



**NG ENERGY INTERNATIONAL CORP.**

**ANNUAL INFORMATION FORM**

**For the Year Ended December 31, 2020**

**AUGUST 25, 2021**

## ABBREVIATIONS

In this Annual Information Form, the following abbreviations have the meanings set forth below.

### **Oil and Natural Gas Liquids**

bbls	Barrels
bbls/d	Barrels per day
Mbbl	Thousand barrels
boe	Barrels of oil equivalent
boe/d	Barrels of oil equivalent per day
Mboe	Thousand barrels of oil equivalent
NGLs	Natural gas liquids

### **Natural Gas**

Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
MMcf	Million cubic feet
MMBtu	One million British thermal units
m <sup>3</sup>	Cubic metres
GJ	gigajoule

### **OTHER**

WTI	West Texas Intermediate crude oil, a benchmark oil price determine at Cushing, Oklahoma
M\$	Thousands of dollars

The following table sets forth certain standard conversions factors.

<b>To convert from</b>	<b>To</b>	<b>Multiply by</b>
Mcf	cubic metres	28.174
Mcf	GJ	1.055
cubic meters	cubic feet	35.494
bbls	cubic metres	0.159
acres	hectares	0.405
sections	acres	604
sections	hectares	256

## GLOSSARY OF GENERAL TERMS

In this AIF, unless otherwise defined in the body of this AIF, the following capitalized words and terms have the following meanings:

- Affiliate:** 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;
- AIF:** means this Annual Information Form;
- ANH:** means the Colombian National Hydrocarbons Agency;
- Associate:** means, when used to indicate a relationship with a Person,
- (a) a partner, other than a limited partner, of that Person;
  - (b) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity;
  - (c) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or
  - (d) a relative, including the spouse, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person;
- Board:** means the Board of Directors of the Company;
- COGE Handbook:** Means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society), as amended from time to time;
- Common Shares:** means the common shares of the Company;
- Company or "NG Energy":** means NG Energy International Corp and its subsidiaries, unless the context otherwise requires;
- Control Person:** means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

<b>E &amp; P:</b>	means exploration and production
<b>Exchange:</b>	means the TSX Venture Exchange Inc.;
<b>Insider:</b>	if used in relation to an issuer, means: <ul style="list-style-type: none"> <li>(a) a director or senior officer of the issuer;</li> <li>(b) a director or senior officer of another issuer that is an insider or subsidiary of the issuer;</li> <li>(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or</li> <li>(d) the issuer itself if it holds any of its own securities;</li> </ul>
<b>Maria Conchita Block</b>	means the area of approximately 13,159 hectares located in the Department of La Guajira, Colombia granted by the ANH under an exploration and production contract;
<b>NI 14-101:</b>	means National Instrument 14-101 – <i>Definitions</i> ;
<b>NI 51-101 or National Instrument 51-101:</b>	means National Instrument 51-101 – <i>Standards of Disclosure for Oil and Gas Activities</i> ;
<b>NI 51-102 or National Instrument 51-102</b>	means National Instrument 51-102 – <i>Continuous Disclosure Obligations</i> ;
<b>NI 52-110 or National Instrument 52-110</b>	means National Instrument 52-110 – <i>Audit Committees</i> ;
<b>Non-Arm's Length Party:</b>	means a): in relation to a company: (i) a promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any of such Persons; (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same promoter, officer, director, Insider or Control Person; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person;
<b>OTC</b>	means Over-the-Counter (OTC) trading;
<b>Person:</b>	means a company or individual;
<b>Petrotech:</b>	means Petrotech Engineering Ltd.
<b>Petrotech Report</b>	Means the Statement of Reserves Data and Other Oil and Gas Information prepared for the Company by Petrotech as of December 31, 2020 with a preparation date of March 2, 2021
<b>Shareholder:</b>	means a holder of Common Shares.

<b>SN-9 Block</b>	means an area of approximately 126,925 hectares located in the Department of Cordoba, Colombia, granted by the ANH under an exploration and production contract;
<b>Tiburón Block</b>	means an area of approximately 99,492 hectares located in the Department of La Guajira, Colombia, granted by the ANH under an exploration and production contract;

**Certain other terms are used herein but not defined herein are defined in NI 51-101, the COGE Handbook, NI 51-102 or NI 14-101, as applicable, and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, the COGE Handbook, NI 51-102 or NI 14-101, as applicable.**

## **PRELIMINARY NOTES**

### **Financial Statements and MD&A**

The Company's audited financial statements for its financial year end December 31, 2020 (the "**Financial Statements**") and related management's discussion and analysis ("**MD&A**") have been filed with Canadian securities regulatory authorities and are available for review under the Company's profile at [www.sedar.com](http://www.sedar.com). The Company's Financial Statements and all other financial information in this Annual Information Form ("**AIF**") are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The Company's fiscal year end is December 31.

### **Effective Date of Information**

ALL INFORMATION CONTAINED IN THIS ANNUAL INFORMATION FORM IS AS OF AUGUST 25, 2021, UNLESS OTHERWISE STATED.

### **Cautionary Note regarding Forward-Looking Statements**

This AIF contains or incorporates by reference "forward-looking information" (also referred to as "**forward-looking information**") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

This AIF may include forward-looking statements including opinions, assumptions, estimates and management's assessment of future plans and operations, capital expenditures and the timing and funding thereof. When used in this document, the words "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "plan", "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, risks associated with petroleum and natural gas exploration, development, exploitation, production, marketing and transportation, the volatility of petroleum and natural gas prices, currency fluctuations, the ability to implement corporate strategies, the state of domestic capital

markets, the ability to obtain financing, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, changes in petroleum and natural gas acquisition and drilling programs, delays resulting from inability to obtain required regulatory approvals, delays resulting from inability to obtain drilling rigs and other services, labour supply risks, environmental risks, competition from other producers, imprecision of reserve estimates, changes in general economic conditions, ability to execute farm-in and farm-out opportunities, and other factors, all of which are more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

Management believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking information included in this AIF should not be unduly relied upon as the plans, assumptions, intentions or expectations upon which it is based may not occur. Actual results or events may vary from the forward-looking information.

In particular, this AIF may contain forward-looking information pertaining to the following:

- the resource potential of the Company's assets,
- the Company's strategy and opportunities,
- performance characteristics of the Company's oil properties and estimated capital commitments and probability of success,
- crude oil production and recovery estimates and targets,
- the existence and size of the oil reserves and resources,
- the Company's drilling plans,
- capital expenditure programs and estimates, including the timing of activity,
- the Company's plans for, and results of, exploration and development, activities, and factors that may affect such activities,
- projections of market prices and costs,
- the supply and demand for oil,
- expectations regarding the ability to raise equity and debt capital on acceptable terms and to add continually to reserves through acquisitions and development, including the ability to negotiate and complete the agreements contemplated in this AIF,
- the timing for receipt of regulatory approvals, and
- treatment of the Company under governmental regulatory regimes and tax laws.

The purpose of providing any financial outlook in this AIF is to illustrate how the business of the Company might develop without the benefit of specific historical financial information. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking information herein is based on certain assumptions and analysis by the management of the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors that it believes are appropriate and reasonable under the circumstances. The forward-looking information herein is based on a number of assumptions, including but not limited to:

- the availability on acceptable terms of funds for capital expenditures,
- the availability in a cost-efficient manner of equipment and qualified personnel when required,
- continuing favourable relations with Latin American governmental agencies,
- continuing strong demand for oil,
- the stability of the regulatory framework governing royalties, taxes and environmental matters in Colombia and any other jurisdiction in which the Company may conduct its business in the future,
- the Company's future ability to market production of oil successfully to customers,

- the Company's future production levels and oil prices,
- the applicability of technologies for recovery and production of the Company's oil reserves,
- the existence and recoverability of any oil reserves,
- geological and engineering estimates in respect of the Company's resources and reserves,
- the geography of the areas in which the Company is exploring, and
- the impact of increasing competition on the Company.

The actual results, performance and achievements of the Company could differ materially from those anticipated in these forward-looking statements as a result of the risks and uncertainties set forth elsewhere in this AIF and the following risks and uncertainties:

- global financial conditions,
- general economic, market and business conditions,
- volatility in market prices for oil and natural gas, the stock market, foreign exchange and interest rates,
- risks inherent in oil and gas operations, exploration, development and production,
- risks inherent in the Company's international operations, including security, political, sovereignty and legal risks in Colombia,
- the failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties,
- risks related to the timing of completion of the Company's projects and plans,
- uncertainties associated with estimating oil and natural gas reserves and resources,
- competition for, among other things, capital, acquisitions of resources, undeveloped lands and skilled personnel,
- the Company's ability to hold existing leases through drilling or lease extensions or otherwise,
- incorrect assessments of the value of acquisitions or title to properties,
- the failure of the Company or the holder of certain licenses or leases to meet specific requirements of such licenses or leases,
- claims made in respect of the Company's properties or assets,
- geological, technical, drilling and processing problems, including the availability of equipment and access to properties,
- environmental risks and hazards,
- failure to estimate accurately abandonment and reclamation costs,
- the inaccuracy of third parties' reviews, reports and projections,
- rising costs of labour and equipment,
- the failure to engage or retain key personnel,
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry, and
- the other factors discussed under "Risk Factors" in this AIF.

Readers are cautioned that the foregoing lists of assumptions, risks and uncertainties are not exhaustive. The forward-looking information contained in this AIF is expressly qualified by this cautionary statement. The forward-looking information speaks only as of the date of this AIF, and the Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this AIF that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's

website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which are available for review under the Company's profile on [www.sedar.com](http://www.sedar.com).

### **Currency**

All dollar amounts set forth in this AIF are expressed in U.S. dollars, except where otherwise indicated. References to U.S. dollars or \$ are to the currency of the United States, references to Canadian dollars or "CDN\$" are to the currency of Canada.

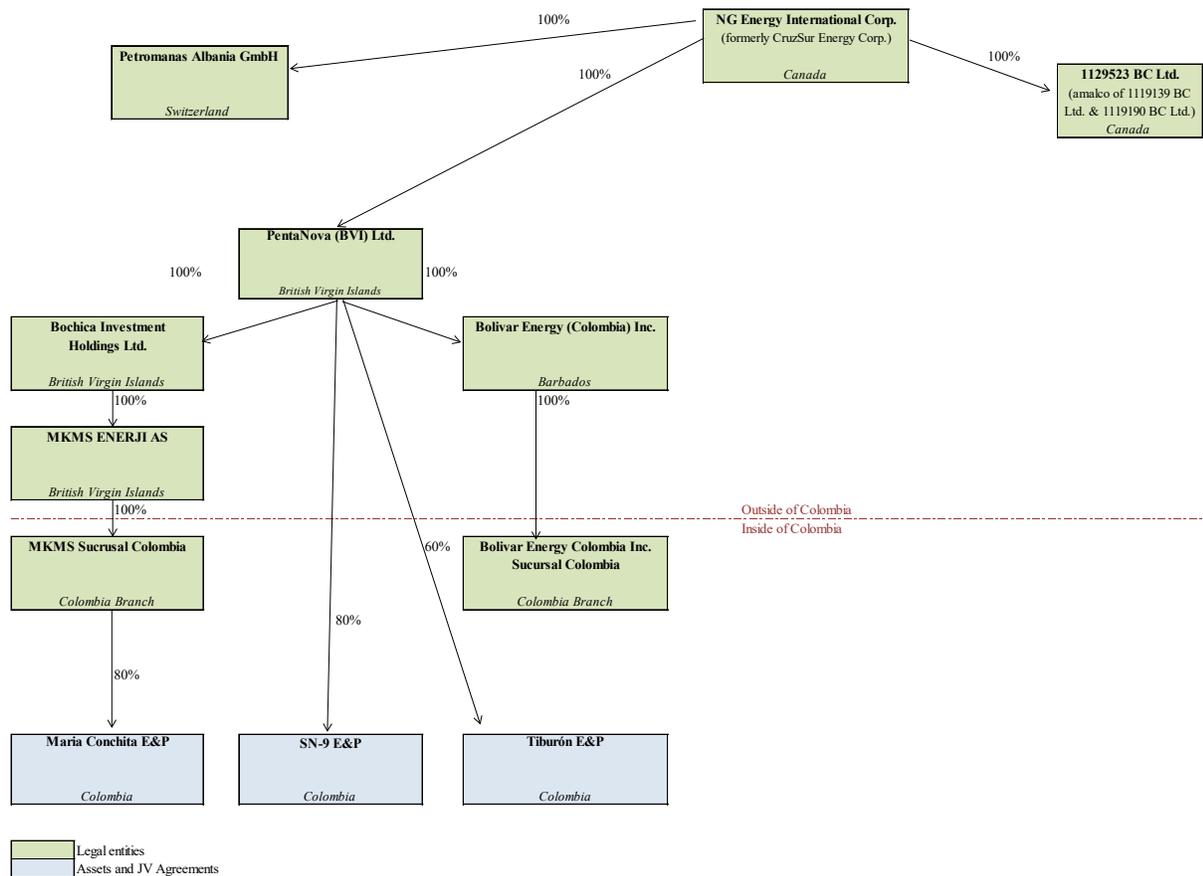
## **CORPORATE STRUCTURE**

### **Name, Addresses and Incorporation**

The Company was incorporated under the Alberta Business Corporations act on March 6, 1998. In 2010, the Company changed its name from WWI Resources Ltd. to "Petromanas Energy Inc.". On June 14, 2016 the Company changed its name to PMI Resources Ltd. and completed a 70:1 consolidation of its common shares. On April 4, 2017, the Company completed the acquisition of PentaNova Energy Corp. pursuant to a merger arrangement and whereby the Company acquired all of the issued and outstanding shares of PentaNova Energy Corp., and on June 5, 2017 the Company changed its name to "PentaNova Energy Corp." and continued its jurisdiction of incorporation from Alberta to British Columbia. On September 4, 2018 the Company consolidated its Common Shares on a basis of 10 to 1 and changed its name to "CruzSur Energy Corp." Effective October 2, 2020 CruzSur Energy Corp. changed its name to "NGX Energy International Corp." On November 16, 2020 the Company changed its name from NGX Energy International Corp. to "NG Energy International Corp."

The head office and principal address of the Company is located at 3123 – 595 Burrard Street, Vancouver, B.C. V7X 1J1. The registered and records office of the company is located at 25<sup>th</sup> floor - 700 West Georgia Street, Vancouver, B.C. V7Y 1B3. The Company is a reporting issuer in British Columbia and Alberta.

## Intercorporate Relationships



## GENERAL DEVELOPMENT OF THE BUSINESS OF THE COMPANY

### Overview

NG Energy is a natural gas exploration company with interests in three different Colombian properties. The Company has a Colombian based management team with significant in-country experience, strong technical experience within the Colombian basin, and strong capital markets expertise having led large public resource companies in the past. Construction is ongoing on a pipeline from the Company's Maria Conchita Block to the TGI Main Pipeline providing access to the Colombian natural gas market.

### Three Year History

The following three-year history is based on the Company's three most recently completed fiscal years for which audited financial statements are currently available, being the fiscal years ended December 31, 2018, 2019 and 2020. In addition, the following describes how the Company has developed over the period and includes only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.

### ***Financial year ended December 31, 2020***

#### *Disposition of Alianza*

In October 2020, the Company announced the acceptance of an offer to sell Alianza Petrolera Argentina S.A. (“**Alianza**”), the Argentine subsidiary through which NG Energy operated and/or held its oil and gas properties in Argentina.

Under the terms of the offer, the purchaser acquired Alianza and assumed all rights and responsibilities relating to the oil and gas assets and general operations of Alianza. As consideration, the purchaser granted a royalty of 7% to the Company calculated on the net profit of oil production from the SRDE Asset, after applicable royalties and operating costs, up to total royalty payments of \$100,000. The transaction also included the assumption by the purchaser of all responsibilities for any existing and future liabilities as well as a guarantee of indemnity for potential claims against NG and its related companies.

### ***Financial year ended December 31, 2019***

#### *Settlement and Assignment Agreement with YPF S.A.*

In February 2019, the Company completed the Settlement and Assignment Agreement with YPF, the operator of the Llancanelo Asset, wherein both parties have agreed upon terms of assignment of Alianza’s 39% participating interest in the Llancanelo Asset to YPF. In return, YPF has released Alianza from all existing and future financial obligations related to Llancanelo Asset operations. This has resulted in the elimination of approximately \$12.4 million of exploration and evaluation assets, \$1.0 million of property, plant and equipment assets, \$1.0 million of joint operation payables, \$8.4 million in liabilities for cash calls assumed on acquisitions, \$2.5 million in liabilities for considerations payable on acquisitions, and \$1.6 million in decommissioning liabilities.

YPF assumes all rights and obligations relating to the 39% participating interest which the Company purchased through two transactions that occurred in 2017. The YPF Farm-In that the Company entered into with YPF to earn an additional 11% participating interest, in which the Company was to contribute \$54 million in capital expenditures and make cash payments of \$12.5 million to YPF, has been cancelled as part of the settlement. YPF will release and hold harmless the Company from any and all commitments, damages or penalties related with this cancelation.

#### *Negotiations with Panacol for the Joint Development of Oil & Gas Assets*

In August 2019, the Company agreed to a non-binding Memorandum of Understanding (“**MOU**”) with Panacol Oil & Gas (“**Panacol**”), a company associated with a current director of the Company, wherein Panacol will be responsible for the project management of the activities carried out by the Company in its different exploration blocks located in Colombia and Argentina following the guidelines of the Board of Directors of the Company. The definitive agreement was finalized in December, 2020 and in February 2021, the Company issued an aggregate of 4,000,000 common shares at a deemed price of \$1.49 per share. 2,800,000 common shares were issued in satisfaction of project management services provided by Panacol and 1,200,000 common shares to Landsons Investment Corporation for services provided towards obtaining the environmental and social licenses for the SN-9 project.

#### *Settlement Agreement Regarding the Alianza Acquisition*

In June 2019, the Company reached a settlement agreement with the selling parties in relation to the original acquisition in August 2017 of the Company’s Argentina subsidiary, Alianza Petrolera Argentina S.A. Pursuant to the original purchase agreement, the Company withheld payment of \$5 million of the

purchase price (the “**Holdback Amount**”) and withheld transfer of the real estate property owned by Alianza located in the city of Buenos Aires (the “**Buenos Aires Property**”) to cover adjustments to the purchase price and potential losses. Subsequent to the acquisition, the selling parties have requested from the Company the immediate release of the Holdback Amount and the transfer of the Buenos Aires Property as set forth under the purchase agreement. Under the settlement agreement, the Company has agreed to the following terms with the selling parties, as follows:

- Payment by the Company of \$472,000 (“**Settlement Amount**”), for which the Buenos Aires Property is retained by the Company and the claims on the Holdback Amount are relinquished by the selling parties. Payment of the Settlement Amount was completed in June 2019.
- The selling parties’ withdrawal of any and all disputes arising, resulting or derived from the purchase agreement.
- The Company and the selling parties give reciprocal releases from any and all claims and obligations of every kind and nature, resulting from or derived from the purchase agreement.

With the completion of this settlement agreement, the Company eliminated \$5 million in consideration payables and acquires title to the Buenos Aires Property.

#### Disposition of KM8 Asset and Operator

In August 2019, the Company disposed of its 100% participation in the KM8 Asset as well as the operating entity, San Jorge Oil & Gas Inc. This disposition was realized through the transfer of the 100% ownership of San Jorge Oil & Gas Inc. and the transfer of rights and responsibilities to the KM8 Asset. By way of this transaction, the Company retains no rights or obligations to the KM8 Asset or the operating entity. The Company received a 10% overriding royalty on oil production for a period of 10 years, and granted a \$100,000 purchase option to the third-party buyer on this royalty for an exercise period of one year. The overriding royalty is effective as of January 1, 2020 and will be calculated on the net profit of oil production from the currently active wells, after applicable royalties and operating costs. The Company has assessed a fair market value of nil on this overriding royalty based on the estimate of future cash flow forecasts anticipated to be derived from this royalty.

#### **Financial year ended December 31, 2018**

##### Llancanelo Exploitation Asset (39% working interest)

Prior to the relinquishment described further below, the Company held a 39% working interest in the Llancanelo Asset through the Company’s subsidiary, Alianza.

The Llancanelo Asset is situated at the northern edge of the Neuquén Basin in the province of Mendoza, 37 km south of the city of Malargüe and covers approximately 23,700 acres. The Llancanelo field was discovered by YPF in 1937 after drilling two exploratory wells that tested heavy oil in Tertiary reservoirs. In 1965, a discovery well was drilled into the Cretaceous Neuquén Group. Since 2010, YPF has drilled 29 horizontal wells, 4 pilot wells, and 1 vertical well.

##### Relinquishment of Llancanelo Asset

In August 2018, the Company received formal notification from YPF S.A., the operator of the Llancanelo concession, advising that, pursuant to the provisions of the governing agreement of the Llancanelo joint venture project (“**JV**”), Alianza is to immediately withdraw from its 39% working interest in the Llancanelo Asset in favor of YPF on account of failure to pay outstanding cash call balances owed by Alianza to the

JV. YPF requested Alianza's cooperation in making the necessary filings and obtaining the relevant governmental approvals necessary for the transfer of the working interest to YPF. YPF had also advised that the exercise of their right to assume Alianza's working interest does not preclude its right to pursue payment of the outstanding cash call balances, currently estimated to be approximately \$8 million plus interest, as well as to seek damages caused to YPF as a result of Alianza's non-compliance.

In February 2019, the Company and YPF arrived at a settlement agreement whereby YPF will cancel all outstanding liabilities of the Company associated with the Llançanelo Asset, including decommissioning obligations, and the Company agreed to return to YPF its 39% working interest in the Llançanelo Asset.

#### Termination of YPF Farm-In Agreement

In August 2018, the Company also received notification from YPF acknowledging the termination of the Llançanelo Farm-In Agreement ("FIA"), wherein the Company was to earn an additional 11% working interest in the Llançanelo Asset. The termination of the FIA was due to non-satisfaction of conditions precedent to closing by the long stop date stipulated in the agreement. YPF requested that the parties should reverse the effects of all acts performed under the FIA and requested Alianza's cooperation in making the necessary filings and obtaining the relevant governmental approvals necessary to that end. YPF also reserved the right to claim damages caused to YPF as a result of Alianza's non-compliance. Furthermore, the \$2.5 million cash payment that was to be paid as part of the FIA was still owed by the Company per the terms of the agreement.

In February 2018, as part of the aforementioned settlement agreement, YPF agreed to release and hold harmless the Company from all existing liabilities or future commitments, damages or penalties related with the termination of the FIA.

#### Maria Conchita Block

The Company commenced drilling of the Istanbul-1 well on February 27, 2018 and reached a total depth of 8,740 feet measured depth ("MD") on March 21, 2018. Based on the interpretation of the open hole logs and mud log, 12 separate intervals covering a total thickness of 62.4 feet were selected and perforated for testing between 7,912 feet MD and 8,608 feet MD.

From April 6 to April 10, 2018, the well was tested with gas and water produced to surface. Although steady state conditions were never achieved, the well was flowed for a period of 7 hours at an average rate of 350,000 cubic feet of gas per day and 2,100 barrels of water per day. A production log ("PLT") was subsequently run, confirming that the majority of water and gas production was coming from 26 feet of perforations in the upper sand package. The PLT also confirmed that the other potential gas bearing zones (eight zones with 36.4 feet of perforations) were not contributing materially to the observed flow, being impeded by the weight of the water column in the wellbore, which severely limited the ability to achieve sufficient drawdown to initiate gas flow from these zones.

On July 17, 2018 NG Energy filed a technical discovery notice for Istanbul-1, and on September 3, 2018 an Evaluation Program covering an area of 32,518 acres was declared around the well in which the reserves and prospective resources exist and are covered by the existing 3D seismic.

#### **Significant Acquisition**

The Company did not complete any significant acquisition during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – Continuous Disclosure Requirements.

## BUSINESS OF THE COMPANY

### General

The Company is engaged in the acquisition, exploration, development and exploitation of oil and natural gas assets in Colombia. The Company's current asset portfolio is comprised of one appraisal and two exploration natural gas assets in Colombia. NG Energy has working interests in the Maria Conchita Block, the SN-9 Block and the Tiburon Block. Assets previously held in Argentina were disposed of in October 2020 (see "*Three Year History – Financial Year Ended December 31, 2020*").

### Principal Properties

The following is a description of the Company's principal oil and gas properties and operations as at December 31, 2020.

#### **Maria Conchita Block**

The Maria Conchita Block is located in the Department of La Guajira, Colombia, and neighbors the Chuchupa Block to its north, which is one of Colombia's largest gas fields with an initial 900 mmboe in place and currently accounts for approximately 40% of Colombia's daily natural gas output. The Chuchupa Block has been under production for over 35 years, operated by Chevron in association with Ecopetrol, S.A. Production from the Chuchupa Block has been decreasing over the last several years, creating a need for new natural gas discoveries to replace it. The Maria Conchita Block is in close proximity to both of Colombia's gas trunk lines, TGI and Promigas.

The E&P Contract for the Maria Conchita Block (the "**Maria Conchita E&P Contract**") is a 2009 contract between the Agencia Nacional de Hidrocarburos ("**ANH**") of Colombia and MKMS Enerji Sucursal Colombia ("**MKMS**"), a wholly-owned subsidiary of NG, for the exploration and production of conventional hydrocarbons in the Maria Conchita area. The Company maintains an 80% working interest in the Maria Conchita Block with 20% being held by private joint operation partners. The Maria Conchita E&P Contract had an initial exploration term consisting of 6 one-year exploration phases, that are followed by a 24-year production period from the date when commerciality is declared. Phase 1 was completed with the acquisition, processing and interpretation of 120 km<sup>2</sup> of 3D seismic. The Phase 2 commitment was fulfilled with the drilling of the Istanbul-1 well (see below). In late 2018, NG notified the ANH of its intention not to proceed to Phase 3 of the exploration program and to relinquish the areas of the Maria Conchita Block not covered by the ongoing Evaluation Program. The Maria Conchita Block originally covered an area of approximately 60,076 acres. Subsequent to the relinquishment, the Company maintains 32,518 acres under the Evaluation Program.

#### **Reserves Analysis**

In March 2021, the Company announced the results of the year end 2020 reserve report for the Maria Conchita Block prepared by Petrotech Engineering Ltd. The results of this resource analysis defined a total of six prospects by using 3D seismic data and geobody mapping to detect the gas accumulation in the Miocene sands and one limestone section within the Aruchara and Tinka areas of the Maria Conchita Block with a confirmation of the best estimate Prospective Resources of 194.9 Bcf and 2P Reserves of 34.6 Bcf, exceeding management expectations and confirming the possibility to produce high gas volumes from the block. The Company decided to push towards initial production from the Aruchara-1 well at Maria Conchita, re-enter and test the Istanbul-1 well and receive final environmental approvals. The Company currently has net 27.7 Bcf of gas and 5 Mbbl of condensate of proved and probable undeveloped reserves (from gross 34.6 Bcf of gas) in the Maria Conchita Block. Once the evaluation studies have been completed

and the field has been declared commercial, further studies will be performed related to extensive tests in the field for other possible re-entries and new wells to be drilled as part of a possible development plan.

### *Current Objectives*

The Company's primary focus is establishing the necessary infrastructure to connect the Aruchara-1 well to the nearby main gas line by late 2021, with the objective of monetizing its natural gas resources, capitalizing on a premium pricing market in Colombia of over \$5/MMBtu. In December 2020, the Company announced that it had entered into a Memorandum of Understanding (the "MOU") with GTX International Corp. ("GTX") pursuant to which GTX is to build and operate the production facilities and pipeline (the "Pipeline Facilities") that will extend from the Company's Maria Conchita field in Colombia to existing national gas transportation infrastructure. GTX completed a brokered offering of \$10 million of senior-secured debentures (the "**Debentures**") that bear interest at a rate of 15% per annum, payable monthly and which mature six years from the issuance date. GTX's financing provides the necessary funding to build the infrastructure needed to begin delivering gas to the market, with expectations to commence in 2021. GTX will build, own, operate and maintain the Pipeline Facilities, which will have a capacity of 20 mmcf/d. Additionally, the MOU provides that the Company and GTX will enter into a take-or-pay agreement (the "**ToP Agreement**") pursuant to which NG will agree to transport, or pay for, 16 mmcf/d through the Pipeline Facilities for a period of six years (the "**Guaranteed Commitment**") at a tariff of \$0.90 per thousand cubic feet (kcf) of gas. The ToP Agreement will have a term of 18 years and the Company's Guaranteed Commitment will convert after six years into payment for only the capacity that is used.

Despite delays due to the COVID-19 pandemic and the difficulties of mobilization on Colombian roads because of the social unrest and blockades that the country is experiencing, construction of the Pipeline Facilities continues forward. The construction of the remaining gas pipeline to the platform will be installed once the procedures for prior consultation with the local communities are completed, which have suffered delays due to the social circumstances that currently surround indigenous communities in Colombia. Furthermore, NG consultants continue to advance the studies and procedures required by Colombian government agencies to begin the production phase of the Aruchara-1 well. Once all permits have been obtained and the construction of the facilities has been completed, gas production should begin in late 2021.

### *Exploration Activities*

The current Evaluation Program for the Maria Conchita Block consists of geological and geophysical studies and an evaluation of re-entries on the existing wells and will expire in September 2021 with the option to present a development plan of the field up to December 2021. In early 2021, the Company decided to complete a feasibility study on the covered Istanbul-1 well prospective area, evaluating the following aspects: condition of environmental licensing, social aspects of the area of direct influence of the project, mechanical integrity, integral costs of intervention and new wells to be drilled to sustain a production capacity close to 20 mmcf/d. Based on the results of this study, in May 2021, the Company re-entered the Istanbul-1 well and preliminary testing in several zones encountered gas that was tested for flow rates. The purpose of the re-entry of the Istanbul-1 well was to repair wellbore damage, evaluate the potential extension of the Aruchara-1 well producing zones, and define the production potential of new identified gas zones.

The existence of gas was tested in all the evaluated zones, with presence of water, and it was established that the intervals 8,396 to 8,416 feet and 8,426 to 8,438 feet present good gas production potential, expanding the prospects of the area. Based on the above, it was decided by management to complete the well temporarily, while identifying the best procedure to prevent water from influencing gas production. With this objective, existing technologies are being analyzed and the best mechanism is being defined to put the well into continuous production as soon as possible.

The Istanbul-1 well re-entry is part of the ongoing evaluation program of the Maria Conchita field after the successful re-entry in the Aruchara-1 well (drilled by Texaco in 1980) and on the recent geological evaluation of prospective resources as required by the ANH. The re-entry of the Aruchara-1 well was completed in August 2020 as a result of implementing the work program approved by the ANH to 1) repair a gas leak detected during 2020 which was duly reported to the National Authority of Environmental Licences (“ANLA”), and 2) confirm the gas accumulation tested in the year 1980. After drilling the cement plugs and controlling the well, Drill Stem Tests (“DSTs”) were carried out to determine the origin, pressure, and volume of natural gas to repair, complete, and secure the well. As previously mentioned, the Aruchara-1 well was drilled by Texaco in 1980 to a total depth of 9,715 feet and tested gas between 8,111 and 8,121 feet and between 8,051 and 8,061 feet varying from 3.4 to 9.8 mmcf/d from these two zones at that time. As part of the re-entry program, three DST procedures of this well were conducted by NG. The first DST procedure occurred between 8,052 and 8,062 feet measured depth with a maximum rate of 7.75 mmcf/d through a 48/64” choke at a pressure of 2,075 psig and a final shut-in pressure of 3,505 psig. The second DST procedure occurred between 8,111 and 8,121 feet measured depth with a maximum rate of 10.98 mmcf/d through a 48/64” choke at a pressure of 2,437 psig and a final shut-in pressure of 3,547 psig. The third DST procedure occurred between 8,088 to 8,094 feet and from 8,111 to 8,121 feet measured depth, with a maximum rate of 10.420 mmcf/d through a 48/64” choke at a pressure of 2,271 psig and a final shut-in pressure of 3,521 psig. The absolute open flow potential was estimated at 19.0 mmcf/d and a potential of 14.3 mmcf/d with a 50% drawdown. DST results were reviewed by John Yu, P. Eng. as an independent Qualified Reserves Evaluator and Auditor as defined in NI 51-101 Standards of Disclosure for Oil & Gas Activities, obtaining the following results: proved undeveloped reserves of 15,670 mmcf and probable undeveloped reserves of 18,912 mmcf for a total proved + probable reserves of 34,582 mmcf. Subsequent to testing results, the well was completed and secured, ready to produce once all necessary permits and building the required production and transportation facilities has been completed.

The Company originally drilled the Istanbul-1 well in Q1 2018 and reached a total depth of 8,740 feet measured depth (“MD”). Based on the interpretation of the open hole logs and mud log, 12 separate intervals covering a total thickness of 62.4 feet were selected and perforated for testing between 7,912 feet MD and 8,608 feet MD. The well was tested with gas and water produced to surface. Although steady state conditions were never achieved, the well was flowed for a period of 7 hours at an average rate of 350,000 cubic feet of gas per day and 2,100 barrels of water per day. A production log (“PLT”) confirmed that the majority of water and gas production was coming from 26 feet of perforations in the upper sand package. The PLT also confirmed that the other potential gas bearing zones (eight zones with 36.4 feet of perforations) were not contributing materially to the observed flow, being impeded by the weight of the water column in the wellbore, which severely limited the ability to achieve sufficient drawdown to initiate gas flow from these zones. NG subsequently filed a technical discovery notice for Istanbul-1, and an Evaluation Program covering an area of 32,518 acres was declared around the well in which the reserves and prospective resources exist and are covered by the existing 3D seismic.

Given the PLT results of the Istanbul-1 well were inconclusive, it was decided to perform an in-depth re-evaluation of the 3D seismic for the area and the amplitude versus offset (AVO) anomalies based on the new geological interpretation results. The new interpretation indicated the possibility that significant gas resources could exist for sustained development of the field. To confirm these volumes, it was necessary to carry out a sustained test in the Aruchara-1 well through a re-entry project to 1) repair a gas leak detected during 2020, and 2) confirm the accumulation tested in the year 1980. Based on the results of this testing, the Company would determine a subsequent work program which might include the drilling of 2 additional exploration wells in this area. Depending on the results from the Aruchara-1 well testing, the Company might also decide to perform a re-entry project of the Istanbul-1 well to perform an extended test at the intervals where discovery of unassociated gas was achieved. This same analysis is anticipated to also be carried out in the area near the Tinka-1 well (drilled in 1988 by Ecopetrol, S.A.) in 2021 to define the maximum commercial capacity of the field.

## **SN-9 Block**

The SN-9 Block is located in the Lower Magdalena Valley, 75 km from Colombia's Caribbean coast. The SN-9 Block, which covers an area of approximately 311,353 acres in the Department of Córdoba, Colombia, has a 6-year exploration period, divided in two phases of three years each, followed with a 24-year production period from the date when commerciality is declared. The SN-9 Block is adjacent to blocks held by Canacol Energy Ltd. The area has excellent infrastructure with good roads and access to the northern gas trunk line. In previous years, the Hechizo well was drilled on the block by Ecopetrol, S.A. in 1992 and tested gas in the Cienaga de Oro formation at a depth of approximately 4,250 ft. The SN-9 Block has 730 km of 2D seismic.

The E&P Contract for the SN-9 Block (the "**SN-9 E&P Contract**"), dated October 2014, was entered into between the ANH and Clean Energy Resources S.A.S., a Colombian corporation ("**Clean**"). The SN-9 E&P Contract is currently in the first phase of the exploration program which includes a minimum work obligation of acquiring 125 km<sup>2</sup> of 3D seismic and drilling one exploration well.

### ***Reserves Analysis***

In March 2021, the Company announced the results of the year end 2020 resource reports for the SN-9 Block prepared by Petrotech Engineering Ltd. The Company confirmed best estimate contingent resources of 51.4 Bcf, best prospective resources of 836.4 Bcf for prospects and 637.4 Bcf for leads at the SN-9 Block. The 51.4 Bcf contingent resources are based on the results of the tests made on Hechizo-1 well drilled by Ecopetrol in 1992 and the two drill stem tests from 4,056 to 4,080 feet and from 4,182 to 4,196 feet in the Cienaga de Oro Formation with total combined flow rates close to 10 mmcf/d. Twelve prospects in the Porquero, Top Cienaga de Oro and Intra Cienaga de Oro with five leads have been identified using 2D seismic data, in order to upgrade the leads to prospects. The Company intends to start a 4-well exploration drilling program, subject to receiving the required environmental permits, in Q3 2021.

The Company was also very encouraged by the discovery of more than 400 feet of prospective gas zones in the Cienaga de Oro Formation by Canacol Energy in the Aguas Vivas-1 well which tested high gas production (as reported in Canacol's news release dated June 3, 2021). The Agua Vivas-1 well is located in the VIM 21 Block of the Lower Magdalena Valley Basin and is approximately 10 km from the Hechizo prospect in the SN-9 Block of the Sinu San Jacinto Basin.

### ***Current Objectives***

The Company is in the process of carrying out the exploration activities in stages which will satisfy the minimum work obligations. The first stage will see the finalization of the environmental impact study and prior consulting processes in order to obtain the necessary environmental licenses to be able to drill. This is to be followed by the drilling of two exploration wells in the Magico and Mago areas. The second stage will focus on evaluating the Hechicero and Hechizo areas, including drilling two additional exploration wells and acquiring 3D seismic for the development of the field. However, due to the ongoing COVID-19 outbreak, activities related to the environmental license have been delayed. As such, Clean (the field operator) requested a 12-month extension of the Phase 1 exploration commitment, which was approved by the ANH. The Company expects to have drilling rigs on site in the latter half of 2021 to commence the initial drilling plan outlined previously.

### ***Exploration Activities***

During December 2020, the Company announced that it had received a binding commercial offer from CPVEN (the "**Binding Offer**") to execute the planned drilling program. Under the Binding Offer, the

companies will enter into a market pricing-based preferred supply agreement for drilling and gas well services activities for all phases of the SN-9 exploration program. CPVEN has initially committed to construct and complete four gas wells, including mobilization, demobilization, engineering, drilling and completion, for an aggregate cost of US\$27.2 million. CPVEN has developed its own technology and has the managerial and technical personnel capable of executing complex operations, utilizing state-of-the-art infrastructure and equipment design.

The Company is in the process of negotiating with other service providers who will build the civil infrastructure required to carry on the drilling and testing activities.

In relation to the SN-9 permitting process, the Environmental Impact Study for the exploratory drilling area was delivered to ANLA in December 2020 with the follow up requirements being attended to in May 2021. It is estimated that the governmental authority will issue the administrative environmental licensing act in the latter half of 2021. Progress is being made according to the schedule in the environmental and drilling areas which will allow the start of civil works for the road access and site construction to start drilling the Magico-1X well in Q3 2021. Magico-1X is the first of four wells to be drilled in the SN-9 Block, including one well in the Hechizo prospect. The primary focus of the exploration program is the Cienaga de Oro Formation, similar to the Aguas Vivas-1 well.

### ***Existing Agreements***

The terms of the original agreement between the Company and Clean regarding the Company's acquisition from Clean of economic beneficial interest in the SN-9 Block are as follows:

- The Company's participation interest is 72%. Clean's participation in the SN-9 Block will be 13%, and will comprise two components:
- First component - carried working interest of 8%
- Second component - Clean will acquire an additional 5% by one of two options:
  - Option 1 - payment of \$1.2 million to the Company if Clean chooses to only participate in the first phase of the exploration program.
  - Option 2 - payment of \$2.9 million to the Company if Clean chooses to participate in both phases of the exploration program.

Payment to the Company for either option will be received through the sale of 62.5% of Clean's production on the SN-9 Block corresponding to this 5% interest. Furthermore, the share of Net Profit Interest and Overriding Royalties (as defined in the SN-9 PSA) related to this additional 5% working interest will be the obligation of Clean and not carried by the Company.

### **Tiburon Block**

The Tiburon Block currently covers an area of approximately 245,850 acres in the Department of La Guajira, Colombia. The E&P Contract for the Tiburon Block (the "**Tiburon E&P Contract**") is a contract for the exploration and production of conventional hydrocarbons, dated June 2006 and entered into between the ANH and Omimex de Colombia Ltd., which later changed its name to ColPan Oil & Gas Ltda. ("**ColPan**").

The Tiburon E&P Contract initially provided for an exploration period divided into six phases of twelve months each. The Tiburon E&P Contract is currently in Phase 3 of the exploration period with an existing minimum work obligation to acquire, process, and interpret 69.75 km<sup>2</sup> of 3D seismic. The phase commitment is currently suspended due to "Force Majeure and Third-Party Acts" due to local community issues within the region outside the control of the Company.

### ***Exploration Activities***

In light of the Force Majeure situation, the Company has carried out technical studies of the area in order to present for the consideration of the ANH the request to change the identified area within the Tiburon Block where the current minimum work obligation of 3D seismic is to be completed, and alternatively, complete the acquisition, processing and interpretation of 112 km 2D seismic in the Bahia Honda area within the Tiburon Block, which is equivalent to the current Phase 3 commitment of the E&P Contract of 69.75 km<sup>2</sup> of 3D seismic. Meanwhile, the Company intends to start environmental and social analyses to execute the seismic activities, pending the outcome of the ongoing COVID-19 outbreak and the resolution of the local community conflicts that are impeding any progress in the area.

The previous request to change the phase commitment of 2D seismic in the Bahia Honda area is based on the technical study carried out on the area of the Tiburon Block, as well as on the analysis of its geological model. Through the study and re-interpretation of the existing information, the Company has concluded that the Bahia Honda area (La Guajira) shows a higher level of perspectivity, being able to determine structures, leads and geological prospects of interest, with possible resources estimated between 2 and 4 TCF. In addition, there exists less uncertainty regarding social acceptance and the completion of the requisite prior consulting process in this area. This will ultimately allow the Company to execute the exploration activities and commitments of the E&P Contract with a higher probability of success.

Due to the ongoing COVID-19 outbreak, the Company requested from the ANH a one-year extension of the exploration commitment. This request was not approved as the phase commitments are still currently suspended due to the aforementioned pre-existing community issues that are impeding any progress in the area. During 2021 year, the Company will comply with the phase commitments of the Tiburon E&P Contract once the community conflicts existing in the area have been resolved. The timing of any conflict resolution is unknown at this time.

### ***Existing Agreements***

The terms of the original agreement between the Company and ColPan outlining the Company's acquisition from ColPan of economic beneficial interest in the Tiburon Block are based on the execution of the following work program:

- 10% working interest on the completion of the Phase 3 3D seismic commitment
- An additional 15% working interest on the drilling and testing of one exploration well
- A further 15% working interest on the drilling and testing of a second exploration well

After completing the seismic commitment, NG is not obligated to drill any of the exploration wells and can exit the contract with no further commitments but will lose the original \$0.3 million performance guarantee currently held in deposit with the ANH. Alternatively, NG may elect to stay in the license with a 10% working interest. \$120,000 of management fees paid by the Company will be returned to NG if the Company is still participating in the block when the ANH performance guarantee is returned at the end of the Phase 3 commitment. In the event that NG does not fulfill the Phase 3 commitment, except for reasons beyond its control, NG will cede a 1.5% carried working interest in the SN-9 Block to Clean and forfeit the aforementioned \$120,000 payment.

### ***Specialized Skill and Knowledge***

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs, and

accounting. To date the Company has been able to readily locate and retain such professionals and believes that it can continue to locate and retain such employees and consultants necessary to operate its business and achieve its stated corporate objectives.

### **Competitive Conditions**

There is significant competition in the oil and gas industry in all of its phases of exploration, development and production. The Company competes with other companies in the search for and the acquisition of, oil and natural gas, many of which have greater financial resources and technical facilities for the acquisition and development of, and production from, concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants. The Company also competes for financing with other resource companies, most of which have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

### **Cycles**

The oil and gas business is subject to significant volatility, including cyclicity, in commodity prices and in the supply and cost of labor, equipment, fuel and other resources integral to development and operating of a mining project. The marketability of oil and gas concentrates is also affected by worldwide economic cycles.

### **Economic Dependence**

The Company's business is not substantially dependent on any contract such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

### **Changes to Contracts**

It is not expected that the Company's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

### **Environmental Protection**

The oil and gas industry is subject to environmental regulations pursuant to applicable legislation. Such legislation provides for restrictions and prohibitions on release or emission of various substances produced in association with certain oil and gas industry operations, and requires that well and facility sites be abandoned and reclaimed to the satisfaction of environmental authorities. The Company is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of the Company.

### **Employees**

As at December 31, 2020 the Company had 8 full-time employees. The Company also relies upon consultants to carry on many of its activities.

### **Foreign Operations**

The Company's main projects are located in Colombia. International oil and gas operations are subject to inherent risks and uncertainties which are beyond the control of the Company, particularly those associated

with exploring for, and developing, economic quantities of hydrocarbons, volatile commodity prices, political risks, foreign currency and exchange rates, issues relating to global supply and demand, government regulations and environmental matters. Any changes in regulations or shifts in political conditions may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on permitting, production, price controls, income taxes, expropriation of property, environmental legislation and mine safety. Future development and operations may be affected in varying degrees by such factors as government regulations or changes thereto. The Company has a regional office located in Bogotá, Colombia.

## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The report of Petrotech in Form 51-101F2 and the report of management and directors on oil and natural gas disclosure in Form 51-101F3 are attached as Schedules "B" and "C" to this Annual Information Form, respectively.

### Disclosure of Reserves Data

The statement of reserves data and other oil and natural gas information set forth below (the "**Reserves Data**") is based upon the Petrotech Report. The Petrotech Report evaluated, as at December 31, 2020, the crude oil, NGLs and natural gas reserves of the Company. The Reserves Data summarizes the Company's crude oil, NGLs and natural gas reserves and the net present values of future net revenue for these reserves using forecast prices and costs.

The Petrotech Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101 and the COGE Handbook. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which the Company believes is important to readers of this Annual Information Form. Petrotech was engaged to provide evaluations of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

The Petrotech Report is based on certain factual data supplied by us and Petrotech's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to petroleum properties and contracts (except for certain information residing in the public domain) were supplied by us to Petrotech. Petrotech accepted this data as presented and neither title searches nor field inspections were conducted.

The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures and well abandonment and reclamation costs.

The Company determined the future net revenue and present value of future net revenue after income tax expenses by utilizing Petrotech's before income tax future net revenue and our estimate of income tax. Our estimates of the after income tax value of future net revenue have been prepared based on before income tax reserves information and include assumptions and estimates of our tax pools and the sequences of claims and rates of claim thereon. The values shown may not be representative of future income tax obligations, applicable tax horizon or after tax valuation. The after tax net present value of our oil and natural gas properties reflects the tax burden of our properties on a stand-alone basis. It does not provide an estimate of the value of the Company as a business entity, which may be significantly different. Our financial statements for the year ended December 31, 2020 should be consulted for additional information regarding our taxes.

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. In general, such estimates 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 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, estimates of the economically recoverable crude oil, NGL 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 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 consolidated reserves will vary from estimates thereof and such variations could be material.

**It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by Petrotech represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of crude 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 information relating to the Company's consolidated crude oil, NGLs and natural gas reserves contains forward looking statements relating to future net revenues, forecast capital expenditures, future development plans, timing and costs related thereto, forecast operating costs, anticipated production and abandonment costs. See "*Cautionary Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

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

## Breakdown of Resources

### Onshore Argentina & Colombia

#### Aggregate

Reserves Category	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas (1)		Natural Gas Liquids		BOEs	
	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (MMcft)	Net (3) (MMcft)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)
<b>Proved</b>										
Developed Producing	-	-	-	-	-	-	-	-	-	-
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	-	-	-	-	12,536	11,727	1	1	2,091	1,956
<b>Total Proved</b>	-	-	-	-	<b>12,536</b>	<b>11,727</b>	<b>1</b>	<b>1</b>	<b>2,091</b>	<b>1,956</b>
Probable	-	-	-	-	15,130	14,131	4	4	2,526	2,359
<b>Total Proved + Probable</b>	-	-	-	-	<b>27,666</b>	<b>25,859</b>	<b>5</b>	<b>5</b>	<b>4,616</b>	<b>4,315</b>

#### Colombia

Reserves Category	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas (1)		Natural Gas Liquids		BOEs	
	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (MMcft)	Net (3) (MMcft)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)
<b>Proved</b>										
Developed Producing	-	-	-	-	-	-	-	-	-	-
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	-	-	-	-	12,536	11,727	1	1	2,091	1,956
<b>Total Proved</b>	-	-	-	-	<b>12,536</b>	<b>11,727</b>	<b>1</b>	<b>1</b>	<b>2,091</b>	<b>1,956</b>
Probable	-	-	-	-	15,130	14,131	4	4	2,526	2,359
<b>Total Proved + Probable</b>	-	-	-	-	<b>27,666</b>	<b>25,859</b>	<b>5</b>	<b>5</b>	<b>4,616</b>	<b>4,315</b>

Argentina <sup>(4)</sup>

Reserves Category	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas (1)		Natural Gas Liquids		BOEs	
	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (MMcf)	Net (3) (MMcf)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)	Gross (2) (Mbbbls)	Net (3) (Mbbbls)
<b>Proved</b>										
Developed Producing	-	-	-	-	-	-	-	-	-	-
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	-	-	-	-	-	-	-	-	-	-
<b>Total Proved</b>	-	-	-	-	-	-	-	-	-	-
<b>Probable</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Proved + Probable</b>	-	-	-	-	-	-	-	-	-	-

(1) Estimates of reserves of conventional natural gas include by-products but excluding solution gas from oil wells

(2) "Gross Reserves" are Company's working interest reserves before the deduction of royalties.

(3) "Net Reserves" are Company's working interest reserves after deductions of royalty obligations plus the Company's royalty interests.

(4) NOTE: The Argentina assets were sold effective October 1, 2020.

NOTE: The numbers in these tables may not add exactly due to rounding

## Net Present Value of Future Net Revenue

Onshore Argentina & Colombia

The after-tax net present value of the Company's oil and gas properties here reflects the tax burden on the properties on a stand-alone basis. It does not consider any tax planning. It does not provide an estimate of the value at the reporting issuer's related business entity, which may be significantly different. The financial statements and the management's discussion & analysis of the Company should be consulted for information at the level of the reporting issuer.

## Aggregate

Reserves Category	Before Income Taxes – Discounted at (%/yr)					After Income Taxes – Discounted at (%/yr)					Unit Value BFIT @ 10%/yr (\$/BOE)
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$
<b>Proved</b>											
Developed Producing	-	-	-	-	-	-	-	-	-	-	-
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Undeveloped	32,970	26,476	21,810	18,371	15,774	24,939	19,804	16,130	13,437	11,413	11.15
<b>Total Proved</b>	<b>32,970</b>	<b>26,476</b>	<b>21,810</b>	<b>18,371</b>	<b>15,774</b>	<b>24,939</b>	<b>19,804</b>	<b>16,130</b>	<b>13,437</b>	<b>11,413</b>	<b>11.15</b>
Probable	55,157	42,898	34,050	27,525	22,611	40,073	31,106	24,641	19,877	16,293	14.43
<b>Total Proved + Probable</b>	<b>88,127</b>	<b>69,374</b>	<b>55,861</b>	<b>45,896</b>	<b>38,385</b>	<b>65,013</b>	<b>50,910</b>	<b>40,771</b>	<b>33,314</b>	<b>27,707</b>	<b>12.95</b>

## Colombia

Reserves Category	Before Income Taxes – Discounted at (%/yr)					After Income Taxes – Discounted at (%/yr)					Unit Value BFIT @ 10%/yr (\$/BOE)
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$
<b>Proved</b>											
Developed Producing	-	-	-	-	-	-	-	-	-	-	-
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Undeveloped	32,970	26,476	21,810	18,371	15,774	24,939	19,804	16,130	13,437	11,413	11.15
<b>Total Proved</b>	<b>32,970</b>	<b>26,476</b>	<b>21,810</b>	<b>18,371</b>	<b>15,774</b>	<b>24,939</b>	<b>19,804</b>	<b>16,130</b>	<b>13,437</b>	<b>11,413</b>	<b>11.15</b>
Probable	55,157	42,898	34,050	27,525	22,611	40,073	31,106	24,641	19,877	16,293	14.43
<b>Total Proved + Probable</b>	<b>88,127</b>	<b>69,374</b>	<b>55,861</b>	<b>45,896</b>	<b>38,385</b>	<b>65,013</b>	<b>50,910</b>	<b>40,771</b>	<b>33,314</b>	<b>27,707</b>	<b>12.95</b>

Argentina <sup>(1)</sup>

Reserves Category	Before Income Taxes – Discounted at (%/yr)					After Income Taxes – Discounted at (%/yr)					Unit Value
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	BFIT
	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	M US\$	@ 10%/yr
<b>Proved</b>											(\$/BOE)
Developed Producing	-	-	-	-	-	-	-	-	-	-	-
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Undeveloped	-	-	-	-	-	-	-	-	-	-	-
<b>Total Proved</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Probable</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Proved + Probable</b>	-	-	-	-	-	-	-	-	-	-	-

For all tables above:

- Reference Item 2.1(1) and (2) of Form 51-101F1
- NPV of FNR includes all resource income: Sale of oil, gas byproduct reserves, processing of third-party reserves, other income
- Income Taxes includes all resources income, appropriate income tax calculations and prior tax pools
- The unit values are based on net reserve volumes before income tax (BFIT)

NOTE 1: the numbers in these tables may not add exactly due to rounding

NOTE 2: Barrels of Oil Equivalent (BOE) have been reported based on natural gas conversions of 6 Mcf/1 bbl

(1) NOTE: The Argentina assets were sold effective October 1, 2020.

## Additional Information Concerning Future Net Revenue

## Onshore Colombia

Reserves Category	Revenue (M US\$)	Royalties (M US\$)	Operating Cost (M US\$)	Development Cost (M US\$)	Aband. & Reclam. Cost (M US\$)	BT Future Net Revenue (1) (M US\$)	Income Taxes (M US)	AT Future Net Revenue (1) (M US\$)
Proved Producing	-	-	-	-	-	-	-	-
Proved Developed	-	-	-	-	-	-	-	-
<b>Total Proved</b>	69,432	9,914	17,454	7,606	1,488	32,970	8,030	24,939
<b>Total Proved + Probable</b>	157,492	22,429	37,293	8,098	1,545	88,127	23,114	65,013

(1) BT = Before Taxes, AT = After Taxes

(2) Operating cost less processing and other income

NOTE: the numbers in this table may not add exactly due to rounding

## Net Present Value of Future Net Revenue by Product Type based on Forecast Prices and Costs

## Onshore Colombia

Reserves Category	Product Type	BFIT Future Net	Unit Value (2)
		Revenue Discounted (10%/year) (1) (M US\$)	(\$/BOE)
PROVED	Light & Medium Crude Oil (including solution gas)	-	-
	Heavy Crude Oil	-	-

	Conventional Natural gas (including by-products but excluding solution gas from oil wells)	21,810	11.15
<b>PROVED + PROBABLE</b>	Light & Medium Crude Oil (including solution gas)	-	-
	Heavy Crude Oil	-	-
	Conventional Natural gas (including by-products but excluding solution gas from oil wells)	55,861	12.95

(1) The unit values are based on net reserves volumes before income tax (BFIT)

NOTE 1: the numbers in this table may not add exactly due to rounding

NOTE 2: Barrels of Oil Equivalent (BOE) have been reported based on natural gas conversions of 6 Mcf/1 bbl

## Forecast Prices used in Estimates

### COLOMBIA:

These price assumptions were provided to the Company by Petrotech.

The forecast gas price is based on a Terms & Conditions sheet (the “Sheet”), dated December 27, 2019 and amended December 15, 2020, between MKMS ENERJI Sucursal Colombia (a subsidiary of the Company) and Energy Transitions SAS ESP (see Appendix C). The proposed sales gas contract is for ten years from December 1, 2021, or before if treatment and connection facilities are ready to operate, and is for a daily gas volume of 16 MMBTU. The gas price starts at \$5.08 USD/MMBTU and is indexed annually with the Producers Price Index (PPI) series WPSFD41312. The first update will take place on December 1, 2022.

The forecast condensate price is based on average prices for condensate sold in the neighbouring fields Bullerenge and Bonga-Mamey. The condensate prices are escalated at 2% per year after 2021.

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<b>Date</b>	<b>Gas Price (\$/MMBTU)</b>	<b>Condensate Price (\$/bbl)</b>
2021	\$5.08	\$40.33
2022	\$5.09	\$41.14
2023	\$5.22	\$41.96
2024	\$5.36	\$42.80
2025	\$5.51	\$43.66
2026	\$5.67	\$44.53
2027	\$5.84	\$45.42
2028	\$6.01	\$46.33
2029	\$6.18	\$47.26
2030	\$6.36	\$48.20
2031	\$6.55	\$49.17
2032	\$6.74	\$50.15
2033	\$6.93	\$51.15
2034	\$7.13	\$52.18
2035	\$7.34	\$53.22
2036	\$7.56	\$54.28
2037	\$7.78	\$55.37
2038	\$8.00	\$56.48
2039	\$8.23	\$57.61

The evaluation assumes that the sales gas purchase contract can be extended after the initial ten years.

#### **Weighted Average Historical Prices**

See “Production History” for the prices received.

#### **RECONCILIATION OF CHANGES IN RESERVES**

The following tables set forth a reconciliation of the Company’s gross proved, gross probable and gross proved plus probable oil reserves as at December 31, 2020 against such reserves as at December 31, 2019 based on forecast prices and cost assumptions.

## Onshore Argentina & Colombia

### AGGREGATE

	Total Oil (MBBL)	Light/Medium Crude Oil (MBBL)	Heavy Crude Oil (MBBL)	Conventional Natural Gas (MMCF)	NGL (MBBL)	TOTAL MBOE
<b>TOTAL PROVED PRODUCING</b>						
<b>TOTAL PROVED</b>						
Opening Balance (December 31, 2019)	-	(0.0)	(0.0)	11,544.5	18.8	1,942.9
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	1,821.3	-	303.5
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	(14.5)	(14.5)
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	5.1	7.2	165.2	(3.1)	36.8
Economic Factors ***	-	-	-	-	-	-
Production	-	(5.1)	(7.2)	(995.1)	-	(178.1)
Closing Balance (December 31, 2020)	-	-	-	12,535.9	1.3	2,090.6
<b>TOTAL PROBABLE</b>						
Opening Balance (December 31, 2019)	-	-	(0.0)	7,409.8	11.3	1,246.3
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	7,895.9	-	1,316.0
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	(6.5)	(6.5)
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	-	-	(175.8)	(0.7)	(30.0)
Economic Factors ***	-	-	-	-	-	-
Production	-	-	-	-	-	-
Closing Balance (December 31, 2020)	-	-	(0.0)	15,129.9	4.1	2,525.8
<b>TOTAL PROVED + PROBABLE</b>						
Opening Balance (December 31, 2019)	-	-	(0.0)	18,954.3	30.1	3,189.2
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	9,717.2	-	1,619.5
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	(21.0)	(21.0)
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	5.1	7.2	(10.6)	(3.7)	6.8
Economic Factors ***	-	-	-	-	-	-
Production	-	(5.1)	(7.2)	(995.1)	-	(178.1)
Closing Balance (December 31, 2020)	-	-	(0.0)	27,665.7	5.4	4,616.4

The numbers in this table may not exactly add due to rounding.

\* Includes technical revisions due to reservoir performance, geological and engineering changes; economic revisions due to changes in economic limits; and working interest changes resulting from the timing of interest reversions.

\*\* Includes production attributable to any acquired interests from the acquisition date to effective date of the report and production realized from disposed interests from the opening balance date to the effective date of disposition.

\*\*\* includes economic revisions related to price and royalty factor changes.

Barrels of Oil Equivalent (boe) have been reported based on natural gas conversions of 6 Mcf/1 bbl.

**COLOMBIA**

	Total Oil (MBBL)	Light/Medium Crude Oil (MBBL)	Heavy Crude Oil (MBBL)	Conventional Natural Gas (MMCF)	NGL (MBBL)	TOTAL MBOE
<b>TOTAL PROVED PRODUCING</b>						
<b>TOTAL PROVED</b>						
Opening Balance (December 31, 2019)	-	-	-	10,714.6	15.8	1,801.5
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	1,821.3	-	303.5
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	(14.5)	(14.5)
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	-	-	-	-	-
Economic Factors ***	-	-	-	-	-	-
Production	-	-	-	-	-	-
Closing Balance (December 31, 2020)	-	-	-	12,535.9	1.3	2,090.6
<b>TOTAL PROBABLE</b>						
Opening Balance (December 31, 2019)	-	-	-	7,233.9	10.6	1,216.3
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	7,895.9	-	1,316.0
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	(6.5)	(6.5)
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	-	-	-	-	-
Economic Factors ***	-	-	-	-	-	-
Production	-	-	-	-	-	-
Closing Balance (December 31, 2020)	-	-	-	15,129.9	4.1	2,525.8
<b>TOTAL PROVED + PROBABLE</b>						
Opening Balance (December 31, 2019)	-	-	-	17,948.5	26.4	3,017.8
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	9,717.2	-	1,619.5
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	(21.0)	(21.0)
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	-	-	-	-	-
Economic Factors ***	-	-	-	-	-	-
Production	-	-	-	-	-	-
Closing Balance (December 31, 2020)	-	-	-	27,665.7	5.4	4,616.4

The numbers in this table may not exactly add due to rounding.

\* Includes technical revisions due to reservoir performance, geological and engineering changes; economic revisions due to changes in economic limits; and working interest changes resulting from the timing of interest reversions.

\*\* Includes production attributable to any acquired interests from the acquisition date to effective date of the report and production realized from disposed interests from the opening balance date to the effective date of disposition.

\*\*\* includes economic revisions related to price and royalty factor changes.

Barrels of Oil Equivalent (boe) have been reported based on natural gas conversions of 6 Mcf/1 bbl.

**ARGENTINA**

	Total Oil (MBBL)	Light/Medium Crude Oil (MBBL)	Heavy Crude Oil (MBBL)	Conventional Natural Gas (MMCF)	NGL (MBBL)	TOTAL MBOE
<b>TOTAL PROVED PRODUCING</b>						
<b>TOTAL PROVED</b>						
Opening Balance (December 31, 2019)	-	(0.0)	(0.0)	829.9	3.1	141.4
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	5.1	7.2	165.2	(3.1)	36.8
Economic Factors ***	-	-	-	-	-	-
Production	-	(5.1)	(7.2)	(995.1)	-	(178.1)
Closing Balance (December 31, 2020)	-	-	-	-	0.0	-
<b>TOTAL PROBABLE</b>						
Opening Balance (December 31, 2019)	-	-	(0.0)	175.8	0.7	30.0
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	-	-	(175.8)	(0.7)	(30.0)
Economic Factors ***	-	-	-	-	-	-
Production	-	-	-	-	-	-
Closing Balance (December 31, 2020)	-	-	(0.0)	-	-	0.0
<b>TOTAL PROVED + PROBABLE</b>						
Opening Balance (December 31, 2019)	-	-	(0.0)	1,005.8	3.7	171.4
Product Type Transfer	-	-	-	-	-	-
Extensions	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Resource Transfers	-	-	-	-	-	-
Technical Revisions*	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-
Acquisitions**	-	-	-	-	-	-
Dispositions**	-	5.1	7.2	(10.6)	(3.7)	6.8
Economic Factors ***	-	-	-	-	-	-
Production	-	(5.1)	(7.2)	(995.1)	-	(178.1)
Closing Balance (December 31, 2020)	-	-	(0.0)	-	(0.0)	(0.0)

The numbers in this table may not exactly add due to rounding.

\* Includes technical revisions due to reservoir performance, geological and engineering changes; economic revisions due to changes in economic limits; and working interest changes resulting from the timing of interest reversions.

\*\* Includes production attributable to any acquired interests from the acquisition date to effective date of the report and production realized from disposed interests from the opening balance date to the effective date of disposition.

\*\*\* includes economic revisions related to price and royalty factor changes.

Barrels of Oil Equivalent (boe) have been reported based on natural gas conversions of 6 Mcf/1 bbl.

NOTE: The Argentina assets were sold effective October 1, 2020.

## ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Management continues to implement asset prioritization strategies, which may affect the timing of the development of the Company's reserves. The Company anticipates prudently pursuing the development of its undeveloped reserves. The Company may choose to delay development, depending on a number of circumstances, including the existence of higher priority expenditures, prevailing commodity prices and the availability of funds. In general, the Company plans to develop all of the proved and probable undeveloped reserves over the next five years. There are a number of factors that could result in delayed or canceled development, including the following: (i) changing economic conditions (due to commodity 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, indigenous communities, weather conditions and regulatory approvals).

The following tables set forth the proved undeveloped reserves and the probable undeveloped reserves, each by product type, attributed to the Company's assets for the three years ended December 31, 2020 and, in the aggregate, before that time based on forecast prices and costs.

### Undeveloped Reserves

	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas		Natural Gas Liquids	
	First Attributed (Gross) (Mbbl)	Booked (Gross) (Mbbl)	First Attributed (Gross) (Mbbl)	Booked (Gross) (Mbbl)	First Attributed (Gross) (MMcf)	Booked (Gross) (MMcf)	First Attributed (Gross) (Mbbl)	Booked (Gross) (Mbbl)
<b>Proved Undeveloped</b>								
<b>Dec. 31, 2018</b>	-	-	-	-	-	10,715	-	-
<b>Dec. 31, 2019</b>	-	-	-	-	-	-	-	-
<b>Dec. 31, 2020</b>	-	-	-	-	1,821	1,821	-	-
<b>Probable Undeveloped</b>								
<b>Dec. 31, 2018</b>	-	-	373	1,584	-	7,234	-	-
<b>Dec. 31, 2019</b>	-	-	-	-	-	-	-	-
<b>Dec. 31, 2020</b>	-	-	-	-	7,896	7,896	-	-

### 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. 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 performances, 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.

### Future Development Costs

#### Aggregate

Year	Forecast Prices and Costs	
	For Proved Reserves (M US\$)	For Proved + Probable Reserves (M US\$)
2021	1,500	1,500
2022	2,000	2,000
2023	4,000	4,000
2024	-	103
2025	53	-
Remaining	54	496
<b>Total</b>	<b>7,606</b>	<b>8,098</b>
<b>Undiscounted</b>	<b>7,606</b>	<b>8,098</b>
<b>Discounted @ 10%</b>	<b>6,389</b>	<b>6,666</b>

#### Colombia

Year	Forecast Prices and Costs	
	For Proved Reserves (M US\$)	For Proved + Probable Reserves (M US\$)
2021	1,500	1,500
2022	2,000	2,000
2023	4,000	4,000
2024	-	103
2025	53	-
Remaining	54	496
<b>Total</b>	<b>7,606</b>	<b>8,098</b>
<b>Undiscounted</b>	<b>7,606</b>	<b>8,098</b>
<b>Discounted @ 10%</b>	<b>6,389</b>	<b>6,666</b>

Argentina

Forecast Prices and Costs		
Year	For Proved Reserves (M US\$)	For Proved + Probable Reserves (M US\$)
2021	-	-
2022	-	-
2023	-	-
2024	-	-
2025	-	-
Remaining	-	-
Total	-	-
Undiscounted	-	-
Discounted @ 10%	-	-

For all tables above:

(1) Future Development Costs shown are associated with booked reserves in the Reserves Report(s) and do not necessarily represent the Company's full exploration and development budget

NOTE: the numbers in these tables may not add exactly due to rounding

NOTE: the Argentina assets were sold effective October 1, 2020.

**OTHER OIL AND GAS INFORMATION****Oil and Gas Properties and Wells****Gross and Net Oil and Gas Wells**

	Existing Wells at December 31, 2020			
	Oil		Gas	
	Gross	Net	Gross	Net
Colombia				
Producing	-	-	-	-
Non-Producing	-	-	2	1.60
<b>Total</b>	-	-	<b>2</b>	<b>1.60</b>

**Properties with No Attributed Reserves****Exploration Blocks and Commitments**

Basin	Block	Current Phase	Remaining Commitments, Current Phase
Guajira, Colombia	Tiburon	3rd Expl. <sup>(1)</sup>	Acquire 70 sq km of 3D seismic
Sinú, Colombia	SN-9	1st Expl.	1 exploration well and 125.75 3D seismic

(1) Currently suspended.

## Developed and Undeveloped Acreage

The following table sets forth the Company's developed and undeveloped oil and gas lease and mineral acreage as of December 31, 2020:

	<u>Developed</u>		<u>Undeveloped</u>		<u>Total</u>	
	Gross (acres)	Net (acres)	Gross (acres)	Net (acres)	Gross (acres)	Net (acres)
<b>Colombia</b>	-	-	592,007	422,837	592,007	422,837

## Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

The Company expects that its ability to meet commitments on properties with no attributable reserves will be impacted by a number of factors including the Company's analysis of geological and reservoir information, the commodity price environment and the costs associated with exploration and development activities and its ability to raise capital. Additional risk factors affecting the Company's business and operations are set forth under the caption "Risk Factors" in its MD&A and this and other filings are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Forward Contracts

As of the Effective Date and the Preparation Date, the Company does not have any forward contracts.

## Tax Horizon

The Company is not expected to have significant income tax payable in Colombia or Canada in the immediate future, subject to changes in the business model, commencing production in Colombia following a successful exploration or development program or substantial increases in commodity prices.

## Exploration and Development Activities

No new wells were drilled by the Company in 2020. Activities were focused on advancing environmental permitting, prior consulting, and community relations requirements in each of the Colombia properties. Such efforts in SN-9 were done so in preparation of the planned exploration activities in 2020.

In August 2020, the re-entry of the Aruchara-1 well to repair a gas leak was finished as a result of implementing the work program approved by the ANH. After drilling the cement plugs and controlling the well, Drill Stem Tests ("DSTs") were carried out to determine the origin, pressure, and volume of natural gas to repair, complete, and secure the well. As part of the re-entry program, three DST procedures of this well were conducted by the Company. The three DST procedures occurred between 8,052 and 8,121 feet measured depth with maximum rates of 7.75 to 10.98 mmcf/d through a 48/64" choke at pressures of 2,075 to 2,271 psig and final shut-in pressures of 3,505 to 3,547 psig. The absolute open flow potential was estimated at 19.0 mmcf/d and a potential of 14.3 mmcf/d with a 50% drawdown.

## Production Estimates

The following is a summary of production estimates by product type for total proved and probable reserves for year 2021:

Reserves Category	Forecast Prices & Costs		
	Total Proved	Probable	Total Proved + Probable
	Gross Daily Production (2)	Gross Daily Production (2)	Gross Daily Production (2)
Light & Medium Crude Oil (bbl/d)	-	-	-
Heavy Crude Oil (bbl/d)	-	-	-
Conventional Natural Gas (mcf/d)	6,879	1,064	7,943
Natural Gas Liquids (bbl/d)	-	-	-
<b>TOTAL (1) (boe/d)</b>	<b>1,147</b>	<b>177</b>	<b>1,324</b>

The following is a summary of the Company share of gross production estimate by field of total Proved reserves for year 2021.

Country	Field/Block	Light & Medium Crude Oil (bbl/d)	Heavy Crude Oil (bbl/d)	Conventional Natural Gas (2) (mcf/d)	Natural Gas Liquids (bbl/d)
<b>Colombia</b>					
	Maria Conchita	-	-	6,879	-
<b>Argentina (3)</b>					
	KM8	-	-	-	-
	Estancia La Mariposa	-	-	-	-
	Sur Rio Deseado Este	-	-	-	-
<b>Total</b>		-	-	<b>6,879</b>	-

- (1) Daily production is taken from the Reserves Report(s) as of December 31, 2020
- (2) Estimates of reserves of conventional natural gas include byproducts but excluding solution gas from oil wells
- (3) The Argentina assets were sold effective October 1, 2020

## Production History

	Year Ended	2020			
		Q4	Q3	Q2	Q1
<b>Argentina (1)</b>					
<b>KM8</b>					
<b>Heavy Crude Oil</b>					
Avg. daily production (before royalties) (bbl/d)	0.00	0.00	0.00	0.00	0.00
Price Received, before royalties (\$/bbl)	0.00	0.00	0.00	0.00	0.00
Royalties Paid (\$/bbl)	0.00	0.00	0.00	0.00	0.00
Production Costs (\$/bbl)	0.00	0.00	0.00	0.00	0.00
Netback (\$/bbl)	0.00	0.00	0.00	0.00	0.00
<b>Estancia La Mariposa</b>					
<b>Light &amp; Medium Crude Oil</b>					
Avg. daily production (before royalties) (bbl/d)	13.9	0.0	17.8	19.7	18.4
Price Received, before royalties (\$/bbl)	40.51	0.00	99.44	24.11	0.00

<b>Royalties Paid (\$/bbl)</b>	0.00	0.00	0.00	0.00	0.00
<b>Production Costs (\$/bbl)</b>	0.00	0.00	0.00	0.00	0.00
<b>Netback (\$/bbl)</b>	40.51	0.00	99.44	24.11	0.00
<b>Conventional Natural Gas</b>					
<b>Avg. daily production (before royalties) (Mcf/d)</b>	2,736.8	0.0	3,232.6	3,669.6	4,044.9
<b>Price Received, before royalties (\$/Mcf)</b>	1.85	0.00	1.66	1.60	2.22
<b>Royalties Paid (\$/mcf)</b>	0	0	0	0	0
<b>Production Costs (\$/mcf)</b>	0	0	0	0	0
<b>Netback (\$/Mcf)</b>	1.85	0.00	1.66	1.60	2.22
<b>Sur Rio Deseado Este</b>					
<b>Heavy Crude Oil</b>					
<b>Avg. daily production (before royalties) (bbl/d)</b>	19.8	0.0	22.0	29.4	27.9
<b>Price Received, before royalties (\$/bbl)</b>	41.00	0.00	41.00	0.00	0.00
<b>Royalties Paid (\$/bbl)</b>	0.00	0.00	0.00	0.00	0.00
<b>Production Costs (\$/bbl)</b>	0.00	0.00	0.00	0.00	0.00
<b>Netback (\$/bbl)</b>	41.00	0.00	41.00	0.00	0.00
<b>Colombia</b>					
<b>Maria Conchita</b>					
<b>Conventional Natural Gas</b>					
<b>Avg. daily production (before royalties) (Mcf/d)</b>	0.0	0.0	0.0	0.0	0.0
<b>Price Received, before royalties (\$/Mcf)</b>	0.00	0.00	0.00	0.00	0.00
<b>Royalties Paid (\$/Mcf)</b>	0.00	0.00	0.00	0.00	0.00
<b>Production Costs (\$/Mcf)</b>	0.00	0.00	0.00	0.00	0.00
<b>Netback (\$/Mcf)</b>	0.00	0.00	0.00	0.00	0.00

NOTE 1: The totals shown above may not match the corporate totals due to rounding

NOTE 2: No information is included for Colombian properties because there was no production during the calendar year 2020

(1) The Argentina assets were sold effective October 1, 2020

## RISK FACTORS

### General

#### *Unforeseen title defects*

The acquisition of title to oil and gas properties in Colombia and the other countries where the Company operates is a detailed and time consuming process. Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. The Company's properties may be subject to unforeseen title claims, including, among others, claims by indigenous communities. While the Company intends to make appropriate inquiries into the title of properties and other development rights it acquires, title defects may exist. In addition, the Company may be unable to obtain adequate insurance for title defects, on a commercially reasonable basis or at all. If title defects do exist, it is possible that we may lose all or a portion of our right, title and interest in and to the properties to which the title defects relate.

The Maria Conchita Block or the other properties held by the Company may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. In the event of any title defect, the Company may be subject to third party claims and/or increased risk in bankruptcy.

Pursuant to the E&P contracts granted by the ANH for the Maria Conchita Block, the SN-9 Block and the Tiburon Block and as per rules issued by the ANH, assignment of a participating interest and operatorship is subject to prior written approval by ANH. Such assignments will require the Company (or its designees) meeting the minimum legal, financial, technical and operational requirements to be the assignees of record of such working interests and operatorships, as such minimum requirements are generally set by ANH from time to time. There is no a specific time limit for the ANH to complete the assignment procedure and issue its decision. The Company (or its designees) will hold a beneficial ownership until such approval is obtained, with recorded working interests and operatorships being held in trust by vendors or other third parties until approval by ANH.

#### ***Inability to obtain additional capital required to implement business plan***

Management expects that the Company's cash balances and cash flow from operations will be sufficient only to provide a limited amount of working capital, and the revenues generated from its properties will not alone be sufficient to fund its operations or planned growth. The Company will require additional capital to continue to operate its business, to expand its exploration and production programs to additional properties (including meeting minimum exploration requirements under its contracts and licenses) and to undertake future acquisitions, if any.

The Company may be required to seek additional financing, and there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to it. The Company's ability to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as its business performance. The Company may be unable to obtain the additional capital required on terms and conditions acceptable to the Company, if at all. None of the Company's officers, directors or stockholders is required to provide any financing to us. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interests in certain properties, miss certain business opportunities and reduce or terminate its operations or contracts. Furthermore, the inability to obtain capital may damage the Company's reputation and credibility with industry participants in the event we cannot close previously announced transactions.

#### ***Joint venture risks***

The Company generally undertakes its activities in exploration and exploitation of hydrocarbons in a particular area by entering into an agreement with third parties to participate in joint ventures (joint operations for accounting purposes). Under the terms and conditions of these agreements, one of the parties takes the role of operator of the joint venture, and thus assumes responsibility for executing all activities undertaken pursuant to the joint venture agreement. However, neither the Company nor its subsidiaries may assume the role of operator and therefore, in such cases, we are exposed to risks relating to the performance of and the measures taken by the operator to carry out the activities. Such actions could have a material adverse effect on the success of these joint ventures, and thus adversely affect our financial condition and results of operations.

The Company conduct most of its oil and gas operations through joint ventures and as a result, the continuation of such joint ventures is vital to the Company's success. In the event that any of the Company's partners were to decide to terminate the relationship in respect of a joint venture or sell their interest in a joint venture, the Company or its subsidiaries may not be able to replace that partner or obtain the necessary financing to purchase that partner's interest. Accordingly, the Company's failure to resolve disagreements with its partners or to maintain its joint ventures could adversely affect the Company's ability to conduct the underlying operations of such joint venture, which, in turn, could negatively affect our financial condition and results of operations.

The Company has commitments to make certain investments under its joint venture agreements. Failure to comply with such commitments in a timely manner could result in a breach of the relevant joint venture

agreement, foreclosure of any guarantees and/or the loss of all rights over the underlying area, which could have an adverse effect on the Company's results of operations.

In some of these partnerships or joint ventures, the Company may not be the operator, and therefore, will have limited control over certain business decisions, including those related to cash calls. In the future, the Company could be asked to provide resources in connection with unplanned cash calls. These cash calls can negatively impact the Company's short-term financial planning and may result in the increase of its capital costs in order to allocate additional financial resources to pay for these cash applications.

Although the Company believes that all of its joint venture partners are reputable companies, the Company cannot assure how each partner will conduct itself in connection with each joint venture. In particular, a breach of obligations by our partners under the applicable joint ventures could materially affect the success of the underlying operations of such joint venture, which, in turn, could negatively affect our financial condition and results of operations.

If one or more of the investors in any of our jointly owned properties were to experience financial difficulties, including bankruptcy, insolvency or a general downturn of business, there could be an adverse effect on the relevant property or properties and in turn, on our financial performance. Should a joint venture partner declare bankruptcy, we could be liable for our partner's common share of joint venture liabilities.

### ***Global financial conditions***

Global financial conditions may be subject to high volatility which could result, as they have in the past, in numerous commercial and financial enterprises either going into bankruptcy or creditor protection or having had to be rescued by governmental authorities. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions can cause the broader credit markets to further deteriorate and stock markets to decline substantially. Banks have been adversely affected by the worldwide economic crisis and have somewhat curtailed existing liquidity lines, increased pricing and introduced new and tighter borrowing restrictions to corporate borrowers, with limited access to new facilities or for new borrowers. These factors could negatively impact the Company's ability to access liquidity needed for the Company's business in the longer term. These factors may impact the Company's future ability to obtain equity, debt or bank financing on terms favourable to the Company, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. In addition, certain of the Company's customers could be unable to pay the Company in the event that they are unable to access the capital markets to fund their business operations.

### ***Personnel***

The Company's success will depend in large measure on the ability, expertise, judgment, discretion, integrity and good faith of management and other personnel in conducting the Company's business. The loss of any of the Company's executive officers or key employees, their inability to continue to serve as such or the Company's inability to attract suitably qualified staff could materially adversely impact the Company's business. The Company may also experience difficulties in certain jurisdictions in our efforts to obtain suitably qualified staff and retain staff who are willing to work in that jurisdiction.

The Company's success depends on the ability of our management and employees to interpret market and geological data successfully and to interpret and respond to economic, market and other business conditions in order to locate and adopt appropriate investment opportunities, monitor such investments and ultimately, if required, successfully divest such investments. The Company has sought to and will continue to ensure that management and any key employees are appropriately compensated; however, their services cannot be guaranteed. If the Company is unable to attract and retain key personnel, our business may be adversely affected.

### ***Directors and Officers***

The Company's officers and directors are not required to, and will not, commit their full time to the Company's affairs, which may result in a conflict of interest in allocating their time between our operations and their other businesses. Each of our officers is engaged in several other business endeavors for which he may be entitled to substantial compensation and our officers are not obligated to contribute any specific number of hours per week to our affairs. Our independent directors also serve as officers and board members for other entities. If our officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs.

The Company's officers and directors also serve as officers and board members for other entities. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential business opportunity may be presented to other entities prior to its presentation to us. Certain of the directors and officers of the Company are directors or officers of other oil and gas companies and, to the extent that such other companies may participate in ventures in which the Company may participate or may wish to participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with the Company for the acquisition of property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of the Company and, if the conflict involves a director, the director will abstain from voting for or against the approval of such participation or such terms. In accordance with the provisions of the BCBCA the directors and officers of the Company are required to act honestly in good faith, with a view to the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time.

### ***Changes in laws or regulations***

The Company is subject to laws and regulations enacted by national, regional and local governments. In particular, we will be required to comply with certain securities regulatory and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business and results of operations.

### **Risk Factors Relating to the Oil and Natural Gas Industry**

#### ***E&P Contracts***

The Company's contracts and concessions for the exploration and exploitation of our oil and natural gas properties are subject to set expiration dates. Although the Company may want to extend its exploration and production contracts and concessions with Colombian regulators beyond their original expiration date, there is no assurance that the applicable regulators or governmental authorities would agree to such extension or, if they do so agree, that they would agree to terms that are acceptable to the Company. If the contracts or concessions are terminated, any wells in production, buildings and other real estate possessions related to the fields subject to such contracts will revert to applicable regulators or government, as the case may be, without any additional compensation to the Company.

If the Company defaults on its obligations under its technical evaluation or exploration and production contracts or concessions (including, without limitation, by failing to comply with the evaluation,

exploration or production milestones set forth in those contracts), or under applicable rules and regulations, we may be subject to sanctions by the corresponding regulatory agencies, including warnings, fines, temporary suspension of the right to participate in auction processes, intervention, forfeiture or termination of the relevant contracts. The sanctions that the regulatory agencies may apply vary depending on the nature of the violation and take into account the magnitude of the damages caused to users. Any of the foregoing penalties may have a material adverse effect on the Company's business, financial condition and results of operations.

***Volatility of pricing for oil and natural gas***

The Company's revenues, operating results, profitability, future rate of growth and the carrying value of its oil and natural gas properties depend primarily upon the prevailing prices for oil, natural gas liquids ("NGLs") and natural gas. Historically, oil, NGLs and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond the Company's control, including:

- worldwide and domestic supplies of oil, NGLs and natural gas;
- price levels, and expectations about future prices, of oil, NGLs and natural gas;
- volatility in prices for oil, natural gas and other energy related commodities;
- the cost and risks of exploring for, developing, producing and delivering oil, NGLs and natural gas;
- the expected rates of declining current production;
- weather conditions, including hurricanes, and other natural disasters that can affect oil, NGLs and natural gas operations over a wide area;
- the level of consumer demand;
- the price and availability of alternative fuels;
- the nature and extent of regulation relating to carbon dioxide and other greenhouse gas emissions ("GHG");
- technical advances affecting energy consumption;
- risks associated with operating drilling rigs;
- impact of energy conservation efforts;
- the availability of pipeline capacity and other transportation facilities;
- the price and level of foreign imports;
- domestic and foreign governmental regulations and taxes;
- the ability of the members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls;
- speculative trading in oil and natural gas derivative contracts and the high degree of risk involved in investments in the upstream sector more broadly, and of exploration and development in particular, including relying on estimates of oil and gas reserves and the impacts of regulatory and tax changes;
- the nature and extent of environmental regulations, including those relating to abandonment and reclamation and remediation;

- significant federal, state and local regulation, taxation and regulatory approval processes as well as changes in applicable laws and regulations; drilling, exploration and development risks, including encountering unexpected formations or pressures, premature declines of reservoirs, blow outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks, any of which could lead to environmental damage, injury and loss of life or the destruction of property;
- political or economic instability or armed conflict in oil and natural gas producing regions, including the Middle East, Africa, South America and Russia;
- value of the U.S. dollar relative to the currencies of other countries; and
- the overall domestic and global economic environment.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil, NGLs and natural gas price movements with any certainty. A material decline in prices could result in a reduction of the Company's net production revenue and a reduction in its oil and natural gas acquisition, development and exploration activities. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes of the Company's reserves. The Company might also elect not to produce from certain wells at lower prices.

Any substantial and extended decline in the price of oil, NGLs and natural gas would have an adverse effect on the carrying value of the Company's reserves, borrowing capacity, revenues, profitability and funds from operations and may have a material adverse effect on its business, financial condition, results of operations and prospects.

### ***Exploration, production and general operational risks***

The exploration for, and production of, oil and other natural resources is speculative and involves a high degree of risk. In particular, the operations of the Company may be disrupted by a variety of risks and hazards which are beyond the Company's control, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, earthquakes, unusual or unexpected geological formations, flooding, earthquake and extended interruptions due to inclement or hazardous weather conditions, terrorist attacks, explosions and other accidents. These risks and hazards could also result in damage to or destruction of wells or production facilities, damage to the Company's reputation, personal injury, environmental damage, business interruption, monetary losses and possible legal liability.

Delays in the construction and commissioning of projects or other technical difficulties may result in adjustments to the Company's current or future projected target dates for production or may require further capital expenditures. If the Company fails to meet its work or expenditure obligations, the rights granted to the Company under the various agreements, licences and concessions in each of the jurisdictions in which the Company operates may be forfeited and the Company may be liable to pay large sums, which could jeopardize its ability to continue operations.

The Company's future drilling activities, if they commence, are expected to be subject to many risks. For example, the Company cannot assure prospective investors that wells will be drilled, that exploration wells will discover hydrocarbons and, if so, that future development wells drilled by the Company will be productive or that the Company will recover all or any portion of its investment in such wells. Drilling for oil and natural gas often involves unprofitable efforts, not only from dry wells but also from wells that are productive but do not produce sufficient quantities of oil or natural gas to return a profit at then realized prices after deducting drilling, operating and other costs. The seismic data and other technologies the Company expects to use do not allow the Company to know conclusively prior to drilling a well that oil or natural gas is present or that it can be produced economically. The costs of exploration, exploitation and

development activities are subject to numerous uncertainties beyond the Company's control, and increases in those costs can adversely affect the economics of a project.

***The Company may not be able to develop oil and natural gas reserves on an economically viable basis***

To the extent that the Company succeeds in discovering additional oil and/or natural gas reserves, these reserves may not achieve projected production levels or be available in sufficient quantities to be commercially viable. On a long-term basis, the Company's viability depends on its ability to find or acquire, develop and commercially produce additional oil and gas reserves. Without the addition of reserves through exploration, acquisition or development activities, the Company's reserves and production will decline over time as reserves are produced and as its contracts expire. The Company's future reserves will depend not only on its ability to develop then-existing properties, but also on its ability to identify and acquire additional suitable producing properties or prospects, to find markets for the oil and natural gas the Company develops and to effectively distribute its production into its markets.

There are risks associated with the Company's business and operations that may result in production growth uncertainty, which include the following: (i) the expiration of joint venture and operating contracts; (ii) high competition for attractive reserves and resources acquisitions; and (iii) limitations on oil recovery, including water production increases and environmental permitting delays relating to water disposal.

Future oil 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 delays in obtaining governmental approvals or consents, shut-downs of connected wells resulting from extreme weather conditions, problems in storage and distribution and adverse geological and mechanical conditions. While the Company may obtain liability insurance in an amount which is expected to be adequate to cover any such adverse conditions, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or we might not elect to insure ourselves against such liabilities due to high premium costs or other reasons, in which event we could incur significant costs that could have a material adverse effect upon the Company's financial condition. While the Company will endeavour to effectively manage these conditions, it cannot be assured of doing so optimally, and it will not be able to eliminate them completely in any case. Therefore, these conditions could diminish the Company's revenue and cash flow levels and result in the impairment of our oil and natural gas interests.

***Estimated oil and gas reserves are based on assumptions that may prove inaccurate***

Petrotech prepared the Petrotech Report evaluating the Company's interest in the reserves in the Maria Conchita Block, effective December 31, 2020.

Although classified as "proved reserves", the reserves estimates set forth in the Petrotech Report are based on certain assumptions that may prove inaccurate. Petrotech's primary economic assumptions in estimates included oil and gas sales prices determined according to the guidelines described in the Petrotech Report, future expenditures and other economic assumptions (including interests, royalties and taxes) provided by us and our subsidiaries.

Oil and gas reserves engineering is a subjective process of estimating accumulations of oil and gas that cannot be measured in an exact way, and estimates of other engineers may differ materially from those set out in this the Petrotech Report. Numerous assumptions and uncertainties are inherent in estimating quantities of proved oil and gas reserves, including projecting future rates of production, timing and amounts of development expenditures and prices of oil and gas, many of which are beyond our control.

Results of drilling, testing and production after the date of the estimate may require revisions to be made. The estimate of the Company's oil and gas reserves would be impacted if, for example, the Company were unable to sell the oil and natural gas produced. Accordingly, reserves estimates are often materially different from the quantities of oil and gas that are ultimately recovered, and if such recovered quantities are sold. As a result, reserve estimates will be inherently imprecise. The reserves disclosed by the Company should not be interpreted as assurances of property life or of the profitability of current or future operations given that there are numerous uncertainties inherent in the estimation of economically recoverable oil and natural gas reserves. Actual future production, oil and natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil and gas reserves may vary substantially from those estimated. If actual production results vary substantially from reserve estimates, this could materially reduce the Company's revenues and result in the impairment of its oil and natural gas interests.

The Company will base its financial projections upon independently prepared audited reserves reports. The Company will make these estimates using various assumptions including assumptions as to oil and natural gas prices, drilling and operating expenses, capital expenditures, taxes and the availability of funds. Some of these assumptions are inherently subjective, and the accuracy of the Company's projections relies in part on the ability of the Company's management team, engineers and other advisors to make accurate assumptions. Economic factors beyond the Company's control, such as interest rates and exchange rates, will also impact the value of the Company's financial projections.

#### ***Delays in production, marketing and transportation***

Various production, marketing and transportation conditions may cause delays in oil production and adversely affect the Company's business. Drilling wells in areas remote from distribution and production facilities may delay production from those wells until sufficient reserves are established to justify construction of the necessary transportation and production facilities. The Company's inability to complete wells in a timely manner would result in production delays and can impact our ability to execute our business plan.

In addition, marketing demands, which tend to be seasonal, may reduce or delay production from wells. The marketability and price of oil and natural gas that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The ability of the Company to market its 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 is also subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of its resources to adequate pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, licences, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. Moreover, weather conditions may impede the transportation and delivery of oil and natural gas.

#### ***Drilling costs and availability of equipment***

The oil and natural gas industry is capital intensive. The Company expects to make substantial capital expenditures in the exploration for and exploitation of, oil and natural gas in the assets it intends to acquire. The oil and natural gas industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration and development would affect the Company's ability to invest in prospects and to purchase or hire equipment, supplies and services.

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may

delay exploration and development activities. The reduced availability of equipment and services may delay the Company's ability to exploit reserves and adversely affect its operations and profitability.

### ***Drilling wells could result in liabilities***

Oil and gas drilling and producing operations are subject to many risks, including the risk of fire, explosions, mechanical failure, pipe or well cement failure, well casing collapse, pressure or irregularities in formations, chemical and other spills, unauthorized access to hydrocarbons, accidental flows of oil, natural gas or well fluids, sour gas releases, contamination of oil and gas, structural failure, storms or other adverse weather conditions and other occurrences. Even a combination of experience, knowledge and careful evaluation may not be able to overcome the existence of such risks. The Company's operations are also subject to the hazards and risks normally incidental to exploration, development and production of natural resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage.

If any of these risks should materialize, the Company could incur legal defense costs and remedial costs and could suffer substantial losses due to injury or loss of life, human health risks, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, unplanned production outage, cleanup responsibilities, regulatory investigation and penalties, increased public interest in our operational performance and suspension of operations.

Although the Company may obtain liability insurance in an amount which is expected to be adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition. Management of the Company believes that the Company's coverage is aligned with customary industry practices and in amounts and at costs that we believe to be prudent and commercially practicable. While management believes these policies are customary in the industry, they do not provide complete coverage against all operating risks. In addition, the Company's insurance does not cover penalties or fines that may be assessed by a governmental authority. A loss not fully covered by insurance could have a material adverse effect on our financial position, results of operations and cash flows. The insurance coverage that the Company maintains may not be sufficient to cover every claim made against us in the future. In addition, a major incident could impact the Company's reputation in such a way that it could have a material adverse effect on its business.

### ***Insurance***

The Company carries insurance policies that are consistent with industry standards in each of its different business segments. Although the Company believes its insurance coverage is commensurate with international standards, no assurance can be given of the existence or sufficiency of risk coverage for any particular risk or loss. If an accident or other event occurs that is not covered by current insurance policies in any of our business segments, we may experience material losses or have to disburse significant amounts from our own funds, which may have a material adverse effect on our net profits and our overall financial condition and the market value of our shares.

In the course of exploration, development and production of oil and gas properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Company.

The Company is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

#### ***Inability to obtain necessary facilities***

Oil and natural gas exploration and production activities are dependent on the availability of drilling and related equipment, transportation, power and technical support in the particular areas where these activities will be conducted, and the Company's access to these facilities may be limited. To the extent the Company conducts its activities in remote areas, needed facilities may not be proximate to its operations, which will increase expenses. Demand for such limited equipment and other facilities or access restrictions may affect the availability of such equipment and may delay exploration and production activities. The quality and reliability of necessary facilities may also be unpredictable and the Company may be required to make efforts to standardize its facilities, which may entail unanticipated costs and delays. Shortages and/or the unavailability of necessary equipment or other facilities will impair the Company's activities, either by delaying activities, increasing costs or otherwise.

#### ***Decommissioning costs***

The Company may become responsible for costs associated with abandoning and reclaiming wells, facilities and pipelines which it uses for production of oil and gas reserves. Abandonment and reclamation of these facilities and the costs associated therewith is often referred to as "decommissioning". If decommissioning is required before economic depletion of properties or if estimates of the costs of decommissioning exceed the value of the reserves remaining at any particular time to cover such decommissioning costs, the Company may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could impair the Company's ability to focus capital in other areas of its business.

#### ***Licenses and permits***

Exploration and development activities are subject to numerous licensing and permit requirements, relating mainly to the environment. In the recent past, oil and gas companies in Colombia have experienced significant delays from Colombian authorities with respect to the issuance of such licenses. Unanticipated licensing and permitting delays can result in significant delays and cost overruns in the exploration and development of blocks, and could affect the Company's financial condition and results of operations and can also significantly impact the Company's ability to execute its business plan.

#### ***Competition***

The oil and gas industry is highly competitive in all its phases. Other oil and gas companies will compete with the Company by bidding for exploration and production licenses and other properties and services that the Company will need to operate its business in the countries in which it operates. This competition is increasingly intense as prices of oil and natural gas on the commodities markets have risen in recent years. Additionally, other companies engaged in the same line of business may compete with the Company from time to time in obtaining capital from investors. Competitors include larger, foreign owned companies, which, in particular, may have access to greater resources than the Company, may be more successful in

the recruitment and retention of qualified employees and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests..

### ***Difficulty transporting and distributing production***

To sell the oil and natural gas that the Company is able to produce, the Company must make arrangements for transportation, storage and distribution to the market. The industry depends on rail, trucking, ocean going vessels, pipeline facilities, and barge transportation to deliver shipments, and transportation costs are a significant component of the total cost of supplying oil and natural gas to the market. Disruptions of these transportation services because of weather related problems, strikes, lockouts, delays or other events could temporarily impair the Company's ability to supply oil and natural gas to its customers and may result in lost sales. In addition, increases in transportation costs, or changes in transportation costs for oil and natural gas produced by competitors, could adversely affect the Company's profitability. To the extent such increases are sustained, the Company could experience losses and may decide to discontinue certain operations, forcing the Company to incur closures and/or care and maintenance costs, as the case may be. Additionally, lack of access to transportation may hinder the expansion of production at some of the Company's properties and the Company may be required to use more expensive transportation alternatives.

Furthermore, future instability in the countries in which the Company operates and may operate in the future, weather conditions or natural disasters, actions by companies doing business in those countries, labour disputes or actions taken by the international community may impair the distribution of oil and/or natural gas and in turn diminish the Company's financial condition or ability to maintain our operations.

### ***Environmental, health and safety risks***

All phases of the oil and natural gas business present a wide range of 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, health and safety legislation provides for, among other things, 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, including that relating to climate change, is evolving in a manner the Company expects may 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 foreign governments and third parties and may require the Company to incur costs to remedy such discharge. The application of environmental laws to the Company's business may cause the Company to curtail our production or increase the costs of our production, development or exploration activities.

Furthermore, changes in interpretation or differing interpretations as to environmental regulations, as well as our decision to settle any claims relating to such regulations, may have a material adverse effect on our financial condition and our results of operations.

### ***Climate change***

Climate change poses new challenges and opportunities for the Company's business. More stringent environmental regulations can result in the imposition of costs associated with GHG, either through environmental agency requirements relating to mitigation initiatives or through other regulatory measures such as GHG emissions taxation and market creation of limitations on GHG emissions that have the potential to increase our operating costs.

The risks associated with climate change could also manifest in difficulties accessing capital due to public image issues with investors; changes in the consumer profile, with reduced consumption of fossil fuels; and energy transitions in the world economy, such as increasing electrification in urban mobility. These factors may have a negative impact on the demand for the Company's products and services and may jeopardize or even impair the implementation and operation of the Company's businesses, adversely impacting the Company's operating and financial results and limiting some of the Company's growth opportunities.

#### ***Natural disasters and weather-related risks***

The Company is subject to operating hazards normally associated with the exploration and production of oil and natural gas, including blow-outs, explosions, oil spills, cratering, pollution, earthquakes, hurricanes and fires. The occurrence of any such operating hazards could result in substantial losses to the Company due to injury or loss of life and damage to or destruction of oil and natural gas wells, formations, production facilities or other properties.

#### ***Operations in emerging market country***

Investing in emerging market countries such as Colombia carries economic risks. Economic instability in Latin American and emerging market countries has been caused by many different factors, including the following:

- high interest rates;
- changes in currency values;
- high levels of inflation;
- exchange controls;
- wage and price controls;
- changes in economic or tax policies;
- the imposition of trade barriers; and
- internal security issues.

#### ***Economic and political developments in Colombia***

The Company's projects will be located in Colombia; consequently we are dependent upon Colombia's economic and political developments. As a result, the Company's business, operations, financial position and results of operations may be affected by the general conditions of these economies, price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting these countries, over which the Company has no control. In addition, the Company's exploration and production activities may be affected in varying degrees by political stability and government regulations relating to the oil and gas industry.

In the past, Colombia has experienced periods of weak economic activity and deterioration in economic conditions. There is no assurance that such conditions will not return or that such conditions will not have a material adverse effect on the Company's business, financial condition or results of operations.

The Company's financial condition and results of operations may also be affected by changes in the political climate in Colombia to the extent that such changes affect the nation's economic policies, growth, stability or regulatory environment. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, wealth taxes, expropriation of property, environmental legislation and site safety. There can be no assurance that the governments of the countries where the Company operates and has investments will continue to pursue business friendly and open-market economic policies or policies that stimulate economic growth and social stability. Any changes in these economies or the respective

governments' economic policies, in particular as they relate to the oil and gas industries, may have a negative impact on the Company's business, financial condition and results of operations.

***Oil and natural gas companies in Colombia do not own any of the oil and natural gas reserves in the country***

Under Colombian law, all onshore and offshore hydrocarbon resources located in the subsoil are owned by the Colombian state. Although the Company may be the operator of the majority of the blocks and concessions in which it has a working and/or economic interest and has the power to make decisions as how to market the hydrocarbons the Company produces, the Colombian government has full authority to determine the rights, royalties or compensation to be paid by or to private investors for the exploration or production of any hydrocarbon reserves located in Colombia.

In Colombia, oil and natural gas companies have acquired the exclusive right to explore, develop and produce reserves discovered within certain concession areas, pursuant to concession agreements awarded by the Colombian government through the ANH or, prior to 2004, entered into with Ecopetrol S.A.. However, a concessionaire owns only the oil and natural gas that it extracts under the concession agreements to which it is a party. If the Colombian government were to restrict or prevent concessionaires, including the Company, from exploiting these oil and natural gas reserves, or otherwise interfere with the Company's exploration through regulations with respect to restrictions on future exploration and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation or health and safety, this could have a material adverse effect on the Company's business, financial condition and results of operations.

Additionally, the Company is dependent on receipt of Colombian government approvals or permits to develop the concessions it holds in Colombia (i.e., environmental permits). There can be no assurance that future political conditions in Colombia will not result in the Colombian government adopting different policies with respect to foreign development and ownership of oil, environmental protection, health and safety or labour relations. This may affect the Company's ability to undertake exploration and development activities in respect of present and future properties, as well as the Company's ability to raise funds to further such activities. Any delays in receiving Colombian government approvals, permits or no objection certificates may delay our operations or may affect the status of our contractual arrangements or our ability to meet contractual obligations.

***Activities in areas classified as indigenous reserves and Afro-Colombian lands***

The Company's exploration and production activities are located in areas classified by the Government as indigenous reserves (resguardos) and Afro-Colombian lands (territorios colectivos). The Company may not be able to undertake exploration or production activities in these areas until it reaches an agreement with the indigenous or Afro-Colombian communities living on these lands. In order to undertake exploration and production activities the Company must first comply with the previous consultancy process, set forth by Colombian law. Generally these consultation processes last between four to six months, but may be significantly delayed if the Company cannot reach an agreement with the communities. These consultation processes may be lengthy and require that the Company devote substantial resources and manpower in order to reach an agreement. No assurance can be given that the Company will be able to reach an agreement with the different communities or that the communities will participate in such processes. The Company's activities are also subject to social risks, including protests by communities surrounding our operations. While the Company is committed to operating in a socially responsible manner, the Company may face opposition from local communities with respect to its current and future projects and such opposition could adversely affect its business, results of operations and financial condition.

***Land, Communities, Prior Consultation and Zoning Restrictions***

In general, conducting exploration activities for hydrocarbons in Colombia is subject, other than to having a valid E&P contract or similar title, to other permits and authorizations, such as prior consultation with ethnic communities (which rarely entail any approval rights of such communities); zoning restrictions; environmental permits and licenses; authorizations from owners or formal occupants of land through leases, easements, purchases, etc.; areas of restitution of lands to victims or armed conflicts; co-ordination of activities with title holders of overlapping mineral or forestry rights; etc. All of those matters, which are customary, will need to be managed by the Company in order to advance its exploration activities in such areas.

***Volatility in the prices of crude oil, oil products and natural gas***

A significant amount of the Company's revenue is derived from sales of crude oil, oil products and natural gas. Factors affecting international prices for crude oil and related oil products include: political developments in crude oil producing regions, particularly the Middle East; the ability of the Organization of Petroleum Exporting Countries ("OPEC") and other crude oil-producing nations to set and maintain crude oil production levels and prices; global and regional supply and demand for crude oil, gas and related products; competition from other energy sources; domestic and foreign government regulations; weather conditions; and global and local conflicts or acts of terrorism. The Company has no control over these factors. Changes in crude oil prices generally result in changes in prices for related products. International oil prices have fluctuated widely in recent years, declining significantly since the second half of 2014.

Substantial or extended declines in international prices of crude oil and related oil products may have a material adverse effect on the Company's business, results of operations and financial condition and the value of the Company's proved reserves. In addition, significant decreases in the prices of crude oil and related oil products may require the Company to incur impairment charges in the future or cause us to reduce or alter the timing of its capital expenditures, and this could adversely affect the Company's production forecasts in the medium-term and the Company's reserves estimates in the future.

**DIVIDENDS AND DISTRIBUTIONS**

The Company has not declared or paid any dividends on its securities since its incorporation. Management anticipates that the Company will retain all future earnings and other cash resources for the future operation and development of its business. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors including the Company's operating results, financial condition and current and anticipated cash needs.

**DESCRIPTION OF CAPITAL STRUCTURE**

The Company's authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date of this AIF, there are 106,344,665 Common Shares issued and outstanding and no preferred shares outstanding.

The holders of Common Shares are entitled to one vote for each Common Share held, and shall be entitled to dividends if and as when declared by the board of directors. Holders of Common Shares are entitled on liquidation to receive such assets of the Company as are distributable to the holders of the Common Shares. All of the Common Shares are fully paid and non-assessable. There are currently no other series or class of shares which rank senior, in priority to, or *pari passu* with the Common Shares. The Common Share do not

carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Company's Common Shares are traded on the Exchange under the symbol "GASX" and "GASXF" on the OTC. The following table sets out price ranges and volume of trading of the Company's Common Shares on the Exchange from January 1, 2020 to December 31, 2020. The closing price of the Common Shares on the TSXV on December 31, 2020 was \$0.98.

COMMON SHARES			
Period	Price Range		Trading Volume
	High (\$)	Low (\$)	
January 1-31, 2020	0.395	0.265	368,722
February 1-29, 2020	0.300	0.240	312,341
March 1-31, 2020	0.260	0.180	769,146
April 1-30, 2020	0.250	0.170	174,155
May 1-31, 2020	0.250	0.180	199,439
June 1-30, 2020	0.300	0.240	150,687
July 1- 31, 2020	0.600	0.425	2,857,775
August 1-31, 2020	0.930	0.470	1,872,631
September 1-30, 2020	0.890	0.610	4,252,681
October 1-31, 2020	1.200	0.770	2,846,176
November 1-30, 2020	0.950	0.760	1,130,997
December 1 – 31, 2020	1.000	0.690	2,358,041

The Company's share purchase warrants are traded on the Exchange under the symbol "GASX.WT". The following table sets out price ranges and volume of trading of the Company's warrants on the Exchange from January 1, 2020 to December 31, 2020. The closing price of the warrants on the TSXV on December 31, 2020 was \$0.005.

WARRANTS			
Period	Price Range		Trading Volume
	High (\$)	Low (\$)	
January 1-31, 2020	0.015	0.005	46,000
February 1-29, 2020	0.005	0.005	40,000
March 1-31, 2020	0.005	0.005	47,687
April 1-30, 2020	N/A	N/A	N/A

<b>WARRANTS</b>			
<b>Period</b>	<b>Price Range</b>		<b>Trading Volume</b>
	<b>High (\$)</b>	<b>Low (\$)</b>	
May 1-31, 2020	N/A	N/A	N/A
June 1-30, 2020	N/A	N/A	N/A
July 1- 31, 2020	0.015	0.005	131,000
August 1-31, 2020	0.025	0.01	45,000
September 1-30, 2020	0.060	0.040	140,500
October 1-31, 2020	0.030	0.010	91,000
November 1-30, 2020	0.010	0.010	2,000
December 1 – 31, 2020	0.050	0.050	5,500

### **PRIOR SALES**

During the year ended December 31, 2020 and up to the date of this AIF, the Company has not issued or purchased any unlisted securities other than as set out below:

<b>Date</b>	<b>Number</b>	<b>Type of Security</b>	<b>Issue / Exercise Price (\$) per share</b>	<b>Type of Issuance</b>
March 26, 2020	2,000,000	Warrants	0.18	Private Placement
May 27, 2020	10,000,000	Warrants	0.23	Private Placement
May 2020 to September 2020	21,666,659	Warrants	0.15	Warrants issued on conversion of Debentures
December 29, 2020	2,036,412	Warrants	1.50	Private Placement
June 24, 2020	1,556,000	Options	0.275	Stock Option Grant
November 25, 2020	3,900,000	Options	1.00	Stock Option Grant
February 10, 2021	4,469,650	Warrants	1.75	Private Placement
February 10, 2021	510,600	Broker Warrants	1.15	Private Placement
July 15, 2021	2,250,000	Options	0.91	Stock Option Grant

## DIRECTORS AND EXECUTIVE OFFICERS

### Name, Occupation and Security Holdings

The following are the names, province and country of residence of the directors and executive officers of the Company as at the date of this AIF, the positions and offices they hold, or held as at the date of this AIF, with the Company and their principal occupations during the five preceding years.

The terms of the director's office expires at the next annual meeting of Shareholders unless his office is earlier vacated in accordance with the Business Corporations Act (British Columbia) and the Articles of the Company.

Name and Municipality of Residence and Position with the Company	Director / Officer Since	Principal Occupation for the Past Five Years <sup>(1)</sup>
<b>Serafino Iacono</b> Bogota, Colombia <i>Chief Executive Officer and Director</i>	June 3, 2019	Executive Chairman of the Board of Gran Colombia Gold Corp., and CEO of the Company
<b>Gordon Keep</b> <sup>(2)(4)(5)</sup> British Columbia, Canada <i>Director</i>	July 9, 2017	CEO of Fiore Management and Advisory Corp. (private financial advisory firm)
<b>Federico Restrepo-Solano</b> <sup>(2)(3)(5)</sup> Bogota, Colombia <i>Director</i>	June 3, 2019	Partner and Corporate Director of Quartz Capital Partners, a strategic advisory firm, and Senior Vice-President of Corporate Affairs with Frontera Energy and its predecessor, Pacific Exploration and Production;
<b>Ronald Pantin</b> <sup>(3)</sup> Cocle, Panama <i>Executive Chairman and Director</i>	September 3, 2019	Executive Chairman of the Company
<b>D. Jeffrey Harder</b> <sup>(2)(4)(5)</sup> British Columbia, Canada <i>Director</i>	July 15, 2021	Financial advisory professional and a retired Deloitte LLP partner
<b>Humberto Calderon Berti</b> <sup>(3)(4)</sup> Madrid, Spain <i>Director</i>	July 15, 2021	Mr. Calderon was the Ambassador of Venezuela in Colombia from February 2011 to 2019. Prior thereto he was the President of the board of directors of VETRA E&P Colombia from 2015 to 2019 and the President of VETRA ENERGIA SL from 2003 to 2015. Mr. Calderon previously served as the President of Petróleos de Venezuela, S.A. from 1983 to 1984, the Minister of Mines and Hydrocarbons in Venezuela from 1979 to 1983 and the President of the Organization of Petroleum Exporting Countries (OPEC) from 1979 to 1980. Mr. Calderon is a Geologist with a M.Sc. in Petroleum Engineering
<b>Marianella Bernal Parada</b> Bogota, Colombia <i>Chief Financial Officer</i>	June 26, 2019	Chief Financial Officer of the Company and Private Adviser to the Ministry of ICT of Colombia from 2015-2018

*Notes:*

- (1) The information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective individual.

- (2) *Member of the Audit Committee.*
- (3) *Member of the Reserves Committee.*
- (4) *Member of the Corporate Governance*
- (5) *Member of the Compensation Committee*

The directors and executive officers of the Company, as a group, own, directly or indirectly, approximately 15,902,890 Common Shares representing approximately 14.95% of the total issued and outstanding Common Shares.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as stated below, to the knowledge of management, during the ten years preceding the date of this AIF and as at the date of this AIF, no director or executive officer of the Company has, to the knowledge of the Company, been a director, chief executive officer or chief financial officer of any company (including NG Energy) that:

1. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
2. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, and that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as stated below, to the knowledge of management, during the ten-year period preceding the date of this AIF and as at the date of this AIF, no director or executive officer of the Company or a security holder who holds a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is a director or executive officer of any company (including NG Energy) 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 became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has 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 the assets of the director, officer or shareholder.

Gordon Keep, was a director of Rusoro Mining Ltd. (“**Rusoro**”) on May 21, 2013 when the British Columbia Securities Commission (“**BCSC**”) issued a cease trade order against Rusoro for failure to file its audited financial statements for the year ended December 31, 2012 and related MD&A. On June 5, 2013 and June 7, 2013, respectively, similar cease trade orders were issued against Rusoro by the Ontario Securities Commission (“**OSC**”) and the Autorite des Marches Financiers (“**AMF**”). On August 21, 2013 (BCSC), August 28, 2013 (AMF) and September 4, 2013 (OSC) granted full revocations of the cease trade order issued by each of them. Rusoro was unable to file its December 31, 2012 financial statements and

MD&A by the required filing deadline because it experienced significant delays in preparing them due to the nationalization by the Venezuelan government of Rusoro's gold mining assets in Venezuela.

Mr. Iacono was a director and Mr. Pantin was Chief Executive Officer and a director of Pacific Exploration & Production Corp. ("Pacific"), which undertook a comprehensive recapitalization and financing transaction that was implemented pursuant to a proceeding under the Companies Creditors' Arrangement Act, together with appropriate proceedings in Colombia under Ley 1116 of 2006 and in the United States under chapter 15 of title 11 of the United States Code, ultimately implemented by way of a plan of arrangement and compromise on November 2, 2016. Effective November 2, 2016, Messrs. Iacono and Pantin resigned from the board of directors and effective October 31, 2016, Mr. Iacono retired from his position as Executive Co-Chairman. Effective November 30, 2016, Mr. Pantin retired from his position as Chief Executive Officer.

Messrs. Iacono and Pantin were directors of US Oil Sands Inc. ("US Oil Sands"). Mr. Iacono was a director from October 2013 until his resignation in June 2017 and Mr. Pantin was a director from October 2013 until his resignation in January 2017. On September 14, 2017, the Court of Queen's Bench, Alberta granted the application of the primary creditor of US Oil Sands to appoint a receiver and manager over all the assets, undertakings and property of US Oil Sands. Such appointment continues as of the date hereof.

Mr. Iacono has served as a director of Pacific Coal Resources Ltd. ("Pacific Coal") (now Caribbean Resources Corporation) since January of 2011, in which he was subject to a management cease trade order (since lifted) due to that company's delay in filing its annual financial statements and management's discussion and analysis, and certifications for the period ending December 31, 2014, which were due to be filed on April 30, 2015, as required under National Instrument 51-102 – Continuous Disclosure Obligations. Such documents were subsequently filed with the applicable securities regulators on June 15, 2015. With the approval of the Ontario Securities Commission, Caribbean Resources Corporation ceased to be a reporting issuer on April 14, 2016.

On May 4, 2021, the Company was granted a Management Cease Trade Order ("MCTO") pursuant to National Policy 12-203 – Cease Trade Orders for Continuous Disclosure Defaults, which precluded Mr. Iacono and Ms. Bernal from trading common shares in the Company until such time as the MCTO was no longer in effect. The MCTO was sought by the Company as it would not be filing certain financial statements, related management discussion and analysis and applicable officer certifications (the "Materials") by the required deadline. On July 2, 2021, the MCTO was lifted after the Company filed the required materials.

### **Conflicts of Interest**

The directors and officers of the Company are directors, officers and/or shareholders of other private and publicly listed corporations, including corporations that engage in mineral exploration and development. Conflicts may arise between their duties to the Company and their duties to such other corporations. All such conflicts will be dealt with pursuant to the provisions of the applicable corporate legislation. In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises. Directors and executive officers are required to disclose any conflicts or potential conflicts to the Board as soon as they become aware of them.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management knows of no legal proceedings, contemplated or actual, involving the Company during the financial year ended December 31, 2020 or as of the date of this AIF which could materially affect the Company.

Management knows of no:

- (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2020;
- (b) any other 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
- (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2020.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No: (i) director or executive officer of the Company, (ii) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; and (iii) associate or affiliate of any of the persons or companies referred to in (i) or (ii) herein, has, during the financial year ended December 31, 2020 and during the current financial year, any material interest in any transactions or any proposed transactions which has materially affected or will materially affect the Company, other than:

In August 2020, the Company completed the debt financing arrangement of the SN-9 loan for committed proceeds of \$2,500,000 before transaction costs. Of the total loan, approximately \$1,512,500 were provided by directors and former directors of the Company, Federico Restrepo-Solano, Frank Giustra and Gordon Keep.

In July 2020, the Company completed the debt financing arrangement of the Maria Conchita loan for proceeds of \$350,000 before transaction costs. Of the total loan proceeds, approximately \$206,250 were provided by directors and former directors of the Company, Federico Restrepo-Solano, Frank Giustra and Gordon Keep.

In December 2019, the Company completed the debt financing arrangement of the Aruchara Loan for committed proceeds of \$1,600,000 before transaction costs. Of the total loan proceeds, approximately \$1,100,000 were provided by directors and former directors of the Company, Federico Restrepo-Solano, Frank Giustra and Gordon Keep.

Please refer to Notes 11 and 18 of the Company's audited financial statements for the year ended December 31, 2020 (available on SEDAR at [www.SEDAR.com](http://www.SEDAR.com)) for additional information on the Maria Conchita loan, the Aruchara Loan and the SN-9 loan.

## TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Company's Common Shares is TSX Trust Company, 650 West Georgia Street, Suite 2700, Vancouver BC V6B 4N9.

## INTERESTS OF EXPERTS

Information of a scientific or technical nature regarding the assets in this AIF have been derived from the NI 51-101, Statement of Reserves Data and Other Oil and Gas Information prepared by Petrotech effective December 31, 2020, entitled "Evaluation of the Interests of CruzSur Energy Corp. in the Gas Reserves and Contingent Resources of the Maria Conchita Block in the Onshore La Guajira Basin, Colombia", this information has been included in reliance on such persons' expertise. The authors of the 51-101 Report own, directly or indirectly, less than 1% of the Common Shares.

The auditor of NG Energy is Ernst & Young Global Limited. Ernst & Young Global Limited has informed the Company that it is independent with respect to NG Energy within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

## AUDIT COMMITTEE INFORMATION

### Audit Committee Information

National Instrument 52-110 requires companies that file an AIF to provide certain disclosure with respect to their audit and finance committee, including the text of the audit and finance committee's charter, the composition of the audit and finance committee and the fees paid to the external auditor. This information is provided in Schedule "A" hereto.

## MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, and except as described elsewhere in this AIF, the Company has not entered into any material contracts within the most recently completed financial year or previous to the most recently completed financial year, that are still in effect as of the date of this AIF.

## ADDITIONAL INFORMATION

Additional information relating to NG Energy may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the management information circular of the Company dated October 9, 2020, prepared in connection with the annual general and special meeting of the Company held on November 19, 2020, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information about the Company can be found in the Company's financial statements and management's discussion and analysis for the financial year ended December 31, 2020, which are also available on SEDAR.

## Schedule "A"

### AUDIT COMMITTEE DISCLOSURE FORM 52-110F2

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#### ITEM 1: THE AUDIT COMMITTEE'S CHARTER (the "Charter")

##### PURPOSE

The overall purpose of the audit committee (the "Audit Committee") of NG ENERGY INTERNATIONAL CORP. (the "Corporation") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Corporation's board of directors (the "Board") that through the involvement of the Audit Committee, the external audit will be conducted independently of the Corporation's management to ensure that the independent auditors serve the interests of shareholders rather than the interests of management of the Corporation. The Audit Committee will act as a liaison to provide better communication between the Board and the external auditors. The Audit Committee will monitor the independence and performance of the Corporation's independent auditors.

##### COMPOSITION, PROCEDURES AND ORGANIZATION

- (1) The Audit Committee shall consist of at least three members of the Board.
- (2) At least two (2) members of the Audit Committee shall be independent and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment. At least one (1) member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she 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 Corporation's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.
- (4) Unless the Board shall have appointed a chair of the Audit Committee, the members of the Audit Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Audit Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Audit Committee shall be conducted as follows:
  - (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Audit Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **ROLES AND RESPONSIBILITIES**

- (1) The overall duties and responsibilities of the Audit Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - A. contents of their report;
    - B. scope and quality of the audit work performed;
    - C. adequacy of the Corporation's financial and auditing personnel;
    - D. co-operation received from the Corporation's personnel during the audit;
    - E. internal resources used;
    - F. significant transactions outside of the normal business of the Corporation;
    - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - H. the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.

- (3) The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Corporation are to:
  - (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
  - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Audit Committee is also charged with the responsibility to:
  - (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - A. the annual report to shareholders;
    - B. the annual information form, if required;
    - C. annual and interim management's discussion and analysis;
    - D. prospectuses;
    - E. news releases discussing financial results of the Corporation; and
    - F. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Corporation's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Audit Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.
- (5) The Audit Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) to communicate directly with the internal and external auditors.

**ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Audit Committee are D. Jeffrey Harder, Gordon Keep and Federico Restrepo-Solano. All of the members are financially literate and are independent members of the Audit Committee. D. Jeffrey Harder is the Chairman of the Audit Committee. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 ("NI 52-110") of the Canadian Securities Administrators.

**ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

NI 52-110 provides that an individual is "financially literate" if he or she 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 Corporation's financial statements.

All of the members of the Corporation's Audit Committee are financially literate as that term is defined in NI 52-110. All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting. In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

D. Jeffrey Harder is a financial advisory professional and company director. He is a Fellow of the Chartered Professional Accountants of British Columbia and the Yukon, a Fellow of the Canadian Institute of Chartered Business Valuators and holds the ICD.D designation from the Institute of Corporate Directors. Mr. Harder is a retired Deloitte LLP partner. He has over 40 years experience in performing financial advisory services, including: business, asset and securities valuations, mergers and acquisitions, business modelling and strategic analysis. He has completed professional services assignments across a range of industries involving companies and assets located across the world. His professional assignments focused on the natural resources sectors including upstream and downstream assets and related infrastructure assets. During his professional services career Mr. Harder held several strategic governance and operational positions, including: Office Managing Partner, Canada business leader, Americas business leader, Global executive committee member and Board of Directors member.

Gordon Keep has a Master of Business Administration degree from the University of British Columbia and many years' experience in the capacities of director, officer and audit committee member of public companies operating in the natural resource sector.

Federico Restrepo-Solano has an undergraduate degree from Universidad De Bogotá Jorge Tadeo Lozano and a graduate degree from Universidad del Rosario. Mr. Restrepo is partner and Corporate Director of Qvartz Capital Partners, a strategic advisory firm. Mr. Restrepo has over 25 years of experience in the oil and mining sector.

**ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Corporation's financial year ended December 31, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, Ernst & Young LLP, Chartered Accountants) not adopted by the Board.

**ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in Section 2.4 or Part 8 of NI 52-110, in whole or in part. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Corporation by the external auditor in each of the fiscal years ended December 31, 2019 and 2020 is as follows:

	<u><b>FYE 2020</b></u>	<u><b>FYE 2019</b></u>
Audit fees for the year ended December 31	\$185,000	\$80,000
Audit related fees <sup>(1)</sup>	Nil	\$20,750
Tax fees <sup>(2)</sup>	Nil	\$12,637
All other fees (non-tax)	Nil	Nil
<b>Total Fees:</b>	<b>\$185,000</b>	<b>\$113,387</b>

*Notes:*

- (1) These fees are for the quarterly reviews completed for the Corporation, statutory audits required for the Corporation's subsidiaries, and other assurance engagements required for regulatory filings.*
- (2) These fees are for preparation and filing of the tax returns of the Corporation or the Corporation's subsidiaries.*

**ITEM 8: EXEMPTION**

In respect of the financial year ended December 31, 2020, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110.

**Schedule "B"**

**REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR  
(FORM 51-101 F2)**

**Form 51-101 F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator**

To the board of directors of NG Energy International Corp. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2020. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2020, 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 the 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 for the effective date of December 31, 2020, and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue (before income taxes @ NPY 10%) Evaluated Total
Petrotech Engineering Ltd.	Evaluation of the Interests of NG Energy International Corp. in the Gas Reserves of the Maria Conchita Block, Onshore Guajira Basin, Colombia Effective December 31, 2020 dated April 15, 2021	Onshore Colombia	\$55,861,000 US for Onshore Colombia
Total			\$55,861,000 US

This amount must be the amount disclosed by the reporting issuer in its statement of reserves data filed under

item 1 of section 2.1 of NI 51-101, as its future net revenue (before deducting future income tax expenses) attributed to the proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent (required by section 2 of Item 2.1 of Form 51-101F1).

6. In our opinion, the reserves data respectively 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 reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.

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:



John Yu, P. Eng., President of Petrotech Engineering Ltd., in Burnaby, B. C., Canada  
Execution Date: April 15, 2021.

**Schedule "C"**

**REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE**

**(FORM 51-101 F3)**

**REPORT OF MANAGEMENT AND DIRECTORS**  
**ON OIL AND GAS DISCLOSURE**  
**(FORM 51-101F3)**

Management of NG Energy International Corp. (the "Company") are 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.

Independent qualified reserves evaluators have evaluated the Company's reserves data. The report of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;
- (b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The Reserves Committee of the board of directors 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, on the recommendation of the Reserves Committee, approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluators on the reserves data, contingent resources data, or prospective resources data; and
- (c) the content and filing of this report.

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

*"Serafino Iacono"*

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Serafino Iacono, Chief Executive Officer  
and Director

*"Marianella Bernal"*

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Marianella Bernal, Chief Financial Officer

*"Ronald Pantin"*

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Ronald Pantin, Chairman and Director

*"Federico Restrepo"*

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Federico Restrepo, Director

May 10<sup>th</sup>, 2021