chair of the Committee (the “**Chair**”) from the Committee members. The Chair must be independent in accordance with the Instrument. Subject to Section 2.3, the Board shall determine the Chair’s term of office.
- 2.5 A quorum for decisions of the Committee shall be a majority of Committee members.

3. Duties and Responsibilities.

- 3.1 The Committee has the duties and responsibilities set out in Sections 4 to 14 of this Charter, as may be amended, supplemented or restated from time to time.

4. External Auditor - Appointment and Removal.

- 4.1 The Committee shall:
- (a) Consider and recommend to the Board, to put forward for shareholder approval at the annual meeting, an external auditor (the “**Auditor**”) that will be appointed or reappointed to prepare or issue an auditor’s report and perform audit, review, attest or other services for the Company in compliance with the Instrument and, if necessary, recommend to the Board the Auditor’s removal.
 - (b) Recommend to the Board the Auditor’s compensation and otherwise setting the terms of the Auditor’s engagement (including reviewing and negotiating the Auditor’s engagement letter).

- (c) Review and monitor the independence of the Auditor.
- (d) At least once per fiscal year, review the qualifications and performance of the Auditor and the Auditor's lead partners and consider and decide if the Company should adopt or maintain a policy of rotating the accounting firm serving as the Company's Auditor.

5. Auditor Oversight - Audit Services.

5.1 The Committee shall:

- (a) Require the Auditor to report directly to the Committee.
- (b) Discuss with the Auditor: (i) before an audit commences, the nature and scope of the audit, the Auditor's responsibilities in relation to the audit, the overall audit strategy, the timing of the audit, the processes used by the Auditor to identify risks and reporting such risks to the Committee; and (ii) any other matters relevant to the audit.
- (c) Review and discuss with the Auditor all critical accounting policies and practices to be used in the audit, all alternative treatments of financial information within generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting, as amended from time to time (“GAAP”), that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the Auditor.
- (d) Review any major issues regarding accounting principles, including GAAP, and financial statement presentation with the Auditor and Company's management, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
- (e) Review and discuss with the Auditor and management any problems or difficulties encountered during the audit, including restrictions on the scope of activities or access to information, and any significant disagreements between the Auditor and management in relation to financial reporting. The Committee may meet with the Auditor and management (together or separately) to discuss and resolve such disagreements.
- (f) Review all material communications between management and the Auditor, including reviewing the Auditor's management letter and management's response.
- (g) Create (if required), review and approve the Company's policies respecting the Company's hiring of any (former or current) Auditor's past or present employees or past or present partners that participated in any capacity in any Company audit.
- (h) Oversee any other matters relating to the Auditor and the performance of audit services on the Company's behalf.

6. Auditor Oversight - Non-Audit Services.

6.1 The Committee shall:

- (a) Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries in accordance with the Instrument.

- (b) Notwithstanding section (a), delegate the approval of non-audit services to a non-executive member or certain non-executive members of the Committee. The member or members shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.

7. Internal Controls.

7.1 The Committee shall:

- (a) Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors (the "**Internal Auditors**") have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no Internal Auditors, consider, on an annual basis, whether the Company requires Internal Auditors and make related recommendations to the Board.
- (b) Oversee an effective system of internal controls and procedures for the Company relating to the financial reporting process and disclosure of the financial results ("**Internal Controls**").
- (c) Review with management and the Internal Auditors (with each privately or together) the adequacy and effectiveness of the Internal Controls, including any significant deficiencies or material weaknesses in the design or operation of the Internal Controls and determine if any special steps must be adopted by the Auditor during its audit in light of any such deficiencies or weaknesses.
- (d) Review management's roles, responsibilities and performance in relation to the Internal Controls.
- (e) Review, discuss and investigate: (i) any alleged fraud involving the Company's management or employees in relation to the Internal Controls, including management's response to any allegations of fraud; (ii) implement corrective and disciplinary action in cases of proven fraud; and (iii) determine if any special steps must be adopted by the Auditor during its audit in light of any proven fraud or any allegations of fraud.
- (f) Establish and monitor the procedures for: (i) the receipt, retention and treatment of complaints that the Company receives relating to the Internal Controls; (ii) the anonymous submission of employees' concerns relating to questionable accounting or audit matters engaged in by the Company; and (iii) the independent investigation of the matters set out in (i) and (ii) above, including appropriate follow up actions.
- (g) Undertake an appropriate review and discussion with the CEO and CFO, or those officers who perform the duties similar to a CEO or CFO, the steps taken to complete the required certifications of the annual and interim filings with applicable securities commissions, when such certifications are required.
- (h) Review any reports of actions prohibited by the Company's Code of Conduct involving directors or executive officers.

8. Financial Statements.

8.1 The Committee shall:

- (a) Review and discuss with the Auditor and management the Company's annual audited financial statements and the accompanying auditor's report and management discussion and analysis ("**MD&A**"), and if satisfied that the annual audited financial statements meet

the criteria set out in Section 8.1(b) to recommend to the Board that it approve the audited annual financial statements and accompanying MD&A. The Committee's review of the annual audited financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (i) significant accounting policies, including any changes made to them and the effect this may have on the Company; (ii) significant estimates and assumptions; (iii) significant adjustments resulting from the an audit; (d) the going concern assumption; (iv) compliance with accounting standards; (v) investigations and litigation undertaken by regulatory authorities; (vi) the impact of unusual transactions; and (vii) off-balance sheet and contingent asset and liabilities, and related disclosures.

- (b) Assess: (i) the quality of the accounting principles applied to the financial statements; (ii) the clarity of disclosure in the financial statements; and (iii) whether the financial statements present fairly, in all material respects, in accordance with GAAP, the Company's financial condition, operational results and cash flows.
- (c) Upon satisfactory completion of its review, recommend the annual audited financial statements, Auditor's report and annual MD&A for Board approval.
- (d) Review and discuss with the Auditor and management the interim financial statements and related MD&A, and if satisfied that the interim financial statements meet the criteria set out in Section 8.1(b) to recommend to the Board that it approve the interim financial statements and accompanying MD&A. The Committee's review of the interim financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (i) significant accounting policies, including any changes made to them and the effect this may have on the Company; (ii) significant estimates and assumptions; (iii) the going concern assumption; (iv) compliance with accounting standards; (v) investigations and litigation undertaken by regulatory authorities; (vi) the impact of unusual transactions; and (vii) off-balance sheet and contingent asset and liabilities, and related disclosures.

9. **Disclosure of Other Financial Information.**

9.1 The Committee shall:

- (a) Review and discuss with management the design, implementation and maintenance of effective procedures relating to the Committee's prior review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements ("**Disclosure Procedures**").
- (b) Ensure that the Disclosure Procedures put in place are followed by the Company's management and employees.
- (c) Periodically assess the adequacy of the Disclosure Procedures.
- (d) Review the Company's profit and loss press releases and other related press releases before they are released to the public, including the Company's annual information form, earnings press releases and any other public disclosure documents required by applicable securities commissions.
- (e) Review the nature of any financial information and ratings information provided to agencies and analysts in accordance with the Company's disclosure policy.
- (f) Monitor and review the Company's policy on confidentiality and disclosure on a yearly basis.

10. Risk Management

- 10.1 Review and discuss with management and any Internal Auditors (each privately or together) policies and guidelines to govern the processes by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and fraud, and the steps management has taken to monitor and control such exposures.

11. Legal Compliance.

- 11.1 The Committee shall review with legal counsel any legal matters, including inquiries received from regulators and governmental agencies, that may have a significant effect on the Company's financial statements, cash flows or operations.
- 11.2 The Committee shall review and oversee any policies, procedures and programs designed by the Company to promote legal compliance.

12. Related Party Transactions.

- 12.1 The Committee shall review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with Canadian corporate or securities laws.

13. Whistleblower Policy

- 13.1 The Committee will, in conjunction with the Board, establish a whistleblower policy for the Company allowing Company employees, officers, directors and other stakeholders, including the public, to raise, anonymously or not, questions, complaints or concerns about the Company's practices, including fraud, policy violations, any illegal or unethical conduct, and any Company accounting, auditing or internal control matters. The Committee, in conjunction with the Board, will ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

14. Other Duties and Responsibilities.

- 14.1 The Committee shall complete any other duties and responsibilities delegated by the Board to the Committee from time to time.
- 14.2 The Committee is authorized by the Board to investigate any matter set out in this Charter or otherwise delegated to the Committee by the Board.

15. Structure and Operations.

- 15.1 The Committee shall meet at least 4 times a year at such times and places as determined by the Committee. The Committee is governed by the same rules regarding meetings (including the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), notice of meetings and waiver of notice by Committee members, written resolutions in lieu of a meeting and voting requirements as are applicable to the Board.
- 15.2 Notice of the time and place of a Committee meeting shall be given by the Committee, or the chief financial officer of the Company (the "CFO"), to the Company's Auditor in the same manner notice is provided to Committee members, when the Auditor is required to attend the meeting. The Committee, or the CFO, shall provide the Auditor with all meeting materials in advance of the meeting, when the Auditor is required to attend the meeting. At least 48 hours' notice of a meeting is required, unless such notice is waived or shortened with the consent of all members of the Committee and the Auditor.

- 15.3 The Chair shall seek input as necessary from Committee members, the Company's management, the Auditor and Board members when setting each Committee meeting's agenda.
- 15.4 Any written material to be provided to Committee members for a meeting must be distributed in advance of the meeting to give Committee members time to review and understand the information.
- 15.5 The chair of the Board, the chief executive officer of the Company ("CEO"), the CFO and any other member of senior management may, if invited by the Chair, attend, give presentations relating to their responsibilities and otherwise participate at Committee meetings. Other Board members may also, if invited by the Chair, attend and participate at Committee meetings.
- 15.6 The Committee may appoint a Committee member or any other individual to be the secretary of a meeting. The Committee shall approve and retain minutes of all Committee meetings and the Chair shall circulate such minutes to Committee members, the Company's Board members and its Auditor. The Committee shall report its decisions and recommendations to the Board promptly after each Committee meeting.
- 15.7 The Committee may meet for a private session, excluding management or other third parties, following each Committee meeting or as otherwise determined by the Committee.
- 15.8 The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

16. Meetings with The Auditor.

- 16.1 Notwithstanding anything set out in this Charter to the contrary, the Committee may meet privately with the Auditor or Internal Auditors as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities and to discuss any concerns of the Committee or Auditor in relation to the matters covered by this Charter, including the effectiveness of the Company's financial recording procedures and systems and management's cooperation and responsiveness to matters arising from the audit and non-audit services performed by the Auditor.

17. Meetings with Management.

- 17.1 The Committee may meet privately with management and the Internal Auditors (each privately or together) as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities to discuss any concerns of the Committee, management or the Internal Auditors.

18. Outside Advisors.

- 18.1 The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of any advisors so retained.
- 18.2 The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the advisors that it retains.

19. Reporting.

- 19.1 The Committee shall report to the Board on all matters set out in this Charter and other matters assigned to the Committee by the Board.

20. Performance Evaluation.

20.1 The Committee shall conduct an annual evaluation of the performance of its duties and responsibilities under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

21. No Rights Created.

21.1 This Charter is a broad policy statement and is intended to be part of Committee's flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.

EXHIBIT B

**REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED
RESERVES EVALUATOR OR AUDITOR**

To the Board of Directors of Westgate Energy Inc. (the “Company”):

1. We have evaluated the Company’s reserves data as at December 31, 2024. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2024, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “COGE Handbook”), maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2024, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company’s management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Effective Date	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (M\$)
Sproule ERCE	December 31, 2024	Canada				
Total			Nil	12,982	Nil	12,982

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report, entitled “Evaluation of the P&NG Reserves of Westgate Energy Operations Ltd. (As of December 31, 2024)”.
8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule International Limited
Calgary, Alberta

(signed) “Derek Holst”

Derek Holst, P. Eng
Team Lead, Engineering

(signed) “Doug Ashton”

Doug Ashton, P. Eng,
VP, Reservoir Services

Date: Apr. 17, 2025.

EXHIBIT C

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Terms to which a meaning is ascribed in NI 51-101 have the same meaning herein.

Management of Westgate Energy Inc. (the “**Company**”) is responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves evaluator has evaluated the Company’s reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has:

1. reviewed the Company’s procedures for providing information to the independent qualified reserves evaluator;
2. met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
3. reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors of the Company has reviewed the Company’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

1. the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
2. the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
3. the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

(signed) “Daniel Brown”

Daniel Brown
Chief Executive Officer

(signed) “Nicholas Grafton”

Nicholas Grafton
Chief Financial Officer

(signed) “Richard Grafton”

Richard Grafton
Director

(signed) “Kelly Ogle”

Kelly Ogle
Director

Dated: April 23, 2025