



**Notice of Annual Meeting of Shareholders to
be held on May 11, 2023**

Management Information Circular

March 27, 2023

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Please join us at our 2023 annual meeting of common shareholders:

When

Thursday May 11, 2023 at 1:30 – 3:30 p.m. (Mountain Time)

Where

The Board Room, Level 37, Room 37A, Norton Rose Fulbright, Suite 3700, 400 3rd Avenue SW, Calgary, Alberta, T2P 4H2.

What the Meeting will cover

1. **Receiving** the 2022 audited consolidated financial statements of Pieridae and the related auditor's report;
2. **Fixing** the number of directors of the Corporation to be elected at 8;
3. **Electing** the directors of the Corporation;
4. **Appointing** Ernst & Young LLP as auditors of the Corporation and authorise the directors to fix their remuneration as such;
5. **Advisory Vote** on our approach to executive compensation (say on pay); and
6. **Transact** any other business that is properly brought before the Meeting or any adjournment or postponement thereof.

Your vote is important

If you are a shareholder of record of Pieridae Energy Limited common shares at the close of business on March 27, 2023, you are entitled to receive notice of, attend and vote at this meeting.

The attached Management Information Circular tells you about the items of business for consideration, who may vote and how you can vote. Please read the Management Information Circular carefully and remember to vote.

Shareholders may attend the Meeting or be represented by proxy. Shareholders are requested to complete and return either the accompanying form of proxy or the voting instruction form issued to you by your broker or other intermediary, and mail it in the envelope provided, so that **it is received by Odyssey Trust Company no later than 1:30 pm (Mountain Time) on May 9, 2023, or not less than 48 hours preceding the Meeting or any adjourned or postponed thereof** (excluding Saturdays, Sundays and statutory holidays preceding the Meeting or any adjournment

or postponement thereof) to: Odyssey Trust Company, Attention: Proxy Department, Suite 702 – 67 Yonge St, Toronto, Ontario M5E 1J8. Alternatively, Shareholders may use the internet (<https://login.odysseytrust.com/pxlogin>), by facsimile at (800) 517-4553 or by email at proxy@odysseytrust.com.

If you are a Non-Registered Shareholder (as defined in the accompanying Management Information Circular) and do not complete and return the voting instruction form and other materials in accordance with the instructions for voting provided to you by your broker or intermediary, you may not be entitled to vote at the Meeting.

This year the Corporation has elected to use the notice-and-access regime under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver the Management Information Circular and associated materials to both Registered Shareholders (as defined in the accompanying Management Information Circular) and Non-Registered Shareholders. Using notice-and-access allows the Corporation to post electronic versions of these materials on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com and on the Corporation's website at www.pieridaenergy.com, rather than mailing paper copies to Registered Shareholders and Non-Registered Shareholders. The materials will also be available via our registrar and transfer agent at <https://odysseytrust.com/client/pieridae-energy-ltd>.

By order of the Board of Directors of Pieridae Energy Limited

Dated March 27, 2023 at Calgary, Alberta

"Thomas E. Valentine"

Thomas E. Valentine
Corporate Secretary

MANAGEMENT INFORMATION CIRCULAR

You have received this Management Information Circular (the “**Circular**”) because you owned common shares (“**Common Shares**”) of Pieridae Energy Limited (the “**Corporation**” or “**Pieridae**”) as of the close of business on March 27, 2023 (the “**Record Date**”).

You are entitled to receive notice of, and to vote your Common Shares at, the annual meeting (the “**Meeting**”) of the Corporation’s shareholders (the “**Shareholders**”) to be held at the Board Room, Level 37, Room 37A, Norton Rose Fulbright, Suite 3700, 400 3rd Avenue SW, Calgary, Alberta, T2P 4H2. on May 11, 2023 from 1:30 – 3:30 p.m. (Mountain Time) for the purposes indicated in the Notice of Annual Meeting.

As the health risks associated with the COVID-19 pandemic have abated, the Corporation has elected to revert to an “in person” Meeting.

The Meeting will also be streamed via live audio webcast with the ability to “raise the hand” to ask a verbal question during the question and answer session. To participate in the live audio webcast go to: <https://register.vevent.com/register/BI7ca32ab1d6cd499db19e4a78b83d5ada> and:

1. Click on the call link and complete the online registration form.
2. Upon registering you will receive the dial-in info and a unique PIN to join the call, as well as an email confirmation with the details.
3. Select a method for joining the call;
 - i. Dial-In: A dial in number and unique PIN are displayed to connect directly from your phone.
 - ii. Call Me: Enter your phone number and click “Call Me” for an immediate call-back from the system.

Voting will only take place in accordance with the instructions in this Circular.

The management of Pieridae is soliciting your proxy for the Meeting, which means that management is hereby contacting you to encourage you to vote. We do this primarily by mail, but we may also telephone you. All associated costs (which we expect to be minimal) will be paid by the Corporation.

Within the Circular you will find important information about the Meeting, the items of business to be considered during the Meeting and detailed instructions about how to participate in the Meeting, and how to vote your Common Shares. Unless otherwise indicated, all information contained in this Circular is given as of the Record Date and all dollar amounts referenced herein are stated in the Canadian currency.

The Board of Directors of the Corporation has approved this Circular and its distribution to the Shareholders.

Dated at Calgary, Alberta on March 27, 2023.

Pieridae Energy Limited

“Alfred Sorensen”

Alfred Sorensen

Chief Executive Officer

LETTER TO SHAREHOLDERS

The Path to Success

Feelings of restoration and confidence have shone through Pieridae throughout 2022. While navigating inflation, natural gas price changes and government regulation, we embarked on the pathway to renewed success. The year began with the end of the corporate strategic review, resulting in a focus shift towards profitably maintaining and growing our upstream and midstream assets. This change was supported by our improved financial capacity allowing Pieridae to explore more opportunities for growth.

Energy security has become the topic of conversation around the globe. Changes in the historic supply of European energy demand, escalating with Russia's invasion of Ukraine in February 2022, led to historic international pricing which in turn led to higher prices in Alberta. This improved market for both natural gas and natural gas liquid (NGL) prices created a stronger fiscal environment to begin our journey following the end of our corporate strategic review.

Our natural gas and condensate hedges, which were at prices significantly below market for most of 2022, began rolling off. By the end of October, these hedges were fulfilled. We sold our product for *market prices* in November and December for the first time in years resulting in the best operating netback in Pieridae's history!

All of these financial wins combined allowed us to repay nearly \$100 million in debt, lowering our interest costs and strengthening our balance sheet.

Production for 2022 was slightly below our set targets at 36,868 boe/d. This decrease from the year prior was primarily due to the re-injection of ethane volumes into the sales gas stream. There were also three unplanned maintenance events across our facilities. While it is disappointing, the safety of our people, the environment and our assets is always our priority. Taking the necessary time to conduct this maintenance will allow our assets to continue functioning safely and profitably in the future.

Our Company continued down the path to net zero emissions by 2050 this last year. The Canadian energy industry is among world leaders in environmental and regulatory performance. With the federal government continuing to take steps to cap industry emissions, producers will require more innovation.

The addition of Pieridae's first Environmental, Social and Governance Director has allowed the Company to take tangible steps in meeting this innovation. Our carbon management plan has begun to take shape and the 2022 ESG Report was met with positive reviews from peers and stakeholders. We are looking forward to continuing the good work laid out in last year's report and following this open-ended journey of energy transition and fueling the world. Our next report will be published in Summer 2023.

Early in the year we welcomed an additional four new directors: Patricia McLeod, Richard Couillard, Gail Harding and Doug Dreisinger. Ms. McLeod joined us as the new Chair of the board of directors, one of the few female Chairs within the industry. These strategic additions add a depth of corporate governance experience. They also result in a 37 per cent female makeup of the Board, which is 14 per cent higher than the industry average for 2022¹.

Our commitment to honouring and working with Indigenous Peoples remains strong. We continue to support reconciliation efforts, at an organizational level and an individual one, through the principles of trust, mutual respect, fairness, openness and transparency. Throughout 2022, we focused on creating an educational baseline for our employees through knowledge-building opportunities. We continue to look for opportunities to partner and engage with Indigenous businesses and communities in our upstream and midstream growth.

In December, Pieridae executed several agreements with Shell to amend the NGL and sulphur marketing deals and enhance collaboration on operational oversight. The Interim Operating Agreement (IOA) establishes and further clarifies roles and responsibilities during the interim period before a new licence regulatory transfer of the Foothills Assets. It will cover Pieridae's operation of the assets and Shell's remediation of contamination, ensuring that all parties involved are on the same page with obligations.

The parties have also agreed to work together in good faith to pursue a new licence transfer application until completion. This cooperation will ensure that the process runs smoothly and efficiently and that all parties are aligned in their goals and their objectives. This IOA is an important step toward ensuring that the licence transfer process is handled effectively and transparently and that all parties involved are aware of their roles and responsibilities.

Pieridae's first ever Foothills drilling program commenced subsequent to the third quarter end. While a few challenges were encountered at the beginning of drilling at Brown Creek 02/6-35-44-18W5, the extensive experience of the on-site and Calgary office drilling teams got the job done. Their patience and tenacity allowed the Company to complete the first well of its type drilled by the industry in the Alberta Foothills in nearly a decade. As we look to begin the second well of the program, the team has compiled their learnings and are eager to apply them.

We work in a technically challenging industry that requires dedication and passion. In every event, our people willed us through, by pulling together, rolling up their sleeves and making things better. Organizations face challenges from time to time and we are fortunate to have dedicated employees who share their knowledge and expertise every time extra effort is required. The Company's growing success stems from our people.

We look forward to implementing new initiatives and strategies while enhancing existing ones to increase efficiency, reduce our cost structure, and ultimately deliver a successful long-term strategy.

¹ Osler, Hoskin & Harcourt. (2022). Women board representation by industry, p. 23, retrieved from <https://www.osler.com/osler/media/Osler/reports/corporate-governance/Osler-Diversity-Disclosure-Practices-report-2022.pdf>

With the knowledge and experience from the years before and enthusiasm for the years ahead, we are confident 2023 will be a good one!

Thank you to our staff, management and directors for driving the progress felt last year. We also thank our shareholders and many stakeholders for their continuing support of Pieridae.

March 27, 2023

“Patricia McLeod”

Patricia McLeod K.C.

Chair of the Board of Directors

“Alfred Sorensen”

Alfred Sorensen

Chief Executive Officer

PROXY INFORMATION

DATE OF THE INFORMATION CIRCULAR

The date of this Management Information Circular (the “**Circular**”) is March 27, 2023 (the “**Record Date**”).

VOTING

As a shareholder of Pieridae, you are entitled to receive notice of, and to vote your Common Shares at, the annual meeting (the “**Meeting**”) of the Corporation’s shareholders (the “**Shareholders**”) to be held at the Board Room, Level 37, Room 37A, Norton Rose Fulbright, Suite 3700, 400 3rd Avenue SW, Calgary, Alberta, T2P 4H2 on May 11, 2023 commencing at 1:30 p.m. (Mountain Time) or at any adjournment or postponement thereof.

At least two persons who hold or represent by proxy at least 5% of the issued and outstanding Common Shares must be present at the Meeting in order to constitute a quorum thereby enabling the Meeting to proceed. If you submit a properly executed form of proxy or vote by telephone or the internet, you will be considered to be part of the quorum.

As at March 27, 2023 (the “**Record Date**”), the Corporation had 158,971,336 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on each resolution proposed at a meeting of Shareholders. Except for Common Shares, the Corporation has not issued any other voting security. The outstanding Common Shares are listed on the Toronto Stock Exchange under the symbol “PEA”.

With the exception of the advisory vote on executive compensation, we must receive a simple majority of votes cast (50% plus 1 vote) for each of the items put forward at the Meeting in order for that item to be approved. Odyssey Trust Company (“**Odyssey**”), our transfer agent and registrar, will count the votes during the Meeting in its capacity as the Corporation’s scrutineer.

WHO CAN VOTE

If you held Common Shares at 5:00 p.m. (Mountain Time) on the Record Date (March 27, 2023), you are entitled to receive notice of and vote at the Meeting. Each Common Share that you own entitles you to one vote at the meeting or any adjournment or postponement thereof.

We are not aware of any person who beneficially owns or exercises control or direction over (directly or indirectly) more than 10% of the voting rights attached to the Common Shares as at the Record Date, except the following:

- (a) Alberta Investment Management Corporation is the registered holder of 23,419,546 (or approximately 14.9%) of the issued and outstanding Common Shares on the Record Date;
- (b) Erikson National Energy Inc. is the registered holder of 23,255,813 (or approximately 14.6%) of the issued and outstanding Common Shares on the Record Date; and
- (c) Electron Capital Partners LLC is the registered holder of 20,650,440 (or approximately 13%) of the issued and outstanding Common Shares on the Record Date.

HOW TO VOTE

You can vote in one of two ways:

- (a) by attending *in person* at the Meeting; or
- (b) by proxy, which includes:
 - I. by appointing another person as your proxyholder to attend the Meeting in person and vote your Common Shares for you;
 - II. by mail in the self-addressed envelope enclosed herewith to Odyssey;
 - III. by email to proxy@odysseytrust.com;
 - IV. by facsimile at (800) 517-4553; or
 - V. by internet voting at <https://login.odysseytrust.com/pxlogin>.

The rules for voting depend on whether you are a “registered shareholder” or a “non-registered shareholder”, as discussed below.

Registered shareholders

You are a *registered shareholder* of Common Shares (a “**Registered Shareholder**”) if you hold the share certificate in your name or your shares are recorded electronically in the direct registration system.

We have sent you a *proxy form* with this package if you would like someone else to vote for you at the Meeting.

Non-registered (beneficial) shareholders

You are a *non-registered shareholder* of Common Shares (a “**Non-Registered Shareholder**”) if you hold your shares through an intermediary where the shares are registered in your intermediary’s name and you are the beneficial shareholder. More particularly, you are a Non-Registered Shareholder if your Common Shares are held on your behalf but registered either: (a) in the name of an intermediary that you deal with in respect of the Common Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRFs, RESPs and similar plans); or (b) in

the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the intermediary is a participant.

We do not have the names of Non-Registered Shareholders or a record of the number of shares that are owned by Non-Registered Shareholders.

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “Non-Objecting Beneficial Owners” (“**NOBOs**”). Non-Registered Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as “Objecting Beneficial Owners” (“**OBOs**”).

In accordance with the requirements as set out in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list return card (collectively, the “**Meeting Materials**”) to intermediaries for onward distribution to NOBOs and OBOs.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. The Corporation will reimburse intermediaries for the cost incurred by them in delivering the Meeting Materials to OBOs.

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Non-Registered Shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy, proxy authorization form or voting instruction form is to be delivered.

VOTING PROCEDURE

	<u>registered shareholders</u>	<u>non-registered (beneficial) shareholders</u>
Voting at the Meeting	<p>If you wish to vote at the Meeting, please attend the Meeting in person. Do not complete and return the proxy form – your vote will be taken and counted at the Meeting.</p> <p>Voting will not be taken via the live audio weblink.</p>	<p>To vote at the Meeting, you should strike out the names of the Management Proxyholders named in the voting instruction form sent to you by your intermediary, insert your own name in the space provided on the voting instruction form, follow all of the applicable instructions provided by your intermediary AND register yourself as a proxyholder. Thereafter you must attend the Meeting in person.</p>
Voting by proxy	<p>Your Common Shares will be voted at the Meeting according to your instructions. You can send your instructions by (i) mail in the self-addressed envelope enclosed herewith to</p>	<p>Beneficial shareholders should vote through Broadridge at www.proxyvote.com.</p>

	registered shareholders	non-registered (beneficial) shareholders
	<p>Odyssey, (ii) email to proxy@odysseytrust.com, (iii) by facsimile at (800) 517-4553, or (iv) by internet voting at https://login.odysseytrust.com/pxlogin.</p> <p>If you wish to appoint a person other than Alfred Sorensen or alternatively, Darcy Reding, please insert the name of your chosen proxyholder in the space provided on the Form of Proxy.</p> <p>Please follow the instructions carefully. Your instructions must be received by 1:30 p.m. (Mountain Time) on May 9, 2023 for your vote to be counted. If you are mailing the form, be sure to allow enough time for the envelope to be delivered.</p> <p>If the Meeting is adjourned or postponed, your proxy must be received 48 hours before the time of the reconvened meeting (excluding weekends and holidays).</p>	<p>Your Common Shares will be voted at the Meeting according to your instructions. Send your voting instructions using your <i>voting instruction form</i>.</p> <p>Most intermediaries allow you to send your instructions by mail, internet, telephone or fax, but each has its own process so make sure you follow the instructions on the form. Your intermediary must receive your instructions in enough time to act on them. Check the deadline on the form. If you are mailing your instructions, be sure to allow enough time for the envelope to be delivered.</p>
Revoking a proxy or changing your vote	<p>You will not be able to change your vote once it has been taken at the Meeting.</p> <p>If you voted by proxy, you may revoke or change your vote by:</p> <ol style="list-style-type: none"> 1. completing and signing a proxy bearing a later date, and delivering it to Odyssey not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the meeting (or any adjourned or postponed meeting); or 2. delivering a written statement, signed by you or your authorized attorney to: <ol style="list-style-type: none"> a. Odyssey not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the meeting (or any adjourned or postponed meeting); or b. The chair of the Meeting prior to the start of the Meeting. 	<p>The votes of a properly appointed proxyholder are not counted until the proxyholder attends the Meeting.</p> <p>If you wish to revoke your proxy or change your vote, please contact your intermediary to find out how to change or revoke your voting instructions and the timing requirements. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy card or voting instruction form to ensure it is given effect at the Meeting.</p>
More about voting by proxy	<p>When you send in the proxy form, by default you are appointing Alfred Sorensen and, in the alternative, Darcy Reding (“Management Proxyholders”), to act as your proxyholder and vote on your behalf. They will vote your Common Shares according to the voting instructions you provide on the proxy form. If you do not provide voting instructions, they will vote FOR the resolutions to be voted on at the Meeting. The proxy form confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the</p>	

registered shareholders	non-registered (beneficial) shareholders
<p>Meeting or any adjournment or postponement thereof. As of the date of the Circular, Management is not aware of any such amendment, variation, or other matter to come before the Meeting.</p> <p>You also have the right to appoint someone else to represent you at the Meeting or at any adjournment or postponement thereof. This person does not need to be a shareholder of the Corporation. Simply write that person’s name in the blank space provided on the proxy form. Your vote will be counted as long as the person you appoint attends the Meeting and votes on your behalf. If you appoint someone else as your proxyholder, but do not specify how you want to vote your Common Shares, the person can vote as they see fit. Should any amendment to an item of business arise, or any other matter properly arise at the meeting, your proxyholder has the discretion to vote as they see fit, to the extent possible.</p>	

NOTICE AND ACCESS

This year the Corporation has elected to use the notice-and-access regime under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver to the Meeting Materials to both Registered Shareholders and Non-Registered Shareholders. Notice-and-access allows the Corporation to post electronic versions of the Meeting Materials on SEDAR and on its website rather than mailing paper copies to Registered Shareholders and Non-Registered Shareholders.

Under notice-and-access, instead of receiving printed copies of the materials for the Meeting, Registered Shareholders and Non-Registered Shareholders receive a notice-and-access notification. The notice-and-access notification includes: (i) a voting instruction form; (ii) basic information about the Meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the Management Information Circular; and (iv) a plain-language explanation of how the notice-and-access regime operates and how the Management Information Circular can be accessed online. Where prior consent has been obtained, the Corporation will send this notice package to Shareholders electronically. This notice package will be mailed to Shareholders from whom consent to electronic delivery has not been received.

The Meeting Materials will be available at <https://odysseytrust.com/client/pieridae-energy-ltd> on or about April 11, 2023. The materials will also be available on the Corporation’s website at www.pieridaeenergy.com, and on the Corporation’s SEDAR profile at www.sedar.com on or about April 11, 2023. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation’s printing and mailing costs. It also helps expedite Shareholders’ receipt of the materials for the Meeting. Shareholders are reminded to review the Meeting Materials prior to voting.

If you would prefer to receive a paper copy of the Meeting Materials, free of charge, or if you have any questions regarding notice-and-access, you can contact the Corporation’s transfer agent, Odyssey, by email at shareholders@odysseytrust.com, or by calling 1-587-885-0960.

Requests for paper copies should be received at least five business days in advance of the proxy deposit date and time set out in the accompanying proxy or voting instruction form in order to allow sufficient time for Shareholders to receive and review the Meeting materials and return the proxy form or voting instruction form prior to the deadline for receipt of proxies. Non-Registered Shareholders may request a paper copy by email at shareholders@odysseytrust.com, or by calling 1-888-290-1175 and entering the control number located on the voting instruction form and following the instructions provided.

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

Other than as set forth in this Circular, the management of the Corporation (the “**Management**”) is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since January 1, 2022 (the beginning of the Corporation’s last financial year) or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. The senior leadership team may receive incentive stock options pursuant to the Stock Option Plans and RSUs pursuant to the RSU Plan from August 31, 2022, and all directors could receive stock options pursuant to the Stock Option Plans prior to March 21, 2023 and DSUs pursuant to the DSU Plan after its effective date.

BUSINESS OF THE MEETING

The following matters will be presented during the Meeting for consideration by the Shareholders.

As of the Record Date, no director of the Corporation has informed management in writing that he or she intends to oppose any action that is intended to be taken by Management at the Meeting.

RECEIVING THE 2022 AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND MD&A

The audited consolidated financial statements of the Corporation for the year ended December 31, 2022, the report of auditors thereon and the related management discussion and analysis (“**MD&A**”), will be placed before Shareholders, but no vote by the Shareholders is required or proposed to be taken. The financial statements will be available electronically to all Registered Shareholders and Non-Registered Shareholders on the Corporation’s website at www.pieridaenergy.com and under the Corporation’s profile on SEDAR at www.sedar.com.

FIXING THE NUMBER OF DIRECTORS TO BE ELECTED

It is proposed that the number of directors to be elected at the Meeting of the Shareholders be fixed at eight (8).

The text of the proposed resolution is set out below.

“IT IS RESOLVED as an ordinary resolution that the number of directors to be elected at the annual meeting of shareholders of Pieridae Energy Limited held on May 11, 2023 be hereby fixed at eight (8)”

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the resolution fixing the number of directors to be elected at the Meeting by Shareholders at eight.

ELECTION OF DIRECTORS

The members of the board of directors of the Corporation (the “**Board**”) are elected at each annual meeting of Shareholders to hold office until the conclusion of the next such annual meeting of Shareholders unless prior to that meeting, the particular director resigns, or the position becomes vacant for any other reason. In such an event, the bylaws of the Corporation (the “**Bylaws**”) permit the Board to fill such vacancy subject to the provisions of the *Canada Business Corporations Act*, R.S.C. 1985, c C-44, as amended, (the “**CBCA**”). In addition, the articles of the Corporation (the “**Articles**”) permit the Board to appoint one or more additional directors of the Corporation who shall hold office for a term expiring not later than the close of the next annual meeting of Shareholders but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of Shareholders.

The Articles allow for a minimum of three, and a maximum of eleven directors of the Corporation. The current approved number of directors of the Corporation is eight. The eight proposed nominees for election to the Board (collectively, the “**Nominees**” and each, a “**Nominee**”) being:

NAME OF NOMINEE	DATE FIRST ELECTED OR APPOINTED AS A DIRECTOR OF THE CORPORATION
Charles Boulanger	October 24, 2017
Richard Couillard	May 26, 2022
Doug Dreisinger	May 26, 2022
Gail Harding K.C.	May 26, 2022
Andrew Judson	October 24, 2017
Patricia McLeod K.C.	May 26, 2022
Kiren Singh	May 26, 2020
Alfred Sorensen	October 24, 2017

TABLE 1

Except for Alfred Sorensen, all of the other Nominees are considered to be independent.

Please refer to the text under the heading “*Information Concerning Nominees for Election to the Board*” for particular biographical and other information concerning each Nominee and to the text under the heading “*INFORMATION CONCERNING GOVERNANCE*” for a further discussion of the independence of the Nominees.

Each Nominee who is elected as a director will hold that office until the conclusion of the next annual meeting of the Corporation or until their resignation, if sooner.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the fixing of the number of directors to be elected at the Meeting at eight and FOR the election as directors of the Nominees whose names are set forth above.

APPOINTMENT OF AUDITORS

Ernst & Young LLP has been the Corporation's auditors since 2017. The Board proposes to re-appoint Ernst & Young LLP, chartered professional accountants, as auditors of the Corporation at remuneration to be fixed by the Board. The proposed resolution is set out below.

"IT IS RESOLVED as an ordinary resolution that Ernst & Young LLP be hereby appointed auditors of Pieridae Energy Limited to hold office until the close of the next annual meeting of shareholders of the corporation, at such remuneration as may be fixed by the corporation's board of directors."

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the appointment of Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and authorizing the Board to fix the remuneration of the auditors.

External Auditor Service Fees

Information regarding the amount and nature of the fees that were paid by the Corporation to its external auditors is disclosed on page 34 of the annual information form of the Corporation for the year ended December 31, 2022, a copy of which can be found under the Corporation's profile on SEDAR at www.sedar.com and which was filed on SEDAR on March 22, 2023.

ADVISORY VOTE ON EXECUTIVE COMPENSATION (SAY ON PAY)

At the 2022 annual and special meeting of Shareholders, the voting results were 60,429,856 (99.78%) of Shareholders in favour of the Corporation's approach to executive compensation, with 44,713 (0.07%) withheld and 86,256 (0.14%) against.

The Corporation is pleased to again provide shareholders the opportunity to vote on a non-binding advisory resolution to accept or reject our approach to executive compensation as more particularly described in this Circular.

The Board believes its executive compensation program aligns the interests of the executives and employees with those of the Corporation's shareholders through our commitment to providing an equitable yet market competitive compensation program that will attract, motivate, retain and reward a diverse, qualified and dedicated employee cohort at all levels within the Corporation. Please review "*INFORMATION CONCERNING EXECUTIVE COMPENSATION*" before voting on this matter.

The proposed resolution is set out below.

"IT IS RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Management Information Circular delivered in advance of the 2023 annual meeting of shareholders."

The Board recommends that Shareholders vote FOR the advisory vote to accept our approach to executive compensation.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the advisory vote to accept our approach to executive compensation.

As this is an advisory vote, the results are not binding upon the Board, however the Board will report on and take into account the results when considering compensation in the future.

INFORMATION CONCERNING NOMINEES FOR ELECTION TO THE BOARD

BIOGRAPHICAL INFORMATION REGARDING THE NOMINEES

Charles Boulanger									
Status:	Independent Director								
Credentials:	B.Sc.A., Mechanical Engineering								
Age:	65								
Residence:	Quebec City, Quebec, Canada								
<p>Mr. Boulanger is the chief executive officer of Leddartech Inc., a private company that offers unique automotive ADAS (Advanced Driver Assistance System) and AD (autonomous driving) fusion and perception software solution. He is also the president of Moody Management Inc., a private investment firm. Mr. Boulanger has over 35 years of experience in senior management positions in several industrial sectors with companies such Shell Canada Limited, a subsidiary of Royal Dutch Shell, Irving Oil, a subsidiary of Irving Group of Companies, GSI Environnement Inc. and Prolab Technolub Inc. He currently sits on the boards of Chimie Parachem s.e.c., Avena Technologies inc. and LeddarTech Inc. Mr. Boulanger earned a degree in mechanical engineering from Université Laval in 1981 and graduated from the senior management program at the International Center for Research and Studies in Management (CIREM) in 1990.</p>									
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Voting Results from 2022 annual meeting									
For	48,197,411 (79.59%)								
Withheld	12,363,414 (20.41%)								
<p>Board memberships of other public corporations: none</p>									

² Mr. Boulanger was Chair of the Audit Committee and following a reorganisation effective October 6, 2022, remains the Chair of the Audit & Risk Committee.

³ Mr. Boulanger was a member of the Reserves & HSE Committee and following a reorganisation effective October 6, 2022, remains a member of the Reserves, HS&E Committee.

Richard Couillard									
Status:	Independent Director								
Credentials:	B.SC. (Hons.) geology and geophysics								
Age:	72								
Residence:	Calgary, Alberta, Canada								
<p>Mr. Couillard is currently President and CEO of CouilOil Energy Inc. a private corporation. Mr. Couillard has over 40 years' experience in domestic and international oil and gas exploration, development and production activities which includes 21 years with Chevron Corporation in a variety of technical and management roles. The majority of his career has been focussed on the Western Canadian Sedimentary Basin. Mr. Couillard's directorships have included Canadian Spirit Resources Inc. (2003-2020), Badger Infrastructure Solutions including its predecessors 2005-2015 and Kensington Energy Inc. 2002-2005. Mr. Couillard holds a Bachelor of Science (Honours) degree in geology and geophysics and is a member of the Canadian Energy Geoscience Association (CEGA).</p>									
<table border="1"> <thead> <tr> <th colspan="2">2022 Board and Committee Meeting Attendance</th> </tr> </thead> <tbody> <tr> <td>Board ⁴</td> <td style="text-align: center;">7 of 10</td> </tr> <tr> <td>Governance & Human Resources ⁵</td> <td style="text-align: center;">6 of 8</td> </tr> <tr> <td>Reserves, HS&E ⁶</td> <td style="text-align: center;">2 of 4</td> </tr> </tbody> </table>		2022 Board and Committee Meeting Attendance		Board ⁴	7 of 10	Governance & Human Resources ⁵	6 of 8	Reserves, HS&E ⁶	2 of 4
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Voting Results from 2022 annual meeting									
For	60,522,213 (99.94%)								
Withheld	38,612 (0.06%)								
<p>Board memberships of other public corporations: none</p>									

⁴ Mr. Couillard became a director of the Corporation at the last annual meeting on May 26, 2022 and has attended all Board meetings since his appointment.

⁵ Mr. Couillard became a committee member of the Governance & ESG Committee on May 26, 2022 and following a reorganisation effective October 6, 2022 remains a committee member of the Governance & Human Resources Committee. He has attended all committee meetings since his appointment.

⁶ Mr. Couillard was appointed the Chair of the Committee on May 26, 2022 and following a reorganisation effective October 6, 2022 remains a Chair of the Reserves, HS&E Committee. He has attended all committee meetings since his appointment.

Doug Dreisinger											
Status:	Independent Director B.Sc (Honours) Chemical										
Credentials:	Engineering										
Age:	62										
Residence:	Calgary, Alberta, Canada										
<p>Mr. Dreisinger has over 35 years' experience in the energy and chemical industry having worked in both domestic and international markets. He is a consultant providing strategic and business development services predominantly in the energy and mineral processing sectors. Mr. Dreisinger worked for Nexen (now CNOOC) for 20 years in positions ranging from Vice President Business Operations for the chemical business, to President of Global Energy Marketing and Trading. His skills and experience at Nexen includes Natural Gas Trading/Marketing the LNG development of Aurora LNG in conjunction with their development partner, Inpex. Mr. Dreisinger is a former director of Connacher Oil & Gas Limited, a privately held Calgary based exploration, development and production company. He is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).</p>											
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<p>Board memberships of other public corporations: none</p>											

⁷ Mr. Dreisinger became a director on May 26, 2022 and has attended all Board meetings since his appointment.

⁸ Mr. Dreisinger became a member of the Governance & ESG Committee on May 26, 2022 and following a reorganisation effective October 6, 2022, remains a member of the Governance & Human Resources Committee. He has attended all committee meetings since his appointment.

⁹ Mr. Dreisinger became a member of the Reserves & HSE Committee on May 26, 2022 and following a reorganisation effective October 6, 2022, remains a member of the Reserves, HS&E Committee. He has attended all committee meetings since he joined the committee.

¹⁰ Mr. Dreisinger became a member of the Committee on May 26, 2022 until the committee was disbanded following a reorganisation effective October 6, 2022 and has attended all committee meetings since his appointment.

Gail Harding K.C.											
Status:	Independent Director										
Credentials:	B.Ed., LL.B., LL.M., ICD.D										
Age:	64										
Residence:	Calgary, Alberta, Canada										
<p>Ms. Harding, K.C., is a corporate director with over 35 years' experience in legal/regulatory compliance, capital markets, M&A, governance and risk management. Until 2018 she served as the Chief Legal Officer at Canadian Western Bank Financial Group (TSX listed) and was previously a securities/corporate law partner at a national law firm. Ms. Harding serves on the boards of Meridian Credit Union (Chair, Risk Committee) and the Alberta Securities Commission (Chair, Human Resources Committee). She has previously served on the boards of the Alberta Electric System Operator, The Workers' Compensation Board (Alberta), AC Energy (TSX-V listed), Alberta Ballet and numerous subsidiaries of the CWB Financial Group. Ms. Harding was a recipient of both the Canadian General Counsel Award and the Women in Law Leadership Award. She holds a Master of Laws with a specialization in Energy and Infrastructure (York University), and a Bachelor of Laws and Bachelor of Education (University of Alberta) in addition to the ICD.D (University of Calgary/Institute of Corporate Directors) and FSA (Sustainability Accounting Standards Boards) designations and is a Fellow of the Canadian Institute of Bankers.</p>											
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Withheld	34,154 (0.06%)										
<p>Board memberships of other public corporations: none</p>											

¹¹ Ms. Harding became a director on May 26, 2022 and has attended all Board meetings since her appointment.

¹² Ms. Harding became a member of the Committee on October 6, 2022 following a reorganisation and has attended all committee meetings since she joined the committee.

¹³ Ms. Harding became a member of the Governance & ESG Committee on May 26, 2022 and following a reorganisation effective October 6, 2022, remained a member of the Governance & Human Resources Committee. She has attended all committee meetings since her appointment.

¹⁴ Ms. Harding became a member of the Committee on May 26, 2022 until the committee was disbanded following a reorganisation effective October 6, 2022 and has attended all committee meetings since her appointment.

Andrew Judson											
Status:	Independent Director										
Credentials:	B.A., M.B.A.										
Age:	55										
Residence:	Calgary, Alberta, Canada										
<p>Mr. Judson is a director of Condor Energies Inc., a public Canadian company operating oil and gas developments in Turkey and Kazakhstan. Mr. Judson also serves as a Senior Advisor for Fort Capital Advisors, a partner owned investment bank. In May 2022 Mr. Judson joined the Board of Bonavista Energy Corporation, a private Canadian energy producer, and in November 2022 he joined the Board of Drift Resource Technologies Inc., a private Canadian oilsands development company. Previously Mr. Judson was a Managing Director of Camcor Partners Inc. Mr. Judson has more than 25 years of experience in Canadian energy capital markets and has advised some of the largest institutional investors in Canada, the U.S.A. and Europe on energy investments.</p>											
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<p>Board memberships of other public corporations: Condor Energies Inc.</p>											

¹⁵ Mr. Judson was a member of the Audit Committee and following a reorganisation effective October 6, 2022, remains a member of the Audit & Risk Committee.

¹⁶ Mr. Judson was Chair of the Nomination & Compensation Committee until it ceased following a reorganisation effective October 6, 2022.

¹⁷ Mr. Judson became a member of the Reserves, HS&E Committee following a reorganisation effective October 6, 2022 and has attended all committee meetings since his appointment.

Patricia McLeod K.C.							
Status:	Independent Director						
Credentials:	K.C., ICD.D, MBA						
Age:	54						
Residence:	Calgary, Alberta, Canada						
<p>Ms. McLeod, K.C. is an experienced corporate board director, former senior legal professional and Privacy and Compliance Officer of multiple regulated companies. Ms. McLeod K.C. has held vice president and General Counsel roles in energy utilities and electricity retail, property development, insurance and financial services companies. She has extensive corporate/commercial legal experience as well as advising on mergers and acquisitions, business development and joint ventures for large infrastructure projects. Ms. McLeod also serves on the boards of Alberta Innovates (Chair, Governance & HR Committee; Member, Executive Committee and Business Planning and Strategy Committee), the Green Line Board (Member, Governance & HR Committee and Budget & Risk Committee), and MINDD Inc.. Ms. McLeod is also the Board Chair of the Calgary Film Centre and a former Vice Chair of Calgary Economic Development. Ms. McLeod is a former Chair of the boards of Calgary Co-operative Association, the Real Estate Council of Alberta, the YWCA of Calgary and cSPACE Projects. She holds an MBA (Queens University) and Bachelor of Laws and a Bachelor of Commerce (University of Alberta) and an ICD.D (University of Calgary/Institute of Corporate Directors).</p>							
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<p>Board memberships of other public corporations: none</p>							

¹⁸ Ms. McLeod became a director and Chair of the Board of Directors on May 26, 2022 and has attended all Board meetings since her appointment. Ms. McLeod has also attended all committee meetings, ex officio, since her appointment.

Kiren Singh											
Status:	Independent Director										
Credentials:	B.Comm., MBA, CFA, CRM, ICD.D										
Age:	57										
Residence:	Canmore, Alberta, Canada										
<p>Ms. Singh is a financial executive and corporate director. Ms. Singh held executive roles including Chief Financial Officer, Vice President Risk Management and Treasurer during her 30-year international career in the energy sector where she led corporate s and project financings and risk management programs representing privately held and publicly traded Canadian (Toronto Stock Exchange) and USA (New York Stock Exchange) corporations including Gibson Energy Inc., OPTI Canada Inc., Value Creation Inc., Exxon Mobil Corporation and Mobil Corporation in Calgary, AB, Fairfax, VA and Houston, TX. Ms. Singh also serves on the board of Travel Alberta (Chair, Audit, Finance and Risk Committee), and served on the boards of Dynamic Risk Assessment Systems (Chair, Audit and Risk Committee), Agriculture Financial Services Corp. (Chair, Audit, Finance and Risk Committee). She holds a Master of Business Administration and Bachelor of Commerce degrees (University of Calgary), a Chartered Financial Analyst designation (CFA Institute), CRM (Global Risk Management Institute) and ICD.D (University of Toronto).</p>											
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Withheld	67,336 (0.11%)										
<p>Board memberships of other public corporations: none</p>											

¹⁹ Ms. Singh was a member of the Audit Committee and following a reorganisation effective October 6, 2022, remains a member of the Audit & Risk Committee.

²⁰ Ms. Singh ceased to be a committee member of the Nomination & Compensation Committee following a reorganisation of the directors effective at the last AGM on May 26, 2022.

²¹ Ms. Singh was Chair of the Governance & ESG Committee and following a reorganisation effective October 6, 2022 remains the Chair of the Governance & Human Resources Committee.

Alfred Sorensen							
Status:	Non-Independent Director						
Credentials:	B.Comm., CPA, CA						
Age:	61						
Residence:	Calgary, Alberta, Canada						
<p>Mr. Sorensen has been the chief executive officer of Pieridae Energy Limited since its amalgamation in 2017. Mr. Sorensen was also the chief executive officer of Pieridae Energy Limited, the predecessor corporation since its founding in 2012. He obtained a Bachelor of Commerce degree from the University of Alberta in 1983, qualified as a chartered accountant (CA) in 1987 and is currently a chartered professional accountant (CPA). Mr. Sorensen is a leading entrepreneur in the energy industry with over 30 years of Canadian and international experience. Mr. Sorensen served as the chief executive officer of Canadian Spirit Resources from 2013 to 2015. Mr. Sorensen has served as the Chairman of the Board of the Alberta Ballet Foundation since 2005.</p>							
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Voting Results from 2022 annual meeting							
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Withheld	21,366 (0.04%)						
Board memberships of other public corporations: none							

The shareholding of each Independent Director since the Corporation graduated to the TSX and since each individual joined the Board, is detailed in the following table.

DIRECTOR	SHARE OWNERSHIP POSITION ON THE RECORD DATE			
	2020	2021	2022	2023
Charles Boulanger	270,795	352,795	352,795	352,795
Richard Couillard	n/a	n/a	20,000	55,000
Doug Dreisinger	n/a	n/a	0	30,000
Gail Harding K.C.	n/a	n/a	25,000	25,000
Andrew Judson	51,682	332,697	332,697	332,697
Patricia McLeod K.C.	n/a	n/a	0	179,662
Kiren Singh	182,800	232,800	232,800	237,550

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Except as noted below, to the knowledge of the Corporation, none of the Nominees are, as at the date of this Circular, or have been, within the 10 years before the date of this Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Corporation) that: (a) was subject to a cease trade order, an order similar to a cease trade 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 (an “**Order**”) that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; (c) are, as at the date of this Circular, or have been within ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, to the knowledge of the Corporation, no Nominees have been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a security regulatory authority or has entered into a settlement agreement with a security regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. Doug Dreisinger was a director of Connacher Oil and Gas Limited (“Connacher”) from June 3, 2015 to September 30, 2019. In May 2016 Connacher announced that, due to high debt and depressed oil prices, amongst other things, it had initiated proceedings at the Court of Queen’s Bench of Alberta to seek creditor protection under the Companies’ Creditors Arrangement Act (“CCAA”). On May 16, 2016 the TSX suspended trading of Connacher’s common shares subject to an expedited review of Connacher’s ability to meet the requirements for continued listing. Effective June 20, 2016, the common shares ceased to be listed on the TSX for failure to meet continued listing requirements. Connacher obtained a stay of proceedings, among other things, under the CCAA pursuant to an Initial Order dated May 17, 2016. Under the Initial Order, Ernst & Young Inc. were appointed Monitor of Connacher during the CCAA proceedings. The stay of proceedings was extended multiple times to assist Connacher in undertaking two sale and investment solicitation processes. On September 30, 2019, Connacher announced that the Amended and Restated Plan of Compromise and Arrangement (“Plan”) dated July 16, 2019 was sanctioned by the Court of Queen’s Bench of Alberta on July 16, 2019 in the proceedings under the CCAA. The Plan became effective September 30, 2019. All existing equity interests (including outstanding common shares) were cancelled for no consideration and the first lien lenders (First

Lien Credit Agreement May 23, 2014) acquired all of Connacher’s new share capital and. Connacher also ceased to be a reporting issuer. Upon the successful completion of the Plan, Mr. Dreisinger resigned from the Board. In January 2020 Mr. Dreisinger joined the “new” privately held Connacher as a director.

No proposed director of the Corporation is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Corporation acting solely in such capacity.

MAJORITY VOTING POLICY

In line with updates to the *Canadian Business Corporations Act, RSC 1985, c. C-44*, the Corporation has repealed its majority voting policy and will thereafter be subject to the above legislation on this matter. Whilst the Corporation’s policy was aligned with the legislation regarding majority voting, it did confer discretion to the Governance & Human Resources Committee and thus the Board, on whether to accept the results of such vote. The legislation now removes this discretion, and the Corporation considers the adoption of the updated legislation as adhering to the principles of good governance.

INFORMATION CONCERNING EXECUTIVE COMPENSATION

For the financial year ended December 31, 2022 the Corporation’s five named executive officers (each an “NEO” and collectively, the “NEOs”) were, Alfred Sorensen (CEO), Adam Gray (CFO), Darcy Reding (President & COO), Yvonne McLeod (Vice President, Drilling & Completions, Health, Safety, Environment & Regulatory) and Thom Dawson (Senior Vice President, Business Development). Each NEO is an employee of the Corporation.

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of NEO Compensation Program and Compensation Philosophy

The objectives of the Corporation’s NEO compensation program are to: (a) attract, motivate and retain highly qualified and dedicated individuals; (b) align the interests of the NEOs with those of the Corporation’s shareholders; (c) establish an objective connection between NEO compensation and the Corporation’s short term and long term financial and business performance; and (d) incentivize the NEOs to lead the Corporation in achieving its corporate objectives and fulfilling its corporate strategy. The NEO compensation program is, therefore, designed to reward the NEOs for increasing shareholder value.

The Corporation maintains incentive programs which financially rewards NEOs to the degree that the Corporation achieves its pre-established annual goals. In addition, the Corporation recognizes the importance of ensuring that overall compensation for NEOs is not only internally equitable, but also competitive within the market segment. Specifically, the Governance & Human Resources Committee’s review and evaluation of corporate compensation includes

measurement of, among others, with regards to the Corporation’s short term incentive plans: (a) the achievement of corporate objectives, such as financings, partnerships, and other business development, having regard to budgetary constraints and other challenges facing the Corporation; and (b) the Corporation’s financial condition. The Corporation’s long-term incentives are directly linked to the Corporation’s share price, thereby aligning the executive’s compensation with the creation of long-term value for Shareholders.

Compensation policies, practices and amounts are continuously reviewed and compared to “best practice” standards as undertaken by peer public companies. Compensation amounts and structures are compared to available relevant industry data provided by independent sources. Additionally, compensation amounts reflect prevailing market conditions and the performance of the corporation, and the individual as evaluated by the Corporate Goals and metrics which are aligned with the strategic priorities of the Corporation as determined annually by the Board.

Director and Executive Compensation Review

Following a review of proxy advisors’ recommendations regarding compensation, the Governance & Human Resources Committee received a report from an external compensation advisor comparing the quantum and structure of director and executive compensation to those of the pre-approved peer group, together with recommendations to improve alignment with the peer group.

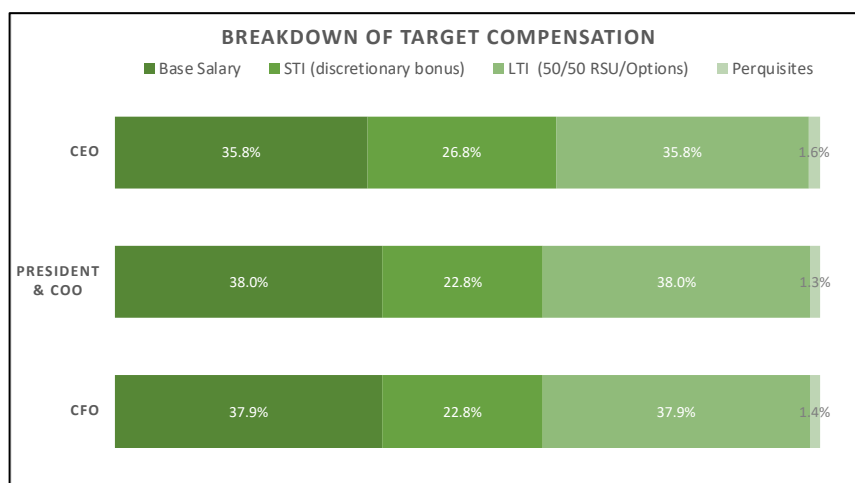
Peer Group
Advantaage Energy Ltd.
Tamarack Valley Energy Ltd.
Athabasca Oil Corporation
Crew Energy Inc.
Obsidian Energy Ltd.
Kelt Exploration Ltd.
Cardinal Energy Ltd.
Surge Energy Ltd.
Pine Cliff Energy Ltd.
Bonterra Energy Corp.
Yangarra Resources Ltd.
Journey Energy Inc.
InPlay Oil Corp.
Petrus Resources Ltd.
Perpetual Energy Inc.
Prairie Provident Resources Inc.

As a result of this review process, the Board approved certain changes to its director and executive compensation, all as further described below for the senior executives and at “*INFORMATION CONCERNING DIRECTOR COMPENSATION*” for directors.

The amendments for the senior executives were (i) a modest increase to the base salary, (ii) an increase in the short term incentive percentage from 50% to 75% for the CEO, and from 37.5% to 60% for the President & COO and CFO, and (iii) an increase in the long term incentive percentage from 50% to 100%, each of which brings the mix of compensation forming their target total direct compensation in line with the P50 market baseline, as determined by the peer review. The structure of the long-term incentive was also amended from 100% stock options to 50% stock options and 50% restricted share units. The following table indicates the target compensation package as approved by the Board.

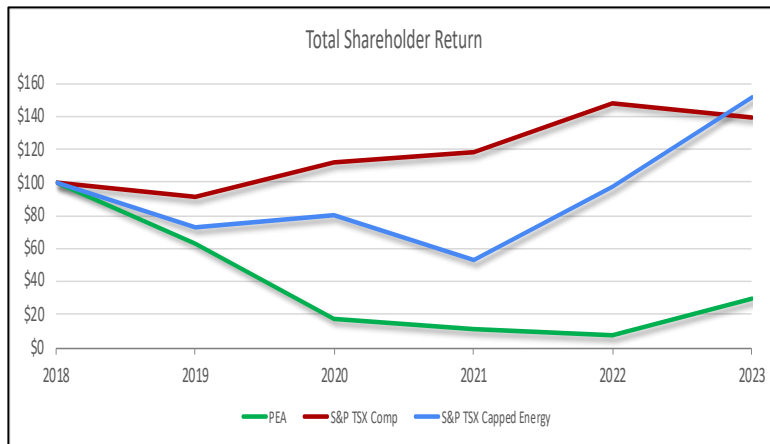
Position	Base Salary	STI (discretionary bonus)	LTI (50/50 RSU/Options)	Target Total Direct Compensation
	\$	% Base Salary		\$
CEO	340,000	75%	100%	935,000
President & COO	295,000	60%	100%	693,000
CFO	275,000	60%	100%	646,000

The Corporation’s compensation program for its senior leadership team (including NEOs) consists of two principal components: (a) compensation (other than paid under an “incentive plan” as defined by Form 51-102F6) consisting of base compensation; and (b) compensation awarded under the short term and long term incentive plans consisting of (i) the discretionary bonus program to align with the short term annual goals of the Corporation and (ii) the Stock Option Plan together with the recently introduced RSU Plan to align with the long term strategic goals of the Corporation. Each component has a different function, as described in greater detail below, but all elements operate in unison to reward the NEOs appropriately for personal and corporate performance.



The following line graph depicts the cumulative total shareholder return of the Corporation over the five most recently completed financial years.²²

²²This line graph is based on the assumption that \$100 was invested on the first day of the five-year period.



The trend shown by this graph is not reflective of the trend in compensation reported under this Circular which the executive officers received from the Corporation over the same five-year period. As described below, the compensation received by executive officers is composed of base compensation, which has remained substantially constant

over the time period, and short- and long-term incentive awards which are received by executive officers upon the achievement of certain pre-determined annual objectives. However, the achievement of those objectives does not necessarily impact the trading value of the Common Shares of the Corporation in the long-term.

Base Compensation

The Corporation enters into a written contract of service with each of its employees (including each NEO) which requires the Corporation to pay base compensation (including overtime pay when statutorily mandated) as well as other monetary perquisites (collectively, “**base compensation**”) to its employees in consideration for the performance of their respective duties of employment.

The payment of base compensation to employees, in amounts which are comparable to the amounts paid to similar positions in the natural resource industry, is essential to the Corporation’s ability to attract and retain outstanding employees (including each NEO). Base compensation, and changes in base compensation, are established by the Corporation taking into account each employee’s expertise and experience as well as their level of responsibility and competitive pay practices. Base compensation is reviewed periodically, and adjusted as appropriate, by the Corporation to reflect performance and market conditions.

Any increase in the base compensation of the CEO must be approved by the Board taking into consideration the recommendation of the Governance & Human Resources Committee²³. The CEO is responsible for determining and approving any increase in the base compensation of other employees (including other NEOs).

Group Retirement Savings Plan

The Corporation’s group retirement savings plan implemented in late 2019 is a non-equity, non-incentive plan that is available to all permanent employees (including the NEOs). This plan is

²³ Formerly the Nomination & Compensation Committee.

sponsored by the Corporation and is administered by The Manufacturers Life Insurance Company.

The plan's primary purpose is to provide a flexible and multi-faceted retirement savings vehicle to employees to assist them in saving for their retirement. This plan offers each participating employee the ability to make personal contributions to the plan (up to certain prescribed limits) which the employee may designate toward (a) a registered retirement savings plan (or spousal registered retirement savings plan), (b) a tax-free savings account and (c) a nonregistered savings plan. In order to further assist employees, the Corporation has agreed to contribute to the registered retirement savings plan of each participating employee an amount equal to 6% of the employee's base compensation and an additional amount equal to the lesser of the contribution made by the participating employee to the group retirement savings plan and 4% of the employee's base compensation.

Discretionary Bonus Program – Short Term Incentive Plan

The Corporation's discretionary bonus program is a non-equity incentive plan that is available to all permanent employees (including the NEOs). Participation in the program is a component of overall compensation that incentivizes employees to meet short-term, pre-determined objectives which are intended to improve the overall value of the Corporation. The discretionary bonus program also serves to assist the Corporation in rewarding and retaining valued employees and are understood to be common in the marketplace.

Under the discretionary bonus program, each employee (including each NEO) is eligible for an annual cash bonus which is quantified on a rational basis and informed by the employee's level of responsibility, base compensation, personal performance measured against pre-set objectives whilst also taking into account the overall performance of the Corporation. For 2022 onwards, the amount of the annual bonus award to the CEO is 100% based on the performance goals of the Corporation, and the aggregate amount of the annual bonus award to executive officers is 85% based on the performance goals of the Corporation, each calculated from the base salary, and as determined and approved by the Board taking into consideration the recommendation of the Governance & Human Resources Committee. If warranted for performance or other reasons, special cash bonuses may also be considered from time to time. For the year 2022, the Board approved a performance success percentage of 76% for the corporate goals as set for 2022. This compares to the performance success percentage of 33% in 2021. For further corporate goal information, please refer to page 15 of the Annual Information Form 2022 as posted and available on www.sedar.com.

Restricted Share Unit Plan – Long Term Incentive Plan

Following the compensation review (see "DIRECTOR AND EXECUTIVE COMPENSATION REVIEW" on page 29), the Corporation modified the long-term incentive plan for the senior leadership team from being 100% driven by option grants, to being a 50/50 split between options and restricted share units. The Restricted Share Unit Plan (RSU Plan) was introduced for all employees including the senior leadership team.

The RSU Plan is intended to (i) assist in attracting, retaining, engaging, and rewarding Participants of the Corporation; (ii) provide an opportunity for participants to earn competitive total compensation; and (iii) focus management of the Corporation on operating and financial performance and the pursuit of long-term Shareholder value creation by providing an increased incentive to contribute to the Corporation’s growth and profitability.

Restricted Share Units (RSUs) are granted in three (3) year cycles with RSUs vesting one third each year from the date of grant. At each vesting period the settlement amount is paid in cash and calculated by multiplying the number of vested RSUs by the volume weighted average trading price of a Share for the five (5) previous trading days. Upon payment of this amount, such RSUs are surrendered. The number of RSUs to be granted is determined by the Board based on a number of factors such as the person’s position, duties, seniority and responsibilities and any cash bonus payments and other factors the Board deems appropriate.

Stock Option Plans – Long Term Incentive Plan

The Corporation sponsors two distinct stock option plans (the Stock Option Plan Number One and the Stock Option Plan Number Two).

The Stock Option Plan Number One and the Stock Option Plan Number Two (collectively, the “**Stock Option Plans**”) were established and designed to allow the Corporation, through Common Shares, to retain and motivate competent directors, senior executives and other employees and “consultants” to whom the Board may grant stock options pursuant to the Stock Option Plans from time to time further to their efforts in attaining the goals of the Corporation and to allow such individuals to purchase Common Shares as an investment, and to encourage them to act in this manner.

BACKGROUND

The Stock Option Plan Number One was approved and adopted by the Board as of October 24, 2017, and was amended and restated by the Board as of November 23, 2017, and again as of March 19, 2020 and approved at the annual and special meeting of Shareholders held on June 27, 2018, May 26, 2020, May 27, 2021 and May 26, 2022 respectively.

As Stock Option Plan Number One was not presented to the Shareholders for consideration and approval at the annual and special meeting of Shareholders held on June 18, 2019, as was required by the policy of the TSX Venture Exchange at that time. Therefore, as an interim measure, the Board approved and adopted a second stock option plan (the “**Stock Option Plan Number Two**”), as permitted under Section 3.9 of Policy 4.4 of the TSX Venture Exchange, on June 18, 2019, to facilitate the granting of stock options until the Stock Option Plan Number One was able to be put forward for approval by the Shareholders at the next meeting of Shareholders held on May 26, 2020. Stock Option Plan Number Two is a fixed number stock option plan under which the Corporation is authorized to grant stock options up to a maximum of 8,412,199 Common Shares being the difference between 10% of the total number of Common Shares that

were issued and outstanding as at June 18, 2019 and the number of Common Shares that underlie all unexercised and unexpired stock options that were previously granted by the Corporation under the Stock Option Plan Number One. Stock Option Plan Number Two governs only those stock options that were granted thereunder in 2019 and it is intended that Stock Option Plan Number Two will be terminated by the Corporation when the last of those stock options is exercised, expires or is otherwise terminated.

THE PARTICULARS OF THE STOCK OPTION PLANS

As at December 31, 2022, there were 158,963,336 and as at the Record Date, there were 158,971,336 Common Shares issued and outstanding respectively.

Each Eligible Person (as defined below) is eligible for an annual stock option grant that may be approved from time to time by the Board on the recommendation of the Governance & Human Resources Committee. The number of stock options granted to Eligible Persons is informed by prevailing competitive and market conditions and is based on the level of their respective responsibility as well as their respective personal performance, and the performance of the Corporation, relative to pre-determined objectives. Stock option grants may also be considered and approved by the Board, if warranted, for specific performance or for other reasons in special circumstances. For example, directors or employees may be granted stock options upon the commencement of their engagement or employment with the Corporation. When determining whether and how many new stock option grants will be approved, the Board considers all relevant factors.

The Stock Option Plan Number One is the operative plan for all stock option grants that are awarded after May 26, 2020. That Stock Option Plan Number One is a “rolling” stock option plan under which stock options may be granted up to a maximum of 10% of the Common Shares issued and outstanding at the time of the grant. The number of Common Shares that may be reserved under the Stock Option Plan Number One automatically increases or decreases as the number of issued and outstanding Common Shares increases or decreases.

The Stock Option Plan Number Two was established by the Board as an interim measure as discussed above and the Corporation does not intend to grant any stock options under that plan in the future.

With the introduction of the RSU Plan and the DSU Plan, it is the intention of the Corporation to limit the utilization of Stock Option Plan Number One to only those eligible senior leadership team and Service Providers who would not otherwise receive awards under the RSU Plan.

	STOCK OPTION PLAN NUMBER ONE	STOCK OPTION PLAN NUMBER TWO
Aggregate number of Common Shares that underlie the stock options awarded under each of the Stock Option Plans as at December 31, 2022.	<p>4,134,500 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as at December 31, 2022.</p> <p>These Common Shares represent 2.6% of the aggregate number of Common Shares that are issued and outstanding as at December 31, 2022.</p>	<p>1,545,869 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as at December 31, 2022.</p> <p>These Common Shares represent 1.0% of the aggregate number of Common Shares that are issued and outstanding as at December 31, 2022.</p>
Aggregate number of Common Shares under each of the Stock Option Plans that are available for grant as stock options as at December 31, 2022.	<p>10,215,965 Common Shares under the Plan that are available for grant as stock options.</p> <p>These Common Shares represent 6.4% of the aggregate number of Common Shares that are issued and outstanding as at December 31, 2022.</p>	<p>The Corporation does not intend in the future to grant any stock options under Stock Option Plan Number Two.</p> <p>Accordingly, as at December 31, 2022 there are no Common Shares under Stock Option Plan Number Two that are available for grant as stock options.</p>
Aggregate number of Common Shares that underlie the stock options awarded under each of the Stock Option Plans as at the Record Date.	<p>3,769,000 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as of the Record Date.</p> <p>These Common Shares represent 2.4% of the aggregate number of Common Shares that are issued and outstanding as of the Record Date.</p>	<p>1,545,869 Common Shares are issuable under the stock options which were granted under the Plan and are outstanding as of the Record Date.</p> <p>These Common Shares represent 1.0% of the aggregate number of Common Shares that are issued and outstanding as of the Record Date.</p>
Aggregate number of Common Shares under each of the Stock Option Plans that are available for grant as stock options as at the Record Date.	<p>As at the Record Date there are 10,582,265 Common Shares under the Plan that are available for grant as stock options.</p> <p>These Common Shares represent 6.7% of the aggregate number of Common Shares that are issued and outstanding as of the Record Date.</p>	<p>The Corporation does not intend in the future to grant any stock options under Stock Option Plan Number Two. Therefore, all stock options granted in the future will be granted under Stock Option Plan Number One, as amended.</p> <p>Accordingly, as at the Record Date there are no Common Shares under Stock Option Plan Number Two that are available for grant as stock options.</p>

TABLE 2

Stock Option Plan Number Two has not been used since 2019 and will not be used by the Corporation thereafter to issue options. As such, its salient terms are not summarised in this Circular. The following table summarizes the salient terms of Stock Option Plan Number One.

	STOCK OPTION PLAN NUMBER ONE
Number of Shares	The options to be granted must not be exercisable for more than 10% of the Common Shares issued and outstanding at the time the options are granted, provided that if the options expire or are terminated for any reason before they vest and are exercised, the number of Common Shares underlying such expired or terminated options may again be available under the Plan.
Exercise Price	The Board of Directors shall establish the exercise price, which will not be less than the closing price of the shares on the Exchange on the trading day immediately preceding the date of grant.
Participation Limits	<p>(a) The maximum number of Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).</p> <p>(b) The maximum number of Shares issued to Eligible Persons who are Insiders within any one year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).</p> <p>(c) The number of shares that are issuable to eligible persons who are non-employee directors under this Plan and any other Security Based Compensation Arrangement of the Corporation shall not at any time exceed \$150,000 worth of Shares annually per non-employee director, of which no more than \$100,000 may be in the form of Options.</p>
Term of Options	Subject to other terms within the Plan, the expiry date of an option is the date established by the Board of Directors at the time of the granting of the particular option, provided that such date does not extend beyond the fifth anniversary of the date of grant of the option.
Expiry of options	<p>Subject to other terms within the Plan, options will expire on the following events:</p> <p>(a) The expiry date of the option;</p> <p>(b) 90 days following death of the option holder;</p> <p>(c) 90 days following cessation of employment for all options issued on or after October 24, 2017;</p> <p>(d) At the discretion of the board of directors and subject to the approval of the Toronto Stock Exchange and with prior notice to the option holder;</p> <p>(e) On the first day the optionee ceased employment if the option holder was terminated for cause;</p>
Assignment	Subject to other terms within the Plan, options cannot be assigned or transferred.
Change of Control	<p>The successor corporation may either (i) assume the Corporation's rights and obligations under outstanding options, or (ii) substitute for outstanding options substantially equivalent options in the successor corporation in a manner that substantially preserves and does not impair the rights of the optionee in any material respect.</p> <p>In the event that an assumption or substitution of options is not made by the successor corporation prior to or in connection with a Change of Control, all options held by an optionee as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control.</p>

STOCK OPTION PLAN NUMBER ONE	
	<p>If the employment of an optionee is terminated during the one (1) year period after a Change of Control for any reason other than for cause, or the optionee resigns as a result of constructive dismissal, then any unvested options held by the optionee as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all options that are vested or deemed to be vested may be exercised by the optionee within 30 days from the termination date.</p>
Retroactive Amendments	<p>The Board of Directors may, subject to the approval of the Exchange and subject to other terms within the Plan, retroactively amend the Plan and, with the consent of the affected optionees, retroactively amend the terms and conditions of the options that have been granted until then.</p>
Amendments not requiring shareholder approval	<p>The Board of Directors may, without the approval of the shareholders (other than any required regulatory or Exchange approvals) but subject to other terms within the Plan, suspend, discontinue or amend this Plan or any option. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:</p> <ul style="list-style-type: none"> a) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange; b) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein; c) amendments respecting the administration of the Plan; d) changing the vesting provisions of the Plan or any option certificate; e) changing the termination provisions of any Option that does not entail an extension beyond the original expiry date; and f) any other amendment that does not require the approval of Shareholders.
Amendments requiring shareholder approval	<p>Subject to other terms within the Plan, specific shareholder approval is required for:</p> <ul style="list-style-type: none"> a) any change to the maximum number of shares issuable under the Plan, including an increase to the fixed maximum percentage or a change from a fixed maximum percentage to a fixed maximum number of shares; b) any amendment which reduces the exercise price of any option after the options have been granted or any cancellation of an option and the substitution of that option by a new option with a reduced price; c) any amendment which extends the option term beyond the original expiry date; d) any amendment to remove or to exceed the participation limits; e) any amendment which would allow non-employee directors to be eligible for awards under the Plan on a discretionary basis or an amendment which would increase limits imposed on non-employee director participation;

	STOCK OPTION PLAN NUMBER ONE
	<p>f) any amendment which would permit any option granted under the Plan to be transferable or assignable by any Eligible Person other than as already permitted under the Plan;</p> <p>g) any amendment to the amendment provision (section 5.2) or the amendments requiring shareholder approval provision (section 5.3).</p>

TABLE 3

The Stock Options that are Outstanding at the Record Date

Table 4, below, summarizes the Stock Options that are issued and outstanding under the Stock Option Plans as at the Record Date.

GROUP	DATE OF GRANT	AGGREGATE NUMBER OF SHARES ISSUABLE	EXERCISE PRICE (\$)	EXPIRY DATE
The Stock Option Plan Number				
Officers and Employees	October 8, 2020	890,000	0.86	October 8, 2025
Directors	November 17, 2020	255,000	0.86	November 17, 2025
Officers and Employees	November 17, 2020	100,000	0.86	November 17, 2025
Directors	August 19, 2021	135,000	0.30	August 19, 2026
Officers and Employees	August 19, 2021	1,384,500	0.30	August 19, 2026
Directors	September 15, 2022	225,000	\$1.28	September 15, 2027
Officers and Employees	August 31, 2022	779,500	\$1.24	August 31, 2027
Total		3,769,000		
The Stock Option Plan Number				
Directors	July 3, 2019	200,000	0.89	July 3, 2024
Officers and Employees	July 3, 2019	1,075,869	0.89	July 3, 2024
Officers and Employees	October 21, 2019	270,000	0.92	October 21, 2024
Total		1,545,869		

TABLE 4

The 3,769,000 Common Shares underlying the then issued and outstanding Stock Options of the Corporation granted under Stock Option Plan Number One had a weighted average exercise price of approximately \$0.74 per Common Share and the 1,545,869 Common Shares underlying the then issued and outstanding Stock Options of the Corporation granted under Stock Option Plan Number Two had a weighted average exercise price of approximately \$0.90 per Common Share. The Corporation is permitted under the Stock Option Plans to grant stock options, in aggregate, up to a maximum of 10% of the then total number of issued and outstanding Common Shares.

The Annual Burn Rate

EQUITY COMPENSATION ARRANGEMENT	2020	2021	2022
The Stock Option Plan Number One:			
Stock Options issued ⁽¹⁾	2,200,100	1,993,590	1,317,465
Weighted Average Common Shares Outstanding	157,638,343	157,642,287	158,220,397
Annual Burn Rate	1.4%	1.3%	0.8%
The Stock Option Plan Number Two:			
Stock Options issued ⁽¹⁾	0	0	0
Weighted Average Common Shares Outstanding	157,638,343	157,642,287	158,220,397
Annual Burn Rate	0	0	0
Director Compensation Policy			
Common Shares Issued	80,697	0	0
Weighted Average Common Shares Outstanding	157,638,343	157,642,287	158,220,397
Annual Burn Rate	0.1%	0	0

TABLE 5

⁽¹⁾ Each to acquire one Common Share

In 2022 there were 1,317,465 options exercised under the Stock Option Plans.

Risks Associated with Compensation Policies and Practices

The Board and the Governance & Human Resource Committee has considered the implications of the risks associated with the Corporations' compensation policies and practices and has concluded that the programs do not encourage excessive or inappropriate risk-taking and are aligned with the long-term interests of Shareholders.

It is noted that compensation awards are granted under the discretionary bonus program and under the Stock Option Plan and now the RSU Plan primarily on the basis of the degree to which pre-established individual and corporate objectives are achieved. In each case the Corporation has concluded, at the time that each such objective is established, that its concomitant risk profile is acceptable to the Corporation and the objective, if achieved, aligns with the long-term interests of its shareholders.

Additional alignment between the interests of directors and senior employees on the one hand with the interests of shareholders on the other hand, is achieved through the Share Ownership Policy which prohibits each director and relevant senior employee from entering into any agreement, and from effecting any hedge or other transaction, which has as one of its purposes, or has as one of its consequences or possible consequences, the amelioration, in whole or in part, of the economic impact of a decrease, or possible decrease, in the market value of the Common Shares which are held by such director or senior employee.

Compensation policies are continuously reviewed and updated to “best practice” standards as undertaken by peer public companies and applicable regulatory changes. In addition, the business conduct of NEOs and individual employees are evaluated against the Corporation’s prevailing policies including (a) the Code of Ethical Conduct, (b) the Anti-Corruption Policy, (c) the Disclosure Policy and the Trading Restrictions and Blackout Period Policy, (d) the Hedging Policy, (e) the Policy Establishing Financial Authority, (f) the Credit Policy and the Investment Policy and (g) the Policy for the Prevention of Harassment, each of which further protect the Corporation from the adverse consequences of inappropriate conduct and excessive risk-taking. Annually the senior leadership team must acknowledge in writing, that they have followed, to the best of their knowledge, all of the above policies.

The Corporation has a “Clawback Policy”. This policy requires all members of senior management²⁴, whether current or former, to immediately repay or forfeit, that portion of bonuses or equity based compensation paid, granted or vested by them if the Corporation is required to prepare a restatement of any or all its financial statements due to either (i) material non-compliance with any financial reporting requirements under applicable securities laws, or (ii) gross negligence or fraud of such member of senior management as either admitted to or as proven in a court of competent jurisdiction.

SUMMARY COMPENSATION TABLE

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided to NEOs by the Corporation for services in all capacities to the Corporation during the last three financial years:

NAME AND PRINCIPAL POSITION	YEAR	SALARY	SHARE BASED AWARDS	OPTION BASED AWARDS	NON-EQUITY INCENTIVE PLAN COMPENSATION		ALL OTHER COMPENSATION	TOTAL COMPENSATION
					ANNUAL INCENTIVE PLAN (BONUS)	LONG TERM INCENTIVE PLAN (RSU) ^(e)		
					(\$)	(\$)		
Alfred Sorensen, CEO ^(a)	2022	340,000	nil	101,639 ^(f)	258,400	209,312	15,000	924,351
	2021	300,000	nil	23,148 ^(e)	99,000	n/a	15,000	437,148
	2020	278,307	nil	34,146 ^(d)	155,315	n/a	15,576	483,344
Adam Gray, CFO ^(b)	2022	275,000	nil	82,210 ^(f)	164,175	169,195	10,000	700,580
	2021	238,500	nil	25,197 ^(e)	77,006	n/a	7,115	347,818
	2020	185,000	nil	22,100 ^(d)	nil	n/a	5,000	212,100
Darcy Reding, President & COO ^(c)	2022	295,000	nil	88,151 ^(f)	176,115	181,558	10,000	750,824
	2021	265,000	nil	26,212 ^(e)	64,171	n/a	7,692	363,075
	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a

²⁴ Senior Management is defined as collectively the CEO, the CFO, the COO and each senior vice-president.

NAME AND PRINCIPAL POSITION	YEAR	SALARY	SHARE BASED AWARDS	OPTION BASED AWARDS	NON-EQUITY INCENTIVE PLAN COMPENSATION		ALL OTHER COMPENSATION	TOTAL COMPENSATION
					ANNUAL INCENTIVE PLAN (BONUS)	LONG TERM INCENTIVE PLAN (RSU) ^(g)		
Yvonne McLeod, Vice-President, HSER Drilling & Completions	2022	250,000	nil	32,033 ^(f)	59,700	142,046	5,000	488,779
	2021	250,000	nil	7,175 ^(e)	32,287	n/a	10,000 ⁽ⁱ⁾	299,462
	2020	249,519	nil	15,483 ^(d)	116,724	n/a	221,584 ⁽ⁱ⁾	603,310
Thomas Dawson, Senior Vice-President, Business Development	2022	250,000	nil	42,711 ^(f)	50,000	189,436	10,000	542,147
	2021	250,000	nil	6,277 ^(e)	80,719	n/a	10,000	346,996
	2020	249,519	nil	15,470 ^(d)	80,266	n/a	10,385	355,640

TABLE 6

Notes:

- (a) Mr. Sorensen has not received any compensation for his role as a director of the Corporation.
- (b) Mr. Gray was appointed CFO effective March 28, 2022. Prior to this Mr. Gray was Interim CFO from August 1, 2021. Prior thereto Mr. Gray was Vice-President & Controller from November 1, 2020, until July 31, 2021, and joined the Corporation as Controller on January 13, 2020.
- (c) Mr. Reding became COO when he joined the Corporation on April 5, 2021 and became President & COO effective March 28, 2022
- (d) To align with market practice, the estimated fair value of these options granted on October 8, 2020, has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 86%, risk-free interest rate of 0.37% and an expected life of 5.0 years.
- (e) To align with market practice, the estimated fair value of these options granted on August 19, 2021, has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 89%, risk-free interest rate of 0.60% and an expected life of 3.3 years.
- (f) To align with market practice, the estimated fair value of these options granted on August 31, 2022, has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 96%, risk-free interest rate of 3.49% and an expected life of 3.5 years.
- (g) This number represents the fair market value of the awards on the grant date.

INCENTIVE PLAN AWARDS

Outstanding Share-based and Option-based Awards

The following table sets forth information in respect of all awards outstanding as at December 31, 2022 granted to the NEOs:

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS (RSU)					
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRY DATE	VALUE OF UNEXERCISED IN THE MONEY OPTIONS ^(a)	RSU GRANT DATE	NUMBER OF RSUS GRANTED	RSU GRANT PRICE	AGGREGATE NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF SHARE BASED AWARDS THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF VESTED SHARE BASED AWARDS NOT PAID OUT OR DISTRIBUTED
	(#)	(\$)		(\$)		(#)	(\$)	(#)	(\$)	(\$)
Alfred Sorensen	163,934	\$0.89	July 3, 2024	\$59,016	August 31, 2022 ^(b)	172,700	1.21	172,700	\$209,312	nil
	120,000	\$0.92	October 21, 2024	\$39,600						
	100,000	\$0.86	November 17, 2024	\$39,000						
	143,500	\$0.30	August 19, 2025	\$136,325						
	126,600	\$1.24	August 31, 2026	\$1,266						
Adam Gray	50,000	\$0.86	October 8, 2024	\$19,500	August 31, 2022 ^(b)	139,600	1.21	139,600	\$168,916	nil
	141,000	\$0.30	August 19, 2025	\$133,950						
	102,400	\$1.24	August 31, 2026	\$1,024						
Darcy Reding	146,000	\$0.30	August 19, 2025	\$138,700	August 31, 2022 ^(b)	149,800	1.21	149,800	\$181,258	nil
	109,800	\$1.24	August 31, 2026	\$1,098						
Yvonne McLeod	136,612	\$0.89	July 3, 2024	\$49,180	August 31, 2022 ^(b)	117,200	1.21	117,200	\$141,812	nil
	75,000	\$0.92	October 21, 2024	\$24,750						
	35,000	\$0.86	October 8, 2024	\$13,650						
	40,000	\$0.30	August 19, 2025	\$38,000						
	39,900	\$1.24	August 31, 2026	\$399						
Thomas Dawson	136,612	\$0.89	July 3, 2024	\$49,180	August 31, 2022 ^(b)	156,300	1.21	156,300	\$189,123	nil
	75,000	\$0.92	October 21, 2024	\$0						
	35,000	\$0.86	October 8, 2024	\$0						
	35,000	\$0.30	August 19, 2025	\$0						
	53,200	\$1.24	August 31, 2026	\$0						

TABLE 7

Notes:

- (a) The value is calculated based on the difference between the market value of the underlying shares at December 31, 2022 and the exercise price of the option and includes all options held, whether exercisable or non-

exercisable as at December 31, 2022. The closing trading value on the Toronto Stock Exchange of a Common Share on December 31, 2021 was \$1.25.

- (b) RSUs vest 1/3rd on each of the first, second and third anniversary from the grant date.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table provides the value vested in relation to awards held by each NEO during the financial year ended December 31, 2022:

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR ^(a)	SHARE BASED AWARDS - VALUE VESTED DURING THE YEAR	NON-EQUITY INCENTIVE PLAN COMPENSATION - VALUE EARNED DURING THE YEAR ^(b)
	(\$)	(\$)	(\$)
Alfred Sorensen	77,777	nil	467,712
Adam Gray	42,455	nil	333,370
Darcy Reding	35,990	nil	357,673
Yvonne McLeod	42,632	nil	201,746
Thomas Dawson	45,631	nil	239,436

TABLE 8

Notes:

- (a) This value represents the difference between the Share price as at December 31, 2022 and the option price of Shares available to be exercised in 2022.
- (b) The value includes the annual incentive plan and the aggregate value of the long-term incentive plan awards.

SHARE OWNERSHIP POLICY

The Board believes that, in order to achieve better alignment of the interests of the directors and the senior employees of the Corporation with those of the Corporation’s shareholders, its directors and each senior employee of the Corporation should maintain a minimum value of Common Share ownership. To that end, the Corporation has adopted a mandatory share ownership policy (the “**Share Ownership Policy**”) that requires each non-executive director (other than any such director who is nominated to the Board pursuant to a contractual obligation of the Corporation) and each senior employee of the Corporation, no later than the date that is three (3) years after the later of (a) October 24, 2017 and (b) the day that the individual first became a director or a senior employee of the Corporation (the “**Application Date**”), to directly or indirectly acquire, and to hold throughout the period commencing on the Application Date and continuing while they remain a director or senior employee of the Corporation, Common Shares and DSUs which in aggregate have a market value that: (i) is at least three (3) times the Total Annual Compensation that is paid or payable to such director or three (3) times the prevailing annual base salary that is paid or payable to the Chief Executive Officer, as the case may be, and (ii) is at least two (2) times the prevailing annual base salary that is paid or payable to each other senior employee of the Corporation.

Each director and senior employee to whom the Share Ownership Policy applies is prohibited by the Share Ownership Policy from entering into any agreement, and from effecting any hedge or other transaction, which has as one of its purposes, or has as one of its consequences or possible consequences, the amelioration, in whole or in part, of the economic impact of a decrease, or possible decrease, in the market value of the Common Shares or DSUs which are held by such director or senior employee determined in accordance with this policy.

As the number of Common Shares that are beneficially owned, or controlled or directed, either directly or indirectly, by each non-executive director, and by each senior employee, is not within the knowledge of the Corporation, the non-executive directors and senior employees have each confirmed their respective Common Share ownership position as at the Record Date, which is reported in the table below..

The Independent Directors, in aggregate, own or control 1,212,704 Common Shares representing 0.76% of the Common Shares of the Corporation as at the Record Date.

NAME OF EACH INDEPENDENT DIRECTOR	POSITION HELD	COMMENCEMENT DATE	APPLICATION DATE	NUMBER OF COMMON SHARES HELD ON THE RECORD DATE	DEEMED VALUE OF COMMON SHARES HELD ON THE RECORD DATE (a) (\$)
CHARLES BOULANGER	Independent Director	October 24, 2017	October 24, 2020	352,795	303,404
RICHARD COUILLARD	Independent Director	May 26,2022	May 26, 2025	55,000	47,300
DOUG DREISINGER	Independent Director	May 26,2022	May 26, 2025	30,000	25,800
GAIL HARDING	Independent Director	May 26,2022	May 26, 2025	25,000	21,500
ANDREW JUDSON	Independent Director	October 24, 2017	October 24, 2020	332,697	286,119
PATRICIA MCLEOD	Independent Director (Chair of the Board)	May 26,2022	May 26, 2025	179,662	154,509
KIREN SINGH	Independent Director	May 26, 2020	May 26, 2023	237,550	204,293

TABLE 9.1

The senior employees, in aggregate, own or control 15,122,053 Common Shares representing 9.51% of the Common Shares of the Corporation as at the Record Date.

NAME OF EACH SENIOR EMPLOYEE	POSITION HELD	COMMENCEMENT DATE	APPLICATION DATE	NUMBER OF COMMON SHARES HELD ON THE RECORD DATE	DEEMED VALUE OF COMMON SHARES HELD ON THE RECORD DATE ^(a) (\$)
ALFRED SORENSEN	Director and CEO	October 24, 2017	October 24, 2020	12,299,053	8,117,375
ADAM GRAY	CFO	August 1, 2021	August 1, 2024	180,000	118,800
DARCY REDING	President & COO	April 5, 2021	April 5, 2024	33,000	21,780
THOMAS DAWSON	Senior Vice President, Business Development	October 24, 2017	October 24, 2020	2,610,000	1,722,600

TABLE 9.2

Notes:

- (a) "Application Date" in respect of an individual is the date that is three years after the later of (i) October 24, 2017 and (ii) the date that the individual first became a director or senior employee of the Corporation.
- (b) The value of each Common Share held on the Record Date is deemed under the Share Ownership Policy to be the greater of (i) \$0.79, being the quotient obtained when the aggregate of the price of each Share which was traded on a stock exchange during the twenty five consecutive calendar days immediately preceding the Record Date is divided by the aggregate number of Shares which were traded on a stock exchange during the twenty five consecutive calendar days immediately preceding the Record Date and (ii) \$0.86, being the quotient obtained when the aggregate proceeds that were received by the Corporation on the issuance of Shares in the course of the most recent private placement is divided by the aggregate number of Shares which were issued in the course of that private placement.

Based on the above table, all directors and senior employees whose corresponding Application Date precedes the Record Date, is in compliance with the Share Ownership Policy. Consistent with the Share Ownership Policy, the above information does not include Common Shares that are issuable upon the exercise of options, warrants or other convertible securities of the Corporation.

TERMINATION AND CHANGE OF CONTROL BENEFITS

As at December 31, 2023 the Corporation was a party to an employment agreement (each a "Contract of Service") with each NEO.

Each Contract of Service stipulates that the Corporation may terminate the Contract of Service without prior notice irrespective of whether the termination is for "just cause" or is "without just cause" by providing to the particular NEO either: (a) the minimum period of prior notice of termination that the Corporation is required to provide to the NEO pursuant to the employment standards legislation applicable in the province in which the NEO is employed or (b) a payment in lieu of notice in an amount that is equal to the amount of wages that would have been earned by the NEO during such minimum period of prior notice, computed in accordance with the employment standards legislation applicable in the province in which the NEO was employed.

Notwithstanding the foregoing, each Contract of Service also stipulates that if the Corporation terminates the employment of the particular NEO within one hundred (100) days before, or at any time after, the day that a person or entity (or a group of persons or group of entities acting jointly or in concert) becomes the owner of, or is able to exercise control or direction over, more than 50% of the Common Shares of the Corporation, the minimum period of prior notice determined above shall be deemed to be the lesser of (a) twenty four months and (b) the aggregate of six months and one additional month for each calendar year throughout which the NEO was employed by the Corporation, by Pieridae Alberta Production Ltd. to the extent that such employment transpired after December 20, 2018 or by any other corporation affiliated with the Corporation.

Each Contract of Service includes, among other things, a covenant of confidentiality, non-solicitation and non-competition. If at any time the Contract of Service is terminated by the Corporation, or the employee resigns, the employee will continue to be subject to the covenant of confidentiality indefinitely and to be subject to the covenants of non-solicitation and non-competition for twelve months thereafter.

NAME	PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT WITH NO CHANGE OF CONTROL	ADDITIONAL PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT AFTER A CHANGE OF CONTROL	TOTAL PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT AFTER A CHANGE OF CONTROL
Alfred Sorensen	\$52,308	\$453,333	\$504,641
Adam Gray	\$10,577	\$206,250	\$216,827
Darcy Reding	\$11,346	\$183,333	\$194,679
Yvonne McLeod	\$28,846	\$208,333	\$237,179
Thom Dawson	\$19,231	\$229,167	\$248,397

TABLE 10

INFORMATION CONCERNING DIRECTOR COMPENSATION

The Corporation has structured director compensation with the following goals in mind:

- the imperative of attracting and retaining knowledgeable and experienced individuals who have integrity and who possess the specific skills commensurate with the Corporation’s requirements and objectives;
- external market competitiveness for talent and to the principles of equity and fairness while recognizing the Corporation’s objectives of fiscal prudence and good governance;
- the need to align the Corporation’s long-term success with the basis of compensation;
- the importance of recognizing the additional responsibilities undertaken by the Chair of the Board and the Chair of each committee; and
- the application of the Share Ownership Policy of the Corporation on directors.

Further to the review discussed above in “EXECUTIVE AND DIRECTOR COMPENSATION”, the external compensation advisors were retained to review the current director compensation structure and policies to benchmark them against those of the pre-approved peer group and to make recommendations to align the director compensation structure and policies with the peer group.

Prior to the review, the director compensation package consisted of an annual payment received in cash, as specified in the table below. A discretionary award of options was also available to be granted annually, and such option awards were in addition to the cash compensation. (Please see Table 12 for further information.)

POSITION	Total Annual Compensation 2022 (cash payment only)
Chair of the Board	\$135,000
Chair of the Audit Committee	\$100,000
Chair of all other Committees	\$95,000
other Directors	\$85,000

TABLE 11.1

As a result of the review, the Board replaced the discretionary option grants with a long-term incentive plan whereby grants are calculated as a determined percentage of base compensation. The long-term incentive plan to be utilised is the Deferred Share Unit Plan which is further discussed below. Resulting adjustments were made to align the approved compensation with certain prevailing policies (such as the Corporation’s Share Ownership Policy).

The following sets out the revised Directors Compensation Policy applicable from the date of this Meeting.

Position	Cash Retainer \$	DSU Grant (assumes min 25% grant) \$	Total Base Compensation \$
Chairperson	101,250	33,750	135,000
Director	63,750	21,250	85,000

TABLE 11.2

In addition to the Total Base Compensation noted above, the adopted Director Compensation Policy also provides that the Chair of the Audit Committee will receive a further \$15,000 per annum

and Chair of each other Committee will receive a further \$10,000 per annum, each of which amounts remain unchanged from the previous policy.

The Deferred Share Unit Plan

The Deferred Share Unit Plan (DSU Plan) for directors (excluding the CEO or other non-independent directors) replaces all future awards that would have previously been made under the stock option plan. Its purpose is to (i) align the interests of the Directors with those of the Shareholders of the Corporation and, (ii) to provide a compensation system for directors that, together with the balance of the director compensation package, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board.

Only cash compensation that would otherwise be paid to a director pursuant to the Director Compensation Policy is eligible to be paid out in Deferred Share Units (DSUs) on a value-for-value exchange, and the Plan prohibits discretionary grants.

As discussed above, the amended Directors Compensation Policy requires that the Total Base Compensation be paid in a combination of cash ("**Payment in Cash**") and deferred share units ("**DSU Grant**"). Each Director must receive a minimum of 25% of their Total Base Compensation as a DSU Grant, however a Director may elect to receive up to 100% of their Total Base Compensation as a DSU Grant. The annual percentage is nominated by each Director no later than fifteen (15) days prior to the start of the calendar year in which the Total Base Compensation is to be earned. In the case of a newly elected Director, or a Director holding office as of the Effective Date of the Plan (being March 21, 2023), within thirty (30) days from the date of the annual or annual and special meeting of shareholders at which they were elected as Director or the Effective Date of the Plan, as the case may be.

DSUs are notional securities granted to a Director and are related directly to the share price performance from the grant date to the date on which the DSUs are settled. DSUs cannot be settled until a Director ceases to hold office.

The Payment in Cash and DSU Grant are each made at or about the end of the first pay period following the end of each quarter. The value of each DSU Grant is calculated by dividing the dollar amount of the compensation payable in DSUs on the grant date by the volume weighted average trading price of the Shares for the five (5) trading days immediately preceding the grant date.

When a Director ceases to hold office (the "**Termination Date**"), the DSUs are redeemed as at that date, and the settlement amount is calculated by multiplying the number of DSUs held by the volume weighted average trading price of the Shares on the Exchange for the five (5) Trading Days immediately preceding the Termination Date and, for this purpose, the volume weighted average trading price shall be calculated by dividing the total value by the total volume of Shares traded for such period. This settlement formula thereby establishes an additional alignment between the Directors' interest and remuneration, and the interests of Shareholders.

DSUs are settled as soon as practical following the date the Director ceases to hold office, and before December 31 of the calendar year commencing immediately after the Termination Date.

DIRECTOR COMPENSATION TABLE

The following table sets forth information with respect to all compensation elements paid to the non-executive Directors of the Corporation during the year ended December 31, 2022.

NAME	FEES EARNED (a) (\$)	OPTION-BASED AWARDS (b) (\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	ALL OTHER COMPENSATION (\$)	TOTAL COMPENSATION (\$)
CHARLES BOULANGER	100,000	12,439	nil	nil	112,439
RICHARD COUILLARD (d)	56,949	37,497	nil	nil	94,446
DOUG DREISINGER (d)	50,954	35,413	nil	nil	86,368
CHARLE GAMBA (c)	34,274	nil	nil	nil	34,274
GAIL HARDING (d)	50,954	35,413	nil	nil	86,368
ANDREW JUDSON	95,000	12,439	nil	nil	107,439
PATRICIA MCLEOD (d)	80,927	41,663	nil	nil	122,590
KJELL PEDERSEN (c)	38,306	nil	nil	nil	38,306
KIREN SINGH	95,000	12,439	nil	nil	107,439
MYRON TÉTREAU (c)	54,435	nil	nil	nil	54,435

TABLE 12

Notes:

- (a) Represents the Payment in Cash made or due to directors for services in 2022, as set forth in the Directors' Compensation Policy.
- (b) To align with market practice, the estimated fair value of these options granted on September 15, 2022 has been calculated using the Black-Scholes-Merton model, with the following assumptions: expected volatility of 96%, risk-free interest rate of 3.6% and an expected life of 3.5 years.
- (c) Messrs Tetreault, Pederson and Gamba did not stand for re-election at the annual and special meeting of shareholders in 2022.
- (d) Messrs Couillard and Dreisinger and Mses Harding and McLeod joined the Board at the annual and special meeting of shareholders in 2022.

Directors were eligible to receive options under the Stock Option Plan and received such in 2022 as detailed below. However, following the review and implementation of the updated director compensation which saw the introduction of the DSU Plan, the Board concluded that, from March 21, 2023 onwards, the Stock Option Plan will no longer be used for Directors as compensation, bonuses or other awards. In this way the compensation package and policies better align the interests of the Directors with those of the Shareholders and the Corporation.

For the year ended December 31, 2022, the directors of the Corporation earned an aggregate total of \$671,935 in total annual compensation (exclusive of option-based awards). The directors

are reimbursed for all reasonable expenses incurred in the execution of their functions as directors of the Corporation. The aggregate total of such expenses was \$24,428.

SHARE-BASED AND OPTION-BASED AWARDS

The following table provides information concerning awards to the non-executive directors of the Corporation during the year ended December 31, 2022.

NAME	OPTION-BASED AWARDS ^(a)			
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (\$)	OPTION EXPIRY DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS ^(b) (\$)
Charles Boulanger	15,000	\$1.28	September 15, 2027	nil
Richard Couillard	45,000	\$1.28	September 15, 2027	nil
Doug Dreisinger	42,500	\$1.28	September 15, 2027	nil
Gail Harding	42,500	\$1.28	September 15, 2027	nil
Andrew Judson	15,000	\$1.28	September 15, 2027	nil
Patricia McLeod	50,000	\$1.28	September 15, 2027	nil
Kiren Singh	15,000	\$1.28	September 15, 2027	nil

TABLE 13

Notes:

(a) No share-based awards were issued during 2022.

(b) The closing trading value on the Toronto Stock Exchange of a Common Share on December 31, 2022, was \$1.25. The value is calculated based on the difference between the market value of the underlying shares at December 31, 2022 and the exercise price of the option.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table provides the value vested in relation to awards held by each non-executive director during the financial year ended December 31, 2022.

NAME	OPTION-BASED AWARDS (VALUE VESTED DURING THE YEAR) ^(a) (\$)	SHARE-BASED AWARDS (VALUE VESTED DURING THE YEAR) ^(b) (\$)
Charles Boulanger	nil	nil
Richard Couillard	nil	nil
Doug Dreisinger	nil	nil
Gail Harding	nil	nil
Andrew Judson	nil	nil
Patricia McLeod	nil	nil

NAME	OPTION-BASED AWARDS (VALUE VESTED DURING THE YEAR) (a) (\$)	SHARE-BASED AWARDS (VALUE VESTED DURING THE YEAR) (b) (\$)
Kiren Singh	nil	nil

TABLE 14

Notes:

- (a) All options granted to non-executive directors vest immediately at the time of grant. Because the exercise price was above the market price at the time of granting and vesting, the value vested during the year is nil.
- (b) No share-based awards were issued to directors during 2022.

INFORMATION CONCERNING GOVERNANCE

BOARD OF DIRECTORS

The mandate of the Board is to supervise the management of the affairs of the Corporation and to act in the best interests of the Corporation. The Board has a written mandate which includes a position description of the Chair, the text of which is reproduced in Schedule B to this Circular.

The Board meets at least once quarterly and at each meeting it reviews the activities of the Corporation. The frequency of the meetings of the Board and the nature of the items on the agenda will vary depending on the activities and priorities of the Corporation. The non-executive directors do not hold regularly scheduled meetings at which members of management are not in attendance. However, during each meeting of the Board and each meeting of its committees an in-camera session is held which excludes members of management (including directors who hold an executive office).

Alfred Sorensen is deemed to be a non-independent director of the Corporation pursuant to relevant securities legislation, and all other directors being proposed for re-election on pages 20 to 28 of this Circular, are deemed to be independent.

Each director, whether or not independent, is expected to exercise independent judgement at all times when discharging their responsibilities as a director of the Corporation. The Board is able to exercise independent supervision over management due to the fact that a majority of the members of the Board and of each of its committees is composed of non-executive directors and at every meeting of the Board and of each of its committees, the non-executive directors on the Board and each committee meet in camera in the absence of management. In addition, the Board's responsibilities include the appointment of the CEO, the approval of the CEO's primary duties as well as the terms and conditions (including compensation) of the CEO's employment by the Corporation. The role and responsibilities of the CEO are delineated and described in the Mandate of the Board and in the various policies approved by the Board and adopted by the Corporation, including the Policy Establishing Financial Authorities.

NOMINATION OF DIRECTORS

The Governance & Human Resources Committee is responsible for establishing and reporting to the Board a director succession plan and candidate identification and nomination process. To this end the committee develops and recommends the selection criteria for potential candidates that strives to attain a diversity of competencies, genders, personal qualities, geographical representations, business background, cultural backgrounds, experience, overall expertise, financial competency and independence, considering the Corporation's circumstances and needs.

At least annually, the Governance & Human Resources Committee will conduct an assessment of the Board, each committee and each individual director regarding their performance, effectiveness and contribution and report such findings to the Board, taking into consideration (i) in the case of the Board or a committee, its mandate, and (ii) in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

At least annually, the Governance & Human Resources Committee will assess the current composition, operation and organisation of the Board and the committees considering legal and regulatory requirements, considering the appropriate size of the Board and its committees with a view to facilitating effective decision making, and make recommendations relating to the foregoing to the Board for approval.

ADOPTION OF DIRECTOR TERM LIMIT POLICY

In 2023 the Governance & Human Resources Committee approved and recommended, and the Board adopted, a term limit policy, limiting a director's engagement to a maximum of 10 years commencing from the later of October 24, 2017 or, if the individual was not engaged with the Corporation as a Director on that date, the first day that the individual became a Director.

ORIENTATION AND CONTINUING EDUCATION

As the Corporation gained four new directors in 2022, an in-depth orientation program was undertaken which consisted of two full days of presentations and site visits. The CEO presented on matters pertaining to the history of the Corporation since 2012, the President & COO presented on matters pertaining to the Corporations engineering and production operations and the CFO presented on the financial situation and annual financial process and budget processes of the Corporation. The VP, HR & Corporate Services also presented on the compensation philosophy which included base salary, short term incentive program and the long-term incentive program. There were also site visits to the Jumping Pound facility and the Caroline facility which included presentations from their respective Superintendents and Foremen regarding the specific operations of each facility as well as a tour of each facility. New directors are also provided with copies of all mandates, policies and other key documents.

Directors keep themselves informed by receiving in advance, all information and materials regarding forthcoming board of directors' meetings and committee meetings. The workplan of the Board also provides multiple education seminars, on key strategic, risk and governance oversight

accountabilities. Topics in 2022 included reserve valuations, LNG project fundamentals, industry analysis and peer comparables, opportunities in hydrogen and cyber security risks and measures. Directors are expected to independently update their knowledge base on relevant matters and the Corporation supports them in updating or improving their skills with a total board budget of \$10,000 per annum in conjunction with the expectation of a co-contribution from each director.

The Corporation offers a regular program of voluntary seminars, webinars and “lunch n learn” sessions to all employees and independent directors on topics of import to the Corporation such as indigenous relations, GHG Emissions, TIER and Canada’s carbon tax, gas marketing and hedging, hydrogen and carbon storage.

BOARD COMMITTEES

In 2022 the Governance & ESG Committee undertook a review and assessment of the skills and expertise of the incumbent directors and the mandates of each of the committees. The review determined that the number of committees should be streamlined and that the scope and duties of the committees should be reorganised to ensure key functions were maintained and allocated to the appropriate committee. The reorganisation of the committees became effective October 6, 2022,

The Board now has three standing committees as indicated below.

PREVIOUS COMMITTEES	NEW COMMITTEES
Audit Committee	Audit & Risk
Reserves & HSE	Reserves, Health, Safety & Environment
Governance & ESG	Governance & Human Resources
Nomination & Compensation	

The Board will continue to ensure the proper functioning of itself and each committee by annually reviewing and assessing the effectiveness and contribution of individual directors. The Board has adopted a written mandate for each committee. Each such mandate includes a position description of the Chair of each committee.

Audit & Risk Committee

Information regarding the composition of the Audit & Risk Committee, the relevant education and experience of each committee member, the amount and nature of the fees that were paid by the Corporation to its external auditors and a copy of the mandate of the Audit & Risk Committee are disclosed on page 34 and Appendix D respectively of the Annual Information Form of the Corporation for the year ended December 31, 2022, a copy of which can be found under the Corporation’s profile on SEDAR at www.sedar.com and which was filed on SEDAR on March 22, 2023.

Governance and Human Resources Committee

The primary objective of the Governance & Human Resources Committee is to assist the board of directors of the Corporation in carrying out their duties and responsibilities regarding corporate governance, overseeing executive officer compensation and performance and reviewing public disclosure related to governance, executive and director compensation, board, individual director and committee effectiveness, director compensation, director nominations and reviewing public disclosure of the Corporation's annual environmental, social and governance ("ESG") report and associated ESG matters.

It also provides oversight of the Corporation's human resources strategy, policies and programs with special focus on management development and succession and leadership planning.

It is responsible for recommending policies regarding the director nomination process and to assess the qualifications, expertise and characteristics of its Board members, with the goal of a diverse, experienced and high-quality representation. In so doing, the Committee will consider such factors as independence, integrity, diversity, age, skills matrix and willingness and ability to devote adequate time and effort to Board responsibilities in the context of the existing composition, other areas that are expected to contribute to the Board's overall effectiveness and needs of the Board and its committees.

The Governance & Human Resources Committee is also charged with the overall responsibility of reviewing and recommending the Corporation's compensation philosophy, compensation policies that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance and monitoring the implementation of those policies. It is important to the Corporation to ensure that it can attract, motivating and retaining individuals who will contribute to the success of the Corporation.

To that end, it is specifically responsible for, among other things, monitoring their implementation, periodically reviewing those policies and specific compensation practices and plans of the Corporation and recommending appropriate changes to the Board for consideration, administering the Corporation's incentive plans, including the Stock Option Plans, RSU Plan and DSU Plan in accordance with their terms and recommending to the Board the granting of incentives as appropriate. The Governance & Human Resources Committee annually reviews and approves the goals and objectives of the Corporation relative to the evaluation of the CEO's performance and compensation, and periodically reviews the level of compensation of the members of the Board and its committees and recommends appropriate changes to the Board for consideration.

In discharging its responsibilities, the Governance & Human Resources Committee will seek the advice of the CEO. However, the CEO will not participate in the deliberations of the Governance & Human Resources Committee or the Board regarding the evaluation of the CEO's performance or on matters concerning his compensation. The Governance & Human Resources Committee may not delegate any of its responsibilities under its mandate to another entity or to an individual without the approval of the Board.

With regards to the Corporation's ESG framework, it will review and offer guidance and recommendations on the Corporation's ESG framework and consider and recommend policies that conform with this framework. In conjunction with the CEO, it shall assist the Board in setting the Corporation's general strategy on ESG matters including, amongst other things, the identification and management of material ESG risks and opportunities, reviewing any concomitant ESG goals, setting realistic future targets and the integration of such matters into the business strategy, processes and compensation philosophy of the Corporation.

The Governance & Human Resources Committee is comprised of Kiren Singh, who serves as the Chair), Gail Harding, Richard Couillard and Doug Dreisinger (each of whom is considered to be an independent member).

Ms. Singh has more than 25 years of experience in the energy industry including executive roles for publicly traded corporations. She has served as a board member and on human resource and governance committees which has included oversight of strategic planning and development, monitoring and measuring executive objective setting, performance metrics and compensation programs for private and crown corporations. Ms. Singh completed her Directors Education Program and received her ICD.D designation which included education on the role of the compensation committee and evaluating the CEO and succession planning and also completed the ICD course on HR & Compensation Committee Effectiveness.

Ms. Harding has more than 18 years' experience in governance and human resources matters as the Chief Legal Officer and Corporate Secretary for a publicly traded company, and as a board member of numerous Governance and Human Resources Committees, including positions as Chair of the Governance Committee and Chair of the Human Resources Committee. Ms. Harding holds the ICD.D designation and has also completed the ICD Program on Human Resources & Compensation Effectiveness.

Mr Couillard has over 30 years of senior management experience including 20 years in C Suite positions. He has extensive experience in the design and implementation of compensation programs with particular focus on the senior Management and Executive Teams. He has broad experience working with external compensation consultants in the design of these programs and stays current with trends in STI and LTI programs with emphasis on pay for performance. Mr. Couillard served for ten years on the Board of a large, publicly listed industrial service company with operations in Canada and the United States. He was a member of the Compensation Committee, including seven years as Chairman of the Committee

Mr Dreisinger has in excess of 30 years of broad Industry experience managing and leading Operating Business units in Canada, US and UK. During that time, Mr Dreisinger has helped design and implement a variety of Compensation plans and has engaged regularly with external advisers and experts to keep abreast of both current, and evolving trends, in Compensation and Governance

matters. Mr Dreisinger also has broad Governance and HR experience with Public, Private and Government Boards. He served as the Chair of the HR/Comp Committee for Connacher Oil & Gas; an Oilsands Company that went thru a re-structuring and successfully transitioned from a Public-to-Private entity. Mr. Dreisinger has also served on Government Board (Alberta Petroleum Marketing Association-APMC).

Reserves, Health, Safety & Environment Committee

The Reserves, Health, Safety & Environment Committee is responsible for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities, and reviewing and reporting to the Board on: (i) the Corporation's procedures relating to the disclosure of such information; (ii) the appointment of, or any changes to, the independent consultants engaged to report on the Corporation's oil and gas reserves pursuant to the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”); and (iii) the Corporation's procedures for providing information to the consultants.

The Reserves, Health, Safety & Environment Committee is also responsible for, among other things, reviewing the health, safety and environment policies of the Corporation and exercising oversight of the Corporation’s compliance with all applicable law in the conduct of its activities to ensure the ongoing protection by the Corporation of the health and safety of its employees and of the environment. In addition, with the combined effort of the Governance & Human Resources Committee, its purpose is to ensure that the Corporation carries out appropriate environmental and social practices or mandates in the areas in which it operates.

With regards to Environmental, Social and Governance (“ESG”) matters, the committee reviews and recommends to the Governance & Human Resources Committee the HSE Key Performance Indicators (“KPI”) to be included in the Corporation’s annual ESG report and ensures the processes and procedures are in place to verify the accuracy and completeness of the Corporation’s quantitative reporting of these KPIs. At least annually ensure the Committee and its members remain educated on the latest rules, regulations, industry trends and best practices regarding ESG and climate-related issues specific to the scope of the Committee.

Prior to filing the Statement of Reserves Data and Other Oil and Gas Information and related consultants' report required under NI 51-101, the Reserves, Health, Safety & Environment Committee meets with responsible management of the Corporation and the independent consultants to review the evaluation report, and thereafter reports to the Board and recommends, as appropriate, the approval, release and filing of the Statement of Reserves Data and Other Oil and Gas Information and related reports required under NI 51-101.

The Reserves, Health, Safety & Environment Committee is comprised of Richard Couillard, who serves as the Chair, Charles Boulanger, Doug Dreisinger and Andrew Judson (each of whom is considered to be an independent member).

COMPETENCIES AND SKILLS OF DIRECTORS

The following table indicates the experience and background, but not necessarily the technical expertise of each Nominee, based on the information provided by each individual in those particular categories that are most relevant to the Corporation and important to enable the Board to discharge its statutory and common law responsibilities.

	RANGE							
	3 = HIGH EXPERTISE 2 = MODERATE EXPERTISE 1 = MINIMAL OR NO EXPERTISE							
	CHARLES BOULANGER	RICHARD COUILLARD	DOUG DREISINGER	GAIL HARDING	ANDREW JUDSON	PATRICIA McLEOD	KIREN SINGH	ALFRED SORENSEN
STRATEGIC PLANNING	3	3	3	3	2	3	3	3
BUSINESS DEVELOPMENT	3	3	3	3	3	3	3	3
ENTERPRISE RISK MANAGEMENT	2	2	2	3	2	3	3	3
OIL & GAS OPERATIONS	3	3	3	1	2	1	2	2
RESERVES EVALUATION	3	3	3	1	3	1	1	2
HEALTH & SAFETY	2	3	3	2	2	2	2	3
AUDIT AND FINANCIAL REPORTING	3	2	2	3	2	2	3	3
CAPITAL MARKETS	3	2	3	3	3	2	3	3
ENVIRONMENTAL, SOCIAL, GOVERNANCE	2	2	2	3	2	3	3	3
HUMAN RESOURCES & COMPENSATION	3	2	3	2	2	3	2	3
LEGAL AND REGULATORY	2	2	2	3	2	3	2	3
INFORMATION TECHNOLOGY/CYBER SECURITY	2	2	2	2	1	2	2	2

The following is an indicative list of the skills/experience and competencies desired for the directors. This list is reviewed annually and modified as required in order to meet the needs of the Corporation.

Skill/Experience	Competency
Strategic Planning	Experience with developing, executing and evaluating business strategies to create value.
Business Development	Experience in evaluating, and executing on, value creation opportunities through acquisitions, divestitures, mergers or developmental opportunities.

Skill/Experience	Competency
Enterprise Risk Management	Experience in identifying, evaluating and managing a broad range of risks faced by an organization.
Oil & Gas Operations	Management or executive experience with oil and gas operations.
Reserves Evaluation	Experience with oil and natural gas reserves evaluation and reporting.
Health & Safety	Experience with regulations and workplace health and safety.
Audit and Financial Reporting	Experience in reading and analyzing financial statements and projections, and a strong understanding of IFRS reporting standards and internal controls over financial reporting.
Capital Markets	Experience in capital markets, corporate finance, investor relations and banking matters.
Environmental, Social, Governance	Experience or a strong understanding of good corporate governance and corporate responsibility practices, including ESG reporting.
Human Resources & Compensation	Experience with human resource matters including compensation structures, talent management and succession planning at the executive level.
Legal and Regulatory	Broad understanding of corporate, securities, land tenure and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, incentive and taxation policies or a legal background in more than one of these areas.
Information Technology/Cybersecurity	Experience with good information security practices, standards and controls to protect assets, systems, data and networks from damage and unauthorized access.

MANAGEMENT CONTRACTS

Although the Corporation and certain of its subsidiaries do regularly engage persons under contracts for service, none of those persons have authority to enter into legal relations for or on behalf of the Corporation or those subsidiaries or the authority to incur expenses or liabilities on their behalf. Accordingly, there are no management functions of the Corporation or any of its subsidiaries that are performed to any substantial degree by persons other than their respective directors or executive officers.

ETHICAL BUSINESS CONDUCT

The directors and senior management of the Corporation lead by example in setting the highest standards in ethical business conduct.

The Board has adopted a written code of ethical conduct for the directors, officers and other employees of the Corporation. The code of ethical conduct is posted on the website which the Corporation maintains at <https://www.pieridaenergy.com>.

In addition, the Corporation has adopted and maintains a whistleblower policy whereby individuals are invited to report incidents of actual or suspected non-compliance with the code of conduct, or any policy adopted by the Corporation, to the Chair of the Audit & Risk Committee via a third-party email address. All such reports are investigated in accordance with the whistleblower policy.

The Board has approved, and the Corporation has adopted, a disclosure policy which requires inter alia the disclosure of conflicts of interest. When the Board becomes aware of a transaction or an

agreement in which a director or executive officer has a material interest, that transaction or agreement is carefully considered by those directors who do not have a conflict of interest and is discussed and voted upon by them without the participation of any director or executive officer who has a conflict of interest.

ESG COMMITMENT

On October 11, 2022 the Corporation published its annual ESG Report, a copy of which can be downloaded at <https://pieridaenergy.com/our-responsibility/esg-report>. The Corporation's ESG vision is to be responsible stewards of the environment, foster mutually beneficial relationships with Indigenous Peoples in Canada and stakeholders, and be leaders in demonstrating good governance to establish trust, act with purpose and support the Corporation's business vision. Highlights in the report were:

- Increased the percentage of women on our Board from 12.5% to 37.5% from 2020 to 2022;
- Added a Director of ESG to the Senior Leadership Team in 2022;
- Performed and updated ESG Materiality Assessment with a broad range of stakeholders in 2022;
- Expanded ESG Data disclosures to follow the notable international reporting frameworks from the Sustainability Accounting Standards Board ("SASB"), in addition to referencing frameworks from the taskforce on Climate Related Financial Disclosures ("TSFD"), and the Global Reporting Initiative ("GRI");
- Held three Indigenous knowledge-sharing events in 2021 to 2022, including a Workshop for Senior Management;
- Reduced total Scope 1 GHG emissions by 5% from 2020 to 2021 and reduced combined Scope 1 and 2 GHG emissions intensity by 2.8% from 2020 to 2021; and
- Contributed \$135,000 of community and social investment funding in 2021 to organizations such as local food banks, community associations and events.
- Completed a Diversity Equity and Inclusion Survey and presented the results to the Board.

The ESG Report will be updated in Fall 2023.

INFORMATION CONCERNING DIVERSITY

DIVERSITY STATEMENT

The Corporation values the benefits that diversity can bring to its Board, senior leadership team and employee group. These benefits include the promotion of differing perspectives and the broadening of ideas while improving oversight, decision-making and governance. Moreover, diversity on the Board and the senior management team evidences the Corporation's dedication to diversity at all levels within the organization and its commitment to foster an inclusive corporate culture that is based on merit and is free of bias whether conscious or unconscious.

The Corporation believes that promotion of diversity within the organization is best served through an objective evaluation of the knowledge, experience, expertise and backgrounds of each nominee for director, and each potential employee, in close proximity to the needs of the Corporation and enhanced diversity but without undue focus on any single diversity characteristic. The Corporation at all times strives to maintain a Board and a senior leadership team which is comprised of talented and dedicated individuals with a diverse mix of knowledge, experience, expertise and backgrounds who collectively are able to execute upon the strategic objectives of the Corporation while reflecting the diversity within the society in which the Corporation operates. Thus, the Corporation will always consider candidates based on objective criteria having due regard to the benefits of diversity and the needs of the Corporation when assessing the composition of the Board, the senior leadership team and employee group and when identifying suitable candidates for election or appointment to the Board or for employment at every level.

Feedback received during the annual diversity survey indicated that the respondents were satisfied with the Corporation’s application of diversity in the workplace and its treatment of diversity as an ongoing education and awareness opportunity.

CANADA BUSINESS CORPORATIONS ACT REQUIRED DISCLOSURE ON DIVERSITY

The following information is disclosed by the Corporation pursuant to Section 172.1 of the CBCA and Part 8.2 of the Canada Business Corporations Regulations, 2001 SOR/2001-512, as amended (collectively, the “**Applicable Legislation**”).

For the purposes of complying with these disclosure obligations under Applicable Legislation, “designated groups” means women, Aboriginal peoples²⁵, persons with disabilities²⁶ and members of visible minorities²⁷ and, at the election of the Corporation, includes LGBT persons²⁸ and “members of senior leadership team” means the CEO, CFO, COO, and each director, vice president and senior vice president.

As stated in its written diversity statement, the Corporation values the benefits that diversity can bring to its Board, senior leadership team and employees. Thus, the level of the representation of designated groups on its Board and among members of the senior leadership team will be considered by the Corporation among the relevant factors in identifying and nominating candidates for election or re-election on the Board and in appointing members of the senior leadership team. That said, at this time the Corporation has not, for any designated group, established a target number or a percentage, or a range of target numbers or percentages, for members of that group to hold positions on its Board or to be members of the senior leadership team by a specific date. Each candidate for nomination to the Board or for membership to the senior leadership team must

²⁵“Aboriginal peoples” means persons who are Indians, Inuit or Métis.

²⁶ “Persons with disabilities” means persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who either (a) consider themselves to be disadvantaged in employment by reason of that impairment, or (b) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment, and includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.

²⁷ “Members of visible minorities” means persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.

²⁸ “LGBT persons” means persons, other than members of any other designated group, who self-identify as either lesbian, gay, bisexual or transgender.

be evaluated on a broad spectrum of criteria (including their degree of diversity) and in each case, the Corporation must engage the best candidate for each position.

As of the Record Date, the following table, based on self disclosure, indicates the current level of diversity on the Corporation’s Board and among the membership of senior leadership team.

	BOARD		SENIOR LEADERSHIP TEAM	
	NUMBER	%	NUMBER	%
WOMEN	3	43%	2	25%
ABORIGINAL PEOPLES	0	0%	0	0%
PERSONS WITH DISABILITIES	0	0%	0	0%
MEMBERS OF VISIBLE MINORITIES	1	14%	2	17%
LGBT PERSONS	0	0%	0	0%

TABLE 17

The Corporation monitors the level of diversity, including with reference to each designated group, that exists within the organization and prepares a written diversity report at least annually that discloses the level of that diversity that exists at that time on the Board, among the members of senior management and within the broader employee group. It is anticipated that over time, progress will be evident from a chronological comparison of the results disclosed in these written diversity reports.

The Corporation conducted its annual diversity survey among its directors, members of the senior leadership and employees in February 2023. The survey is voluntary and is undertaken on a confidential basis and participation was encouraged but was not mandatory. An email invitation to participate in the diversity survey was sent to three hundred and sixty-five individuals constituting all of the Corporation’s directors, employees and contractors. One hundred and eighty-two responses were received representing a 50% response rate.

The following table depicts certain of the personal characteristics of the individuals who participated in the diversity survey.

	NUMBER OF INDIVIDUALS	%
WOMEN	47	25.82%
ABORIGINAL PEOPLES	11	6.25%
PERSONS WITH DISABILITIES	11	6.25%
MEMBERS OF VISIBLE MINORITIES	17	9.66%
LGBT PERSONS	8	4.55%

TABLE 18

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Common Shares is Odyssey Trust Company, having offices at Suite 702 – 67 Yonge St, Toronto, Ontario M5E 1J8.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers or employees of the Corporation, nor any associate or affiliate of any of them, is or was indebted, directly or indirectly, to the Corporation or any of its subsidiaries at any time since January 1, 2022.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, there were no material interests, direct or indirect, of any director or executive officer of the Corporation, any proposed director of the Corporation, any other “informed person” (as such term is defined in NI 51-102 – Continuous Disclosure Obligations), any person who, to the knowledge of the directors or officers of the Corporation, beneficially owns or exercises control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation, or any associate or affiliate of any of the foregoing, in any transaction since January 1, 2022 or in any proposed transaction which has materially affected, or would materially affect, the Corporation or any of its subsidiaries.

INDEMNIFICATION OF DIRECTORS AND SENIOR MANAGEMENT

The Corporation covenants to indemnify and save harmless the directors and senior management of the Corporation and its affiliated entities from and against any and all losses, liabilities, claims, damages, fines, penalties, costs, charges or expenses (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and client basis, other professional fees, out-of-pocket expenses for attending proceedings including discoveries, trials, hearings and meetings, and any amount for which the indemnified is liable by reasons of any statutory provision whether civil, criminal or otherwise, and whether such claim is anticipated, threatened, pending, commenced, continued or completed and the foregoing includes any appeal, as well as the amount of any taxes or interest payable as a result of other payments made thereunder) suffered or incurred by the indemnified, directly or indirectly, as a result or by reason of the indemnified being or having been a director or officer of the Corporation or any of its affiliated entities or by reason of any action taken or not taken by the indemnified in the capacity of director or officer of the Corporation or of any of its affiliated entities, provided that he or she acted honestly and in good faith with a view to the best interests of the Corporation, and, in the case of a criminal or administrative action or proceeding, that he or she had reasonable grounds for believing that his or her conduct was lawful. The policy provides further that such costs,

charges or expenses must not be suffered or incurred as a result of the fraud, dishonesty or wilful default by the indemnified.

LIABILITY INSURANCE FOR DIRECTORS AND SENIOR MANAGEMENT

The Corporation maintains a policy of insurance for the benefit of its directors and members of its senior management which cover them from losses (including damages, costs and similar amounts) which they suffer or incur as a result or by reason of being, or having been, a director or a member of its senior management except to the extent that such losses are suffered or are incurred as a result of their own fraud, dishonesty or wilful default. The insurance policy, effective October 1, 2022, and expiring on September 30, 2023, provides coverage of \$20 million per event and per policy year.

EQUITY COMPENSATION PLAN INFORMATION

Other than the Stock Option Plan Number One and Stock Option Plan Number Two, the Corporation does not maintain any other compensation plans under which Common Shares are authorized for issuance. The following table sets forth information regarding the Corporation's Stock Option Plans as at December 31, 2022:

PLAN CATEGORY	NUMBER OF COMMON SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF COMMON SHARES REMAINING AVAILABLE FOR FUTURE ISSUE UNDER EQUITY COMPENSATION PLANS ^(a)
Equity compensation plans approved by security holders (i.e. Stock Option Plan Number One)	4,314,500 ^(b)	\$1.32	10,215,965 ^(c)
Equity compensation plans not approved by security holders (i.e. Stock Option Plan Number Two)	1,545,869 ^(d)	\$0.90	0 ^(e)
Total	5,860,369	\$1.27	10,215,965

TABLE 15

Notes:

- (a) The number of Common Shares remaining available for future issuance under equity compensation plans exclude the number of Common Shares that are to be issued upon the exercise of the options which are currently outstanding.
- (b) Represents the number of Common Shares to be issued upon exercise of outstanding options that were granted under the Stock Option Plan Number One with the approval of the Board.
- (c) Represents the number of Common Shares remaining available for future issuance under the Stock Option Plan Number One excluding the number of Common Shares remaining available for future issuance under the Stock Option Plan Number Two.
- (d) Represents the number of Common Shares to be issued upon exercise of outstanding options that were granted under the Stock Option Plan Number Two with the approval of the Board.

- (e) The Corporation does not intend in the future to grant any stock options under Stock Option Plan Number Two. Therefore, all stock options granted in the future will be granted under Stock Option Plan Number One, as amended.

As at the Record Date, the number of common shares remaining available for future issue under the Amended and Restated Stock Option Plan is 10,582,265.

Stock Option Plans

As of the Record Date stock options for the issuance of a total of 158,971,336 Common Shares are outstanding. See the section entitled *“Information Concerning Executive Compensation”* for additional information pertaining to stock options held by the executive officers and the directors of the Corporation.

OTHER BUSINESS

Management knows of no amendment, variation or other matter to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

SHAREHOLDER PROPOSALS

Pursuant to the provisions of the Canada Business Corporations Act (“CBCA”), any Shareholder wishing to present a proposal to be considered for inclusion at the next annual meeting of Shareholders in 2024 must submit such proposal to the Corporation to be received during the prescribed period which is the 60-day period that begins on the 150th day before the anniversary of the previous annual meeting of shareholders²⁹. Any such proposal must meet all the requirements of the CBCA and the regulations. A shareholder proposal must be addressed to the Corporate Secretary and either (i) posted to Pieridae Energy Limited at 308 - 4th Avenue S.W., Suite 3100, Calgary, Alberta, Canada T2P 0H7, or (ii) emailed to legal@pieridaeenergy.com.

ADVANCE NOTICE BY-LAW

By-Law No.3: The Advance Notice By-Law (the “By-Law”) was adopted by the Board on February 6, 2020 and confirmed by the Shareholders at the Annual and Special Meeting of Shareholders on May 26, 2020. The by-law establishes the procedures, timeframe and forms which a shareholder must follow in order to nominate a person for election as a director of the Corporation at the Meeting.

²⁹ Canada Business Corporations Regulations, 2001, SOR/2001-512, Part 6, when read in conjunction with Section 137(5)(a) of the CBCA.

To be timely, a nominating shareholder's notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than thirty (30) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date on which the first public announcement (the "Notice Date") of the date of the annual meeting was made by the Corporation, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date;
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made by the Corporation; and
- (c) in the case of an annual meeting (including an annual and special meeting) of shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy related materials, not less than forty (40) days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the tenth (10th) day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the fifteenth (15th) day following the Notice Date.
- (d) Each of the notice periods set forth above shall reset if the meeting is adjourned and/or postponed, and for these purposes the date on which the first public announcement of the date of the meeting was made shall be the date of the first public announcement of the adjournment and/or postponement.

The notice must be addressed to the attention of the Corporate Secretary and delivered by either (i) personal delivery to Pieridae Energy Limited 308 - 4th Avenue S.W., Suite 3100 , Calgary, Alberta, Canada T2P 0H7 (ii) facsimile to (403) 261 5902, or (iii) email to legal@pieridaenergy.com and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent my facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address noted above. If delivery or electronic communications is made on a day which is not a business day or later than 5.00 pm Mountain Time on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the By-Law and, if any proposed nomination is not in compliance with the By-Law, to declare that such defective nomination shall be disregarded. Notwithstanding the foregoing, the Board may, in its sole discretion, waive all or any requirements in the By-Law. A copy of the By-Law can be found on our website (www.pieridaenergy.com).

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR at www.sedar.com.

Additional financial information is provided in the Corporation's comparative financial statements for the year ended December 31, 2022, and related and management discussion and analysis which can be found under the Corporation's profile on SEDAR at www.sedar.com or on the Corporation's website at www.pieridaenergy.com. Shareholders may also obtain these documents, without charge, upon request sent by mail to the CFO at Pieridae Energy Limited, 308 – 4th Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 0H7 or sent by email to legal@pieridaenergy.com.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED as of the March 27, 2023.

"Alfred Sorensen"

Alfred Sorensen
Chief Executive Officer

SCHEDULE A – AMENDED AND RESTATED STOCK OPTION PLAN

1 Definitions and interpretation

1.1 Definitions

Unless otherwise required by the context or subject matter, the following terms, as used herein, have the meanings set forth below.

- a) **Affiliate** has the meaning given to that term in the *Securities Act* (Alberta), including the rules and regulations promulgated thereunder, as may be amended from time to time.
- b) **Black-Out Period** has the meaning given to that term in Section 3.4 hereof.
- c) **Board of Directors** means the board of directors of the Corporation.
- d) **Business Day** means a day that is not a Saturday, Sunday or a general holiday in Alberta.
- e) **Change of Control** means:
 - (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation;
 - (ii) a consummated arrangement, amalgamation, merger, consolidation, take-over bid, compulsory acquisition or similar transaction involving (directly or indirectly) the Corporation if, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction;
 - (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other

disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;

- (iv) the passing of a resolution by the Board of Directors or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement);
 - (v) the election at a meeting of the Corporation's Shareholders of a number of directors to the Board of Directors who were not director nominees proposed to the Corporation's Shareholders by the Corporation's prior Board of Directors, and would represent a majority of the Board of Directors; or
 - (vi) the appointment of a number of directors to the Board of Directors which would represent a majority of the Board of Directors and which were nominated by any holder of Shares of the Corporation or by any group of holders of Shares of the Corporation acting jointly or in concert and not approved by the Corporation's prior Board of Directors.
- f) ***Constructive Dismissal*** means constructive dismissal as defined at common law; however, it does not include any of the following with respect to an Optionee:
- (i) a reduction in compensation unless greater than 15% of the Optionee's total compensation;
 - (ii) a reduction in compensation, regardless of quantum, where such reduction in compensation has been applied in a similar manner to all or substantially all employees of the Corporation;
 - (iii) a change in duties where such change is reasonably required pursuant to a reorganization or restructuring of the Corporation;
 - (iv) a re-location of position;
 - (v) any material change to the Optionee's terms and conditions of employment made with the consent of the Optionee; and

- (vi) a promotion.
- g) **Corporation** means Pieridae Energy Limited and any corporation which it controls pursuant to the *Canada Business Corporations Act*.
- h) **Date of Grant** in respect of an Option means the date on which the Board of Directors grants the particular Option in favour of an individual.
- i) **Eligible Persons** means directors, senior executives and employees of the Corporation and Service Providers to the Corporation.
- j) **Event** has the meaning given to that term in Section 3.8 hereof.
- k) **Exchange** means the Toronto Stock Exchange.
- l) **Exercise Notice** in respect of an Option means the notice regarding the exercise of the particular Option, in the form approved by the Corporation, duly executed by the Optionee.
- m) **Exercise Period** in respect of an Option means the period during which the particular Option may be exercised, which runs from the Date of Grant inclusively, provided that all of the regulatory approvals have been obtained, up to and including the Expiry Date.
- n) **Exercise Price** in respect of an Option means the price at which the Option may be exercised, as established pursuant to Section 3.6 hereof.
- o) **Expiry Date** in respect of an Option means the date established in respect thereof pursuant to Section 3.3 hereof.
- p) **Insider** has the meaning given to that term in the TSX Company Manual ¹.
- q) **Insider Participation Limits** means, collectively, the limits set out in Section 2.6 hereof.
- r) **Market Value** means the closing price of the Shares on the Exchange on the trading day immediately preceding the Date of Grant.
- s) **Notice** has the meaning given to that term in Section 3.4 hereof
- t) **Option Certificate** in respect of an Option means the certificate representing the Option.
- u) **Option** or **Options** means, as the case may be, one or several options granted pursuant to the Plan for the purpose of purchasing Shares.

- v) **Optionee** in respect of an Option means the employee, director, senior executive or Service Provider, as the case may be, their Personal Representative that hold the Option.
- w) **Personal Representative** of an Optionee means (i) in the case of a deceased Optionee, the Optionee's legatees in accordance with the terms and conditions of the Optionee's last will or the Optionee's representative with respect to the Optionee's estate; and (ii) in the case of an Optionee who, for any reason whatsoever, is incapable of managing his or her affairs, the person legally authorized to act on behalf of such Optionee.
- x) **Plan** means this Stock Option Plan.
- y) **Security Based Compensation Arrangement** has the meaning given to that term in the TSX Company Manual ².
- z) **Service Provider** has the meaning given to that term in the TSX Company Manual ³.
- aa) **Share** or **Shares** means, as the case may be, one or several common shares in the share capital of the Corporation.
- bb) **Shareholder** means a holder of one or more Shares.
- cc) **Successor Corporation** has the meaning given to that term in Section 5.4 (a) hereof.
- dd) **Termination Date** means the date on which an Optionee ceases to be an Eligible Person as a result of a termination of employment or engagement with the Corporation for any reason, including death, disability, resignation, or termination with or without cause, but not including an Optionee's absence from active employment or engagement with the Corporation during a period of authorized leave of absence. For greater certainty, the Termination Date shall be the last day of the Optionee's actual and active employment or engagement with the Corporation, whether such day is selected by agreement with the individual, unilaterally by the Corporation and whether with or without advance notice to the Optionee. No period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by common law or otherwise, in respect of such termination of employment or engagement that follows or is in respect of a period after the Optionee's last day of actual and active employment or engagement will be considered as extending the Optionee's period of employment or engagement for the purposes of determining his or her entitlement under this Plan.

1.2 Governing Law

The Plan is established pursuant to the laws in effect in the Province of Alberta and the policies of the Exchange, and its provisions shall be interpreted pursuant to such laws and policies.

1.3 Headings

The headings herein are for the convenience of the reader and shall in no way affect the interpretation of the Plan.

2 Purpose and Participation

2.1 Purpose

The Plan was designed to allow the Corporation, through Shares, to retain and motivate competent directors, senior executives, employees and Service Providers, to compensate directors, senior executives, employees and Service Providers to whom the Board of Directors may grant Options pursuant to the Plan from time to time further to their efforts in attaining the goals of the Corporation and to allow such individuals to purchase Shares as an investment, and to encourage them to act in this manner.

2.2 Participation

From time to time, the Board of Directors will designate, at its discretion, the Eligible Persons who are to be granted Options and will establish the number of Shares with respect to which each Option may be exercised and grant the Options based on these decisions. The granting of an Option to an Eligible Person will not, at any time, entitle such person to receive Options thereafter, nor will it prevent such person from receiving Options thereafter.

2.3 Notice of Granted Options

- a) After the Board of Directors has approved the granting of an Option, any member of the Board of Directors or any other individual designated by the Board of Directors for such purpose shall give written notice of the grant (a **Notice**) to the applicable Eligible Person and shall include therewith the Option Certificate representing the Option thus granted.
- b) In the case of an Option which is proposed to be granted to an employee of the Corporation or a Service Provider, no such Option shall be granted by the Board of Directors to such individual unless and until the Corporation has declared that such individual is a *bona fide* employee of the Corporation or a Service Provider, as the case may be.

2.4 Copies of the Text of the Plan

At the time that a Notice is delivered to an Eligible Person upon the initial granting of an Option, that Eligible Person must be provided with either one copy of the text of the Plan or the address of the website from which the text of the Plan can be downloaded by the Eligible Person, and within ten (10) days following the receipt of the Notice and the accompanying Option Certificate, each such Eligible Person shall sign that Notice acknowledging that the Eligible Person has read the Plan and unconditionally agreeing to the terms and conditions stipulated in the Plan, the Option Certificate and the Notice. Notwithstanding any other provision hereof, the grant of such Option by the Corporation to that Eligible Person shall not be effective unless and until the Eligible Person complies with the requirements of this Section 2.4 and all of the other conditions herein relating to such Grant are satisfied.

2.5 No Additional Rights

The Plan does not entitle an Optionee to be, or continue to be, an employee or a director of the Corporation nor does it create an obligation on the part of the Optionee. The Plan does not grant the Optionee any rights as a Shareholder with respect to the Shares underlying the Options before such time as the Optionee has exercised his or her Options, or a part thereof, and he or she is duly registered as a Shareholder. All decisions regarding the granting of Options shall be made at the sole discretion of the Board of Directors. The Plan does not hinder, limit, force, restrict, or prevent the Board of Directors with respect to the allocation or the issuance of Shares or of any other security of the Corporation, except as specified in the Plan.

2.6 Participation Limits

- a) The maximum number of Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- b) The maximum number of Shares issued to Eligible Persons who are Insiders within any one year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).

2.7 Non-Employee Director Participation Limits

- a) The number of Shares that are issuable to Eligible Persons who are non-employee directors under this Plan and any other Security Based Compensation Arrangements of the Corporation shall not at any time exceed \$150,000 worth of Shares annually

per non-employee director, of which no more than \$100,000 may be in the form of Options.

3 Terms and Conditions of the Options

3.1 Issuance of Shares by the Board of Directors

The Shares to be issued to Optionees upon the exercise of the Options shall not be issued by the Corporation unless and until the issuance of such Shares is duly authorized by the Board of Directors.

3.2 Number of Shares

The Options to be granted under the Plan must not be exercisable for more than 10% of the Shares issued and outstanding at the time the Options are granted, provided that if the Options expire or are terminated for any reason before they vest and are exercised, the number of Shares underlying such expired or terminated Options may again be available under the Plan.

3.3 Term of Options

Subject to Sections 3.5 and 5.2 hereof, the Expiry Date of an Option is the date established by the Board of Directors at the time of the granting of the particular Option, provided that such date does not extend beyond the fifth anniversary of the Date of Grant of the Option, or such later date as determined in accordance with Section 3.4 hereof.

3.4 Black-Out Periods

Despite any other provision of this Plan, if the Expiry Date of an Option falls on, or within nine (9) Business Days immediately following, a date upon which an Optionee is prohibited from exercising an Option due to a blackout period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation) (a Black-Out Period), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.

3.5 Termination of Options

Subject to Section 3.1 hereof, Optionees may exercise an Option in whole or in part, at any time or from time to time during the Exercise Period, provided that the Option has vested on or before such time pursuant to the terms of the Option Certificate evidencing such Option and provided that, with respect to the exercise of a part of an Option, the Board of Directors shall be entitled, at any time and from time to time, to establish the number of Shares with respect to which an Optionee may exercise a part of the Option held by such Optionee. All of the Options, or parts of an Option, that have not been exercised during the Exercise Period

will terminate and become null and void on the day immediately following the Expiry Date. The Expiry Date of an Option will correspond to the earlier of:

- a) the date established by the Board of Directors as the Expiry Date at the time of the granting of the Option; and
- b) the date established pursuant to subparagraphs (i) to (v) hereinafter:
 - (i) *Death* – Upon the death of an Optionee who is an Eligible Person, the date established hereby in respect of each Option held by such Optionee at the date of death is the earlier of (A) the Expiry Date of the Option and (B) the expiry of a period of ninety (90) days following the Termination Date; provided that any such Options, or the remainder thereof, which are vested at the Termination Date and which have been granted to such Optionee may be exercised on or before such date by the Optionee’s Personal Representative in accordance with the terms of the Plan
 - (ii) *Cessation of Employment* – If an Optionee at any time on a particular day ceases to be employed by the Corporation (other than as a consequence of the termination of employment by the Corporation for cause), or ceases to hold an office of director of the Corporation, or ceases to be engaged by the Corporation as a Service Provider, for any reason other than death and the Option is held by the Optionee at that time, the date established hereby in respect of such Option is three hundred and sixty five (365) days after the Termination Date if such Option was granted to the Optionee by the Corporation at any time on or before October 24, 2017, and in any other case, the date established hereby in respect of such Option is ninety (90) days after the Termination Date.
 - (iii) Notwithstanding subparagraphs (i) and (ii) above, the Board of Directors may, at its discretion and subject to the approval of the Exchange, if required, by means of a prior notice sent to an Optionee or to his or her Personal Representative, allow an Option, or part of an Option, to remain valid and in effect, and may direct that the Expiry Date of an Option or part of an Option held by the Optionee be deemed to be the Termination Date, or a date after any of such events.
 - (iv) *Termination of Employment for Cause* – If the employment of an Optionee is terminated for cause, the date established hereby in respect of each Option held by such Optionee is the first day that the Optionee ceased to be employed by the Corporation after expiration of the applicable period of notice of termination, if any.
 - (v) *Discretion of the Board of Directors* – The Board of Directors may, at any time or from time to time, with the consent of an Optionee and, subject to the

approval of the Exchange, accelerate or postpone the Expiry Date of an Option or of any part of an Option held by the Optionee if the Board of Directors establishes, at its discretion, that this measure is warranted under the circumstances and provided that the Expiry Date of the Option does not extend beyond the fifth anniversary of the Date of Grant.

3.6 Exercise Price

- a) No consideration will be payable with respect to the granting of an Option. Consideration will be payable pursuant to paragraph 3.6(b) hereunder.
- b) At the time of the granting of an Option, the Board of Directors shall establish the price at which an Optionee may purchase an underlying Share upon the exercise of his or her Option. Said price will not be less than the Market Value.
- c) The Board of Directors may reduce the Exercise Price of an Option with the consent of the Optionee, subject to the prior approval of the disinterested Shareholders of the Corporation and any other requirements of the Exchange, if the Optionee is an insider.

3.7 Assignment of Options

Options may not be assigned or transferred. However, to the extent provided for pursuant to Section 4.1 hereof, the Personal Representative of an Optionee may exercise Options during the Exercise Period.

3.8 Adjustments

Prior to the exercise of an Option, if a stock dividend is paid with respect to the Shares or if the Shares are consolidated, subdivided, converted, exchanged, or redesignated, or if they are in any way replaced (collectively an **Event**), the Option, to the extent that it has not been exercised, will, subject to the approval of the Exchange, entitle the holder thereof, upon its exercise pursuant to its terms and conditions, to the number and type of Shares, other securities or assets that the holder would have been entitled to receive as a result of the Event as if such holder were the owner of the underlying Shares at the time the Event occurred, and the Exercise Price of the Option will be the same as if the underlying Shares initially subject to the Option had been purchased pursuant hereto. No fractional Shares will be issued upon the exercise of the Options, and if an Optionee is entitled to a fraction of a Share as a result of an Event, then such Optionee will only be entitled to purchase the nearest lower full number of Shares and no payment or any other adjustment will be made with respect to the fractional participation that is not taken into account. If an Event occurs, the number of Shares that the Board of Directors has authorized pursuant to the Plan as set forth in Section 3.2 hereof will be adjusted accordingly.

4 Exercise of Options

4.1 Exercise of Options

Only the Optionee or his or her Personal Representative, as the case may be, has the right hereunder to exercise an Option in accordance with the provisions of the Plan. An Optionee, or his or her Personal Representative, may exercise an Option in whole or in part, at any time or from time to time during the Exercise Period provided that the Option has vested on or before such time pursuant to the terms of the Option Certificate evidencing such Option, by delivering to the Board of Directors:

- a) an Exercise Notice duly signed by the Optionee or his or her Personal Representative, as the case may be;
- b) the applicable Option Certificate;
- c) if the Exercise Notice is signed by a Personal Representative of the Optionee whose Options are exercised, any documentation that the Corporation may request; and
- d) and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of (i) the aggregate Exercise Price of the underlying Shares that are being purchased as a result of the exercise of the Option and (ii) the amount of the applicable withholding tax as determined by the Corporation.

4.2 Issuance of Shares

As soon as possible after the receipt of the Exercise Notice, the Board of Directors will direct management to ensure that a certificate for the Shares thus purchased on the exercise of an Option is delivered to the Optionee or his or her Personal Representative, as the case may be. If the number of Shares thus purchased is less than the number of Shares represented by the Option Certificate that is surrendered, the Board of Directors shall make a note thereon indicating the number of Shares with respect to which the Option was exercised and shall return such Option Certificate to the Optionee or his or her Personal Representative, as the case may be, at the same time as the Share certificate mentioned above is issued.

4.3 Conditions of the Issuance

The issuance of Shares by the Corporation as a result of the exercise of an Option is subject to the laws (including the *Income Tax Act* (Canada), rules, and regulations of all of the authorities and public bodies applicable with respect to the issuance and the distribution of Shares, including but not limited to the Exchange. The Optionee agrees to comply with all of these laws, rules, and regulations, to provide the Corporation with the information, reports, and covenants necessary in order to comply with such laws, rules, and regulations, and to fully collaborate with the Corporation with respect to such compliance.

5 Administration, Amendments and Termination of the Plan

5.1 Administration

The Board of Directors will administer the Plan in its sole discretion. The Board of Directors will have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the Board of Directors deems proper and in the best interests of the Corporation, and to reserve and issue Shares issuable pursuant to the exercise of Options. Such regulations and provisions may include the delegation to a committee of the Board of Directors of such administrative duties and powers of the Board of Directors as it may, in its sole discretion, deem fit. The determinations of the Board of Directors in the administration of the Plan shall be final and conclusive.

5.2 Amendment

The Board of Directors may, at any time and from time to time, without the approval of the Shareholders (other than any required regulatory or Exchange approvals), suspend, discontinue or amend this Plan or any Option. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:

- a) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange;
- b) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein;
- c) amendments respecting the administration of the Plan;
- d) changing the vesting provisions of the Plan or any Option Certificate;
- e) changing the termination provisions of any Option that does not entail an extension beyond the original Expiry Date; and
- f) any other amendment that does not require the approval of Shareholders under Section 5.3 hereof.

5.3 Amendments Requiring Shareholder Approval

Notwithstanding Section 5.2 hereof, specific Shareholder approval is required for:

- a) any change to the maximum number of Shares issuable from treasury under the Plan, including an increase to the fixed maximum percentage or a change from a

fixed maximum percentage to a fixed maximum number of Shares, other than an adjustment pursuant to Section 3.8;

- b) any amendment which reduces the exercise price of any Option after the Options have been granted or any cancellation of an Option and the substitution of that Option by a new Option with a reduced price, except in the case of an adjustment pursuant to Section 3.8;
- c) any amendment which extends the Option Term beyond the original expiry date, except as provided in Section 3.4 hereof;
- d) any amendment to remove or to exceed the Insider Participation Limits;
- e) any amendment which would allow non-employee directors to be eligible for awards under the Plan on a discretionary basis or an amendment which would increase limits imposed on non-employee director participation pursuant to Section 2.7;
- f) any amendment which would permit any Option granted under the Plan to be transferable or assignable by any Eligible Person other than as allowed by Section 3.7;
- g) any amendment to the amendment provisions of this Plan found in Section 5.2 or this Section 5.3.

5.4 Change of Control

- a) In the event of a Change of Control, the surviving, continuing, successor or purchasing corporation or Affiliate thereof, as the case may be (the **Successor Corporation**), may either assume the Corporation's rights and obligations under outstanding Options or substitute for outstanding Options substantially equivalent options in the Successor Corporation in a manner that substantially preserves and does not impair the rights of the Optionees thereunder in any material respect.
- b) In the event that an assumption or substitution of Options is not made by the Successor Corporation in accordance with paragraph a) prior to or in connection with a Change of Control, all Options held by an Optionee as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control.
- c) If the employment of an Optionee is terminated by the Corporation during the one (1) year period after a Change of Control for any reason other than for Cause, or the Optionee resigns from his employment as a result of Constructive Dismissal, then any unvested Options held by the Optionee as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all Options that are vested or deemed to be vested may be exercised by the Optionee within 30 days from the Termination Date.

5.5 Retroactive Amendment

The Board of Directors may, from time to time and subject to the approval of the Exchange, retroactively amend the Plan provided they are permitted to do so under this Section 5 hereof, and, with the consent of the affected Optionees, retroactively amend the terms and conditions of the Options that have been granted until then.

5.6 Termination of the Plan

The Board of Directors may terminate the Plan at any time, provided that such termination does not affect the rights of any Optionee pursuant to any Option and does not amend the terms and conditions of any Option that has been granted to such Optionee before the date of such termination and, notwithstanding such termination, the Corporation, the Options, and the Optionees will continue to be subject to the provisions of the Plan.

SCHEDULE B – BOARD OF DIRECTORS MANDATE

1. PRIMARY OBJECTIVE

The primary objective of the Board in discharging its mandate is the effective and efficient conduct by the Corporation of its business and affairs in accordance with its articles, by-laws and policies, and in a manner and to the extent consistent with applicable law and with the purpose of enhancing and preserving shareholder value while taking into account the legitimate interests of employees, customers, lenders and the wider communities.

Accordingly, the Board will be concerned with such matters as strategic and financial planning, risk assessment and mitigation, senior management determination, corporate governance, public disclosure and compliance monitoring.

2. DIRECTORS

Each director has the duty to act in the best interests of the Corporation and in so doing must thoroughly understand the nature and extent of the Corporation's business and affairs while maintaining an acute awareness of the political, economic, social, legal and environmental realities and constraints prevailing in all jurisdictions in which the Corporation conducts, or proposes to conduct, its business and affairs. In exercising their powers and in discharging their duties, the directors shall:

- act honestly and in good faith with a view to the best interests of the Corporation;
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- disclose to the Corporation the nature and extent of any interest that the director has in a material contract or material transaction with the Corporation if the director is a party to the contract or transaction, is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction or has a material interest in a party to the contract or transaction;
- comply with the CBCA and the regulations enacted thereunder as well as with the Corporation's articles and by-laws; and
- comply with their obligations under applicable law and the policies adopted by the Corporation.

3. MANDATE

(a) statutory responsibilities

The Board has the statutory responsibility:

- to supervise the management of the business and affairs of the Corporation;
- to review and to approve the annual consolidated financial statements of the Corporation;
- to place before the shareholders at every annual meeting the annual consolidated financial statements of the Corporation, the report of the auditor and any further information respecting the financial position of the Corporation and the results of its operations required by the articles and by-laws of the Corporation.

The Board is also responsible for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:

- any submission to the shareholders of a question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of auditor, or appointment of additional directors;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of securities issued by the Corporation;
- the approval of a management proxy circulars;
- the approval of any take-over bid circular or directors' circular;
- the approval of annual consolidated financial statements of the Corporation; and
- the adoption, amendment or repeal of the by-laws of the Corporation.

(b) strategic and financial planning

The Board has the responsibility:

- to review and consider for approval the strategic and financial objectives of the Corporation proposed by management;
- to review and consider for approval the operating and capital budgets of the Corporation proposed by management;
- to review and consider for approval all amendments or departures from the established strategic and financial objectives and budgets of the Corporation as proposed by management; and
- to review financial performance of the Corporation measured against the financial objectives and budgets of the Corporation.

(c) risk assessment and mitigation

The Board has the responsibility:

- to ensure that management has identified and assessed the principal risks attendant on the business and affairs of the Corporation and has achieved an appropriate balance between the risks incurred and the anticipated benefits; and
- to confirm that there are systems in place which effectively monitor and mitigate those risks with a view to achieving the strategic and financial objectives of the Corporation.

(d) senior management determination

The Board has the responsibility:

- to appoint the CEO and approve the primary duties of the CEO;
- to approve the terms and conditions (including compensation) of the CEO's employment by the Corporation;
- to monitor and assess the performance of the CEO measured against the strategic and financial objectives of the Corporation;
- if requested by the CEO, to advise and counsel the CEO in the execution of the CEO's duties;
- in consultation with the CEO, to approve the appointment of the other Officers and to approve the terms and conditions (including compensation) of those Officer's employment by the Corporation; and
- to assess the adequacy of the processes implemented by the Corporation to train and develop the Officers and other members of senior management and to achieve the orderly succession of management.

(e) corporate governance

The Board has the responsibility:

- to implement appropriate structures and procedures to permit the Board to function independently of management;
- to analyze the definition of independence and its application to individual directors on a periodic basis;
- to establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and individual directors;
- to establish committees and approve their respective mandates and the limits of authority delegated to each committee;
- to establish limits of authority delegated to Officers; and
- to assess the integrity and professional conduct of the Officers and other members of senior management, to monitor their compliance with applicable law and the policies adopted by the Corporation and to evaluate their success in creating a corporate culture of integrity, professionalism and compliance with legal and corporate standards.

(f) public disclosure

The Board has the responsibility:

- to supervise the Corporation's compliance with its public disclosure obligations;
- to verify that the Corporation has in place policies and programs that ensure that the Corporation communicates effectively and on a timely basis with shareholders, employees, other stakeholders and the public generally;
- to verify that management of the Corporation discharges its responsibilities in relation to the preparation and fair presentation of the Corporation's annual consolidated financial statements in accordance with International Financial Reporting Standards;

- to verify that the financial performance of the Corporation is adequately reported to shareholders and regulators on a timely and regular basis;
- to verify the timely disclosure of any other developments that have, or could have, a material or significant impact on the business or affairs of the Corporation; and
- to report at least annually to the shareholders of the Corporation on its stewardship of the business and affairs of the Corporation.

(g) compliance monitoring

The Board has the responsibility to:

- to monitor the Corporation's compliance with applicable law in the conduct of its business and affairs including compliance with each of its contractual obligations;
- to monitor the Corporation's compliance with its policies and procedures in the conduct of its business and affairs including compliance with policies and procedures concerning such matters as the health and safety of its employees, the protection of the environment and ethical business conduct;
- to verify that the Corporation maintains adequate internal controls and information systems for the purpose of ensuring that the Corporation satisfies all of its compliance obligations; and
- to take remedial action if the Corporation fails to satisfy any of its compliance obligations.

(h) other responsibilities

The Board has the responsibility to:

- to ensure that all new directors receive an orientation respecting the Corporation's business and affairs and receive continuing education opportunities to enhance their skills; and
- to take such other action that is consistent with this mandate, the Corporation's articles, bylaws and policies and applicable law as the Board considers necessary or appropriate acting reasonably.

4. MEETINGS AND OPERATION

The Chair or any two directors may call a meeting of the Board, at such time and at such place as they determine, by giving at least forty-eight hours' notice of such meeting to all directors.

The Board shall meet as often as it determines, but not less frequently than quarterly.

Independent directors shall meet regularly and as often as necessary to fulfil their responsibilities, without non-independent directors and management participation.

A quorum for meetings of the Board will be a majority of directors and the rules for calling, holding, conducting and adjourning meetings of the Board will be those prescribed by the articles and by-laws of the Corporation.

The affirmative vote of a majority of the directors participating in any meeting of the Board is necessary for the adoption of any resolution.

The Chair will preside at all meetings of the Board, unless the Chair is not present, in which case the directors that are present will designate from among such members the Chair for the purposes of the meeting.

Agendas, approved by the Chair, will be circulated to the directors along with background information on a timely basis prior to the Board meetings. Minutes of all meetings of the Board will be taken. The minutes of the Board will be recorded and maintained.

All directors are expected to allow sufficient time to review meeting materials and be prepared for Board meetings. Directors are expected to attend most, if not all, Board meetings.

A director or directors may participate in a meeting of the Board by means of such telephonic, electronic or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other, and a director participating in such a meeting by any such means is deemed to be present at that meeting.

The CEO will attend meetings of the Board where matters relating to the functions as the Board are dealt with, unless otherwise excused from all or part of any such meeting by the Chair. The Board may invite such other Officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Board and assist in the discussion and consideration of the matters being considered by the Board.

Subject to the articles and by-laws of the Corporation and applicable law, the Board may delegate powers, duties and responsibilities to committees of the Board and the Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board, determining directors' compensation and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

5. INDEPENDENT ADVISORS

The Board has the authority to retain such independent advisors as it may consider necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

6. RESPONSIBILITIES OF THE CHAIR

The Chair of the Board is appointed at the pleasure of, and reports to the Board. The responsibilities of the Chair include:

- working collaboratively with the CEO to coordinate the affairs of the Board and to ensure effective relations with Officers, shareholders, other stakeholders and the public; and
- ensuring that the Board is organized properly, functions effectively, and meets its obligations and responsibilities in all aspects of its work.

(a) relationship with the CEO

The Chair will maintain unfettered bi-lateral communication with the CEO. The Chair's interaction with all other Officers is permitted as appropriate.

The Chair will work collaboratively with the CEO:

- to act as the principal sounding board, counselor and confidant for the CEO, including helping to review strategies, define issues, maintain accountability, and build relationships;
- to ensure the CEO is aware of concerns of the directors, other Officers, shareholders, other stakeholders and the public;
- to assess, in conjunction with the relevant committees, the performance of the CEO and provide input with respect to compensation and succession;
- to work closely with the CEO to ensure management strategies, plans, and performance are appropriately presented to the Board; and
- at the request of the CEO, to provide assistance on major policy issues such as acquisitions, divestitures, and new strategic initiatives.

(b) relationship with the board

The Chair will work collaboratively with the other members of the Board:

- to lead the Board in monitoring and evaluating the performance of the CEO, the accountability of the CEO, and the implementation of management succession and development plans;
- to ensure the Board receives adequate and regular updates from the CEO on all issues important to the interests of the Corporation;
- to maintain a liaison and communication with all directors and committee chairs to coordinate input from directors, and optimize the effectiveness of the Board and its committees; and
- in collaboration with the CEO, to ensure data requested by directors or committees is provided in a timely manner and meets their needs.

(c) board meetings

The Chair has the responsibility:

- to chair meetings of the Board;
- to ensure the directors are alert to their obligations to the Corporation, shareholders, management, other stakeholders and pursuant to law;
- to establish the frequency of meetings of the Board and review such frequency from time to time, as considered appropriate or as requested by the directors;
- to assist the appropriate committee in identifying a slate of directors to be nominated for election to the Board;
- to recommend board committees and their composition, review the need for, and the performance and suitability of, those committees and make such adjustments as are deemed necessary from time to time, all in conjunction with the CEO and the relevant committees;
- to prepare the agenda and coordinate the distribution of the agenda, information packages and related materials for meetings of the Board in consultation with the CEO;
- to coordinate the review and assessment of individual attendance, performance and compensation of directors and the size and composition, and overall performance of the Board, all in conjunction with the relevant committees of the Board;
- to endeavor to ensure that the Board's key discussions take place when as many of the directors as possible are present and that essential decisions are made when as many directors as possible are present (either in person or by telephone);
- to endeavor to ensure that Board meetings can be scheduled to deal with important business that arises outside of the regular periodic meetings;
- to endeavor to ensure that the Board is able to function independently of management;
- to consider, and allow for, when appropriate a meeting of all independent directors, so that Board meetings can take place without management being present;
- to endeavor to ensure reasonable procedures are in place to allow for directors to engage outside advisors at the expense of the Corporation, in appropriate circumstances; and
- to apply the Rules of Order:
- to ensure that the meeting is duly constituted;
- to ensure the meeting provides for reasonable accommodation;
- to confirm the admissibility of all persons at the meeting;
- to preserve order and the control of the meeting; and
- to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

(d) shareholder meetings

The Chair has the responsibility:

- to chair meetings of shareholders;
- to ensure, in collaboration with the CEO and relevant committees, that the Corporation's management and, where applicable, the Board are appropriately

represented at official functions and meetings with major shareholder groups, and other stakeholder groups;

- at the request of the CEO, to assist in representing the Corporation at specific shareholder presentations, or with senior levels of industry or government to promote specific corporate objectives;
- at the request of the CEO, to undertake public service activities in conjunction with the Corporation's charitable, educational and cultural objectives; and
- to apply the Rules of Order:
- to ensure that the meeting is duly constituted;
- to ensure the meeting provides for reasonable accommodation;
- to confirm the admissibility of all persons at the meeting;
- to preserve order and the control of the meeting;
- to appoint scrutineers if requested and instructing them in their duties;
- to rule on the validity of proxies; and
- to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

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