



**PETROTAL CORP.**

**NOTICE OF ANNUAL GENERAL AND  
SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 23, 2021**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**May 13, 2021**

**PETROTAL CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF THE HOLDERS OF COMMON SHARES  
TO BE HELD ON JUNE 23, 2021**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of PetroTal Corp. (the "**Corporation**") will be held solely by means of remote communication by webcast at <https://www.gowebcasting.com/11291> or by telephone at Canada/USA Toll Free: **1-800-319-4610** International Toll: **+1-604-638-5340**, on June 23, 2021 at **10:00 a.m.** (Calgary time), for the following purposes:

1. to receive the financial statements for the year ended December 31, 2020, together with the report of the auditors thereon;
2. to fix the number of directors to be elected at seven;
3. to elect directors for the ensuing year;
4. to appoint the auditors of the Corporation to hold office until the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration;
5. to ratify and approve the stock option plan of the Corporation, as described in the management information circular dated May 13, 2021 (the "**Information Circular**"); and
6. to transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

Only Shareholders of record at the close of business on May 6, 2021 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat, unless, after the Record Date, a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed share certificates or otherwise establishing that he or she owns such Common Shares, requests, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote such Common Shares, in which case such transferee shall be entitled to vote such Common Shares, as the case may be, at the Meeting.

The Corporation is continuously monitoring the current coronavirus (COVID-19) outbreak. In light of public health guidelines related to COVID-19 that continue to restrict indoor gatherings, the Corporation has decided to host the Meeting solely by means of remote communication. The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments relating to COVID-19. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Shareholders are encouraged to monitor the Corporation's website at <https://petrotal-corp.com/> or the Corporation's SEDAR profile at <http://www.sedar.com>, where copies of such press releases, if any, will be posted. The Corporation does not intend to prepare an amended Information Circular in the event of changes to the Meeting format. **All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described below, as in-person voting at the time of the Meeting will not be possible.**

**Shareholders are requested to date and sign the enclosed form of proxy and return it to the Corporation's agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, in the enclosed envelope provided for that purpose. Alternatively, Shareholders may complete their proxy online at [www.investorvote.com](http://www.investorvote.com) by following the instructions provided on the form of proxy. In order to be valid, proxies must be received by 10:00 a.m. (Calgary time) on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chair of the Meeting by email at [durch@petrotal-corp.com](mailto:durch@petrotal-corp.com) on the day of the Meeting prior to the commencement of the Meeting.**

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice.

Houston, Texas  
May 13, 2021

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Manuel Pablo Zúñiga-Pflücker*"

Manuel Pablo Zúñiga-Pflücker  
Director, President and Chief Executive Officer

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PETROTAL CORP.  
Suite 500, 11451 Katy Freeway  
Houston, Texas 77079

## MANAGEMENT INFORMATION CIRCULAR

### FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES OF PETROTAL CORP. TO BE HELD ON JUNE 23, 2021

Dated: MAY 13, 2021

#### PURPOSE OF SOLICITATION

This management information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of PetroTal Corp. (the "Corporation") for use at the annual general and special meeting of the holders (the "Shareholders") of the common shares (the "Common Shares") in the capital of the Corporation to be held solely by means of remote communication by webcast at <https://www.gowebcasting.com/11291> or by telephone at Canada/USA Toll Free: 1-800-319-4610 International Toll: +1-604-638-5340, on June 23, 2021 at 10:00 a.m. (Calgary time), and any adjournment or adjournments thereof (the "Meeting") for the purposes set forth in the Notice of Annual General and Special Meeting (the "Notice of Meeting") accompanying this Information Circular.

The Corporation is continuously monitoring the current coronavirus (COVID-19) outbreak. In light of public health guidelines related to COVID-19 that continue to restrict indoor gatherings, the Corporation has decided to host the Meeting solely by means of remote communication. The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments relating to COVID-19. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Shareholders are encouraged to monitor the Corporation's website at <https://petrotal-corp.com/> or the Corporation's SEDAR profile at <http://www.sedar.com>, where copies of such press releases, if any, will be posted. The Corporation does not intend to prepare an amended Information Circular in the event of changes to the Meeting format. **All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described under the heading "Proxy Information—Completion of Proxies" below, as in-person voting at the time of the Meeting will not be possible.**

#### RECORD DATE

The Shareholders of record on May 6, 2021 (the "Record Date") are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

1. such person transfers his or her Common Shares after the Record Date; and
2. the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the shareholders' list for the Meeting.

Any registered Shareholder of the Corporation (a "**Registered Shareholder**") at the close of business on the Record Date who delivers a proxy will be entitled to have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading "*Proxy Information - Completion of Proxies*".

## PROXY INFORMATION

### ***Solicitation of Proxies***

The solicitation of proxies is made on behalf of the management of the Corporation. The costs incurred in the preparation of the enclosed form of proxy (the "Form of Proxy"), Notice of Meeting and this Information Circular and costs incurred in the solicitation of proxies will be borne by the Corporation. Solicitation of proxies will be primarily by mail, but may also be in person, by telephone or by electronic means.

### ***Completion of Proxies***

The Form of Proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting.

The persons named in the enclosed Form of Proxy are Manuel Pablo Zúñiga-Pflücker, the President and Chief Executive Officer of the Corporation, and Douglas C. Urch, the Executive Vice President and Chief Financial Officer of the Corporation.

**A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.**

A proxy must be dated and signed by the Registered Shareholder or by his or her attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy.

In order to be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarial certified copy thereof, must be mailed or completed online at [www.investorvote.com](http://www.investorvote.com) so as to be deposited at the office of the Corporation's agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 10:00 a.m. (Calgary time) on the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chair of the Meeting by email at [durch@petrotal-corp.com](mailto:durch@petrotal-corp.com) on the day of the Meeting prior to the commencement of the Meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Corporation.

### ***Appointment and Revocation of Proxies***

A Registered Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Registered Shareholder or intermediary or his or her attorney authorized in writing, or, if the Registered Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either: (a) with the Corporation at its offices or at the office of the Corporation's agent, Computershare Trust Company of Canada, at any time prior to 10:00 a.m. (Calgary time) on the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (b) with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

### ***Exercise of Discretion by Proxies***

A Registered Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Form of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Form of Proxy. If the Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

### ***Notice-and-Access***

The Corporation has elected to use the "notice-and-access" provisions under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

The Corporation will use procedures known as "stratification" in relation to its use of the Notice-and-Access Provisions, meaning that Registered Shareholders will receive a paper copy of the Information Circular and other relevant information whereas Shareholders who do not own Common Shares in their own name ("**Beneficial Shareholders**") will be mailed a notification of availability of Meeting materials directing them to those websites where they can access the Information Circular and other relevant information (the "**Notice-and-Access Notification**").

The Corporation anticipates that notice-and-access will directly benefit the Corporation through substantial reductions in postage and printing costs. The Corporation believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy-related materials.

The Corporation will be delivering the Notice-and-Access Notification to non-objecting Beneficial Shareholders directly with the assistance of Broadridge Financial Solutions, Inc. ("**Broadridge**"). Management does not intend to pay for intermediaries to forward the Notice-and-Access Notification to Beneficial Shareholders who have objected to their intermediary/broker disclosing ownership information about them pursuant to applicable securities laws ("**Objecting Beneficial Shareholders**"). Consequently, an Objecting Beneficial Shareholder will not receive the Notice-and-Access Notification unless the Objecting Beneficial Shareholder's intermediary/broker assumes the cost of delivery.

Shareholders with questions about notice-and-access can call Broadridge Financial Solutions, Inc. toll free at 1-855-887-2244.

In order to receive a paper copy of this Information Circular and other relevant information, requests by Beneficial Shareholders may be made up to one year from the date the Information Circular was filed on System for Electronic Document Analysis and Retrieval ("**SEDAR**") by: (i) mailing a request to the Corporation at Suite 500, 11451 Katy Freeway, Houston, Texas 77079; (ii) calling Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643; (iii) online at the Corporation's website: [www.petrototal-corp.com](http://www.petrototal-corp.com). The Corporation estimates that a Shareholder's request for paper copies of the Information Circular and other relevant information will need to be received prior to \*, 2021 in order for such Shareholder to have

sufficient time to receive and review the materials requested and return the completed Form of Proxy by the due date set out under the heading "*Completion of Proxies*" in this Information Circular.

### ***Advice to Beneficial Holders of Securities***

The information set forth in this section is of significant importance to Beneficial Shareholders. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate individuals.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of security holders meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) is typically similar to the Form of Proxy provided to Registered Shareholders by the Corporation. However, the purpose of the broker's form of proxy is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically asks Beneficial Shareholders to return voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. The Broadridge voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder's broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote such Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting.

**If you have any questions respecting the voting of Common Shares held through an intermediary, please contact that intermediary for assistance.**

### **INFORMATION CONCERNING THE CORPORATION**

The Corporation was incorporated pursuant to the provisions of the *Companies Act* (Alberta) on August 31, 1979 as "Peoples Oil Limited". The Corporation was continued pursuant to articles of continuance under Section 261 of the *Business Corporations Act* (Alberta) (the "**ABCA**") on July 8, 1982. The Corporation changed its name to "Sterling Resources Ltd." on February 10, 1997.

On December 18, 2017, the Corporation completed a reverse take-over by way of a statutory plan of arrangement (the "**Arrangement**") with PetroTal Ltd. ("**PetroTal**") under the ABCA, pursuant to which, among other things, the Corporation: (a) acquired all of the issued and outstanding shares of PetroTal; (b)



amalgamated with PetroTal and continued as one corporation under the name "Sterling Resources Ltd."; and (c) reconstituted the board of directors (the "**Board**") and management team of the Corporation.

The Corporation changed its name to "PetroTal Corp." on June 4, 2018. On October 25, 2018, the Corporation amended its articles in order to comply with the AIM Rules for Companies (as published by the London Stock Exchange plc and amended from time to time), such amendments being effective for as long as the Corporation has a class of shares admitted to trading on the AIM Market of the London Stock Exchange ("**AIM**").

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "TAL" and on AIM under the trading symbol "PTAL".

#### **VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the date hereof, there are 816,662,379 fully paid and non-assessable Common Shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of all meetings of Shareholders and to attend and vote the Common Shares at all such meetings. Each Common Share carries with it the right to one vote.

The bylaws of the Corporation provide that if two persons holding not less than 10% of the issued Common Shares entitled to vote are present in person or are represented by proxy, a quorum for the purposes of conducting a shareholders meeting is constituted.

Any Registered Shareholder at the close of business on May 6, 2021, being the Record Date, who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading "*Completion of Proxies*".

To the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the following persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to the Common Shares:

<b>Name</b>	<b>Number of Common Shares Held</b>	<b>Percentage of Total Issued and Outstanding Common Shares</b>
Meridian Group <i>Hong Kong</i>	154,010,361	19%
Gran Tierra Resources Limited <i>Calgary, Alberta</i>	137,093,750	17%

#### **MATTERS TO BE CONSIDERED AT THE MEETING**

The Shareholders of the Corporation will be asked to consider and, if deemed appropriate:

- (a) by ordinary resolution, to fix the Board at seven members;
- (b) by ordinary resolution, to elect the directors of the Corporation;

- (c) by ordinary resolution, to appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
- (d) by ordinary resolution, to ratify and approve the Corporation's stock option plan (the "**Stock Option Plan**") for the ensuing year; and
- (e) to transact such other business as may properly come before the Meeting or any adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

### **FIXING NUMBER OF DIRECTORS**

At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at seven. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at seven.**

### **ELECTION OF DIRECTORS**

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's bylaws.

The Board has adopted a majority voting policy (the "**Majority Voting Policy**") pursuant to which, in an uncontested election of directors, a director who receives more "withhold" votes than "for" votes at the annual meeting of Shareholders will promptly tender his or her resignation to the Chair of the Board, to be effective upon acceptance by the Board. The Corporate Governance and Compensation Committee will consider the director's offer to resign and make a recommendation to the Board whether to accept it. The Board will be expected to accept the resignation except in situations in which exceptional circumstances warrant the applicable director continuing to serve on the Board. Following the Board's decision on the resignation, the Board will promptly disclose its decision whether to accept the director's resignation offer including the reasons for rejecting the resignation offer, if applicable, by issuing a news release. Any director who tenders his or her resignation pursuant to the Majority Voting Policy may not participate in any portion of a meeting of the Board (or, if applicable, any committee of the Board, if he or she is a member of that committee) to consider the decision whether to accept his or her resignation.

Shareholders should note that, as a result of the Majority Voting Policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election. A copy of the Majority Voting Policy is included in the amended management information circular of the Corporation dated May 9, 2013 (a copy of which is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com)).

Any Shareholder who wishes to nominate an additional director can do so by submitting to the Executive Vice President and Chief Financial Officer of the Corporation the information required by the advance notice provisions in the Corporation's bylaws, including the nominees' names, backgrounds, qualifications and experience. The advance notice provisions require that a Shareholder give the Corporation advance notice of any proposal to nominate directors for election to the Board. If a nomination is to be presented at an annual meeting of Shareholders, the notice must be given between 30 and 65 days in advance of the meeting; provided that if the annual meeting is to be held less than 50 days after the Corporation announces the meeting date, the notice must, in those circumstances, be given within 10 days of the meeting announcement. If a nomination is to be presented at a special meeting of Shareholders (that is not also an annual meeting) where one of the items of business is the election of directors, then the notice must be given within 15 days of the meeting announcement. No person nominated by a Shareholder will be eligible

for election as a director of the Corporation unless nominated in accordance with the advance notice provisions. The Board may, in its sole discretion, waive any requirement of the advance notice provisions. A copy of the advance notice provisions is included in the amended management information circular of the Corporation dated May 9, 2013 (a copy of which is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com)).

The Corporation is required by applicable corporate legislation to have an Audit Committee comprised of members of the Board that are considered "financially literate" and a majority of which are considered "independent", as such terms are defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Corporation has also established: (a) a Corporate Governance and Compensation Committee; (b) a Reserves Committee; and (c) a Health, Safety, Environment and Corporate Social Responsibility Committee, each comprised of members of the Board. Please see the discussion under the heading "*Corporate Governance Practices*". The present members of each committee of the Board are identified in the table below.

The following information relating to the nominees as directors is based partly on the records of the Corporation and partly on information received by the Corporation from the respective nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date hereof.

<b>Name, Municipality of Residence</b>	<b>Positions Presently Held</b>	<b>Director Since<sup>(1)</sup></b>	<b>Principal Occupation for Previous Five Years</b>	<b>Number and Percentage of Common Shares Beneficially Owned or Controlled</b>
Manuel Pablo Zúñiga-Pflücker <sup>(3)</sup> Texas, USA	Director, President and Chief Executive Officer	Dec 18, 2017	President, Chief Executive Officer and a director of the Corporation since December 18, 2017. Prior thereto, President and Chair of the Managers of PetroTal LLC since January 2016. Mr. Zúñiga-Pflücker founded and led BPZ Resources, Inc. (" <b>BPZ</b> ") from 2001 to 2015.	2,816,848 (0.3%)
Mark McComiskey <sup>(2)(5)</sup> Connecticut, USA	Director, Chair of the Board	Jul 5, 2016	Partner at AVAIO Capital, a firm that focuses on build-to-core infrastructure investment and that spun-out of AECOM in 2019. Prior thereto, a partner at Prostar Capital's energy business and its successor firm, Vanwall Capital, LLC. Prior to Prostar, Co-Head of Private equity at First Reserve, a private equity firm focused on the energy industry.	- (0%)
Gary S. Guidry <sup>(3)(4)</sup> Alberta, Canada	Director	Dec 18, 2017	President and Chief Executive Officer of Gran Tierra Energy Inc. (" <b>GTE</b> ") since May 2015. Prior thereto, Mr. Guidry was President and Chief Executive Officer of Caracal Energy (" <b>Caracal</b> ") from 2011 to 2014.	- <sup>(6)</sup> (0%)
Ryan Ellson <sup>(2)(5)</sup> Alberta, Canada	Director	Dec 18, 2017	Chief Financial Officer of GTE since May 2015. Prior thereto, Mr. Ellson was Head of Finance for Glencore E&P (Canada) and, before that, he served as Vice President, Finance at Caracal. Director of Canary Biofuels Inc., a private company.	- <sup>(6)</sup> (0%)

Name, Municipality of Residence	Positions Presently Held	Director Since <sup>(1)</sup>	Principal Occupation for Previous Five Years	Number and Percentage of Common Shares Beneficially Owned or Controlled
Gavin Wilson <sup>(2)(3)(4)</sup> <i>Zurich, Switzerland</i>	Director	Jun 11, 2013	Advisor to Meridian Group of Companies, an investment company. Prior thereto, Mr. Wilson was the Founder and Manager of RAB Energy and RAB Octane listed Investment Funds from 2004 until 2011.	- <sup>(7)</sup> (0%)
Eleanor J. Barker <sup>(5)</sup> <i>Ontario, Canada</i>	Director	Dec 19, 2019	President of Barker Oil Strategies Inc. and a director of Serinus Energy plc. from 2017 to 2021. Prior thereto, a director of Sterling Resources Ltd. from 2014 to 2017.	300,000 (0.0%)
Roger M. Tucker <sup>(3)(4)</sup> <i>London, England</i>	Director	Dec 19, 2019	Director of Pale Rider Limited. Prior thereto, Mr. Tucker was a director of Van Damme North Sea Oil and Gas Limited from 2015 to 2017 and, before that, he served as a director of Vesta Petroleum Investments Limited.	- (0%)

**Notes:**

- (1) All directors of the Corporation are elected to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is vacated earlier in accordance with the Corporation's bylaws.
- (2) Member of the Corporate Governance and Compensation Committee.
- (3) Member of the Reserves Committee.
- (4) Member of the Health, Safety, Environment and Corporate Social Responsibility Committee.
- (5) Member of the Audit Committee.
- (6) Messrs. Guidry and Ellson are executives of GTE. The Corporation is 17% owned, directly or indirectly, or controlled by GTE.
- (7) Mr. Wilson is an advisor to Meridian Group. The Corporation is 19% owned, directly or indirectly, or controlled by Meridian Group of Companies.

**Biographies**

**Manuel Pablo Zúñiga-Pflücker** is a petroleum engineer with more than 30 years of industry experience. Mr. Zúñiga was a founder and the President and Chief Executive Officer of BPZ when oil was discovered in the Corvina field of the Z-1 Block, brought online in less than two years using the first floating production storage and offloading (FPSO) unit ever used in Peru and developed with a buoyant drilling and production platform. He started his career as a junior engineer with Occidental Petroleum where he worked in Block 1-AB, located in the northern jungle of Peru. He was born and raised in Talara, Peru and has led exploration and development projects for oil and gas in Peru, as well as other countries in Latin America. Mr. Zúñiga holds a Bachelor of Science degree in Mechanical Engineering from the University of Maryland and a Master of Science degree in Petroleum Engineering from Texas A&M University.

**Mark McComiskey** is a partner at AVAIO Capital, a firm that focuses on build-to-core infrastructure investment and that spun-out of AECOM in 2019. Prior to AVAIO, Mr. McComiskey was a partner at Prostar Capital's energy business and its successor firm, Vanwall Capital, LLC. Prior to Prostar, he was Co-Head of Private equity at First Reserve, a private equity firm focused on the energy industry. Mr. McComiskey holds a Juris Doctor degree from Harvard University and an AB degree in economics from Harvard College.

**Gary S. Guidry** is a professional engineer with more than 35 years of experience developing and maximizing assets in the international oil and gas industry. Mr. Guidry has direct experience managing large, international projects, including assets in Latin America, Africa, the Middle East and Asia. Mr. Guidry is currently the President and Chief Executive Officer of Gran Tierra Energy Inc and, most recently, Mr. Guidry was the President and Chief Executive Officer of Caracal Energy Inc, a London Stock Exchange

listed company with operations in Chad, Africa. Mr. Guidry received a Bachelor of Science degree in Petroleum Engineering from Texas A&M University in 1980 and is an Alberta-registered professional engineer and a member of the Association of Professional Engineers and Geoscientists of Alberta.

**Ryan Ellson** has been Executive Vice President and Chief Financial Officer of Gran Tierra Energy since May 2015. Mr. Ellson has 20 years of experience in a broad range of international corporate finance and accounting roles. From July 2014 until December 2014, Mr. Ellson was Head of Finance for Glencore E&P (Canada), an oil and gas company, and prior thereto Vice President, Finance at Caracal Energy, an international oil and gas company listed on the London Stock Exchange with operations in Chad, Africa. He held that position from August 2011 until the Corporation was acquired by Glencore plc for \$1.8 billion in July 2014. Mr. Ellson has held management and executive positions with companies operating in Chad, Egypt, India and Canada. In these positions, Mr. Ellson oversaw financial and accounting functions, implemented and oversaw internal financial controls, secured a reserve based lending facility and was involved in multiple capital raises. Mr. Ellson is a Chartered Accountant and holds a Bachelor of Commerce and a Master of Professional Accounting from the University of Saskatchewan. He is a director of Canary Biofuel Inc, a private company.

**Gavin Wilson** is an Investment Manager for Meridian Group of Companies, a private investment company. Mr. Wilson was the Founder and Manager of RAB Energy and RAB Octane, listed investment funds, from 2004 until 2011. From 1992 to 2003, he worked with Canaccord Capital London, an investment banking company, as Head of Oil and Gas, responsible for sales and Corporate Brokering/Finance. He holds a Bachelor of Arts degree in French History and Civilization.

**Eleanor J. Barker** has over 25 years' experience in the international oil and gas business. Ms. Barker is currently the President of Barker Oil Strategies Inc., an oil and gas investment and consulting company, and from 2017 to 2021 was Chair of the Audit Committee and a director of Serinus Energy plc. Ms. Barker was previously a director of Sterling Resources Ltd., the U.S. National Association of Petroleum Investment Analysis and the former President of the Canadian Association of Investment Analysts. Ms. Barker has held roles with Imperial Oil Limited and Gulf Canada Limited. Ms. Barker holds an Honours B.Sc. in Chemistry from Queen's University in Canada and an MBA from the University of Western Ontario.

**Roger M. Tucker** has over 30 years' experience in international oil and gas operations, financing and acquisitions. Dr. Tucker has held senior executive positions with a number of companies in the energy industry, including Senior Vice President of BG Group's European business, Chief Executive Officer of African Arabian Petroleum Ltd., Managing Director of Yukos Oil, and President of the Latin American operations of LASMO plc. Dr. Tucker is a graduate of the University of Newcastle upon Tyne with a B.Sc. in Geology and a Ph.D. in Sedimentology and Geochemistry and is a member of the American Association of Petroleum Geologists and the Geological Society of London.

### ***Cease Trade Orders or Bankruptcies***

Except as provided herein, none of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as provided herein, none of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director or executive officer of any company that, while 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.

Mr. Zúñiga was an officer of BPZ, a corporation engaged in exploration, development and production of oil and gas in Peru. BPZ filed a voluntary petition for reorganization relief under Chapter 11 of the United States Bankruptcy Code on March 9, 2015.

Mr. Wilson was a director of Buccaneer Energy Ltd. ("**Buccaneer**"), a corporation engaged in exploration, development and production of oil and gas in the United States. Buccaneer filed a voluntary petition for reorganization relief under Chapter 11 of the *United States Bankruptcy Code* on May 31, 2014.

### ***Personal Bankruptcies***

None of the above proposed directors have, within 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

### ***Penalties or Sanctions***

None of the above proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or 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.

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.**

## **APPOINTMENT OF AUDITORS**

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint Deloitte LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. Deloitte LLP was first appointed as the Corporation's auditors on January 22, 2018.

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of Deloitte Canada as auditors of the Corporation and to authorize the Board to fix the remuneration to be paid to the auditors.**

## **ANNUAL APPROVAL OF STOCK OPTION PLAN**

At the Meeting, Shareholders will be asked to approve an ordinary resolution to ratify and approve the Stock Option Plan, a copy of which is attached as Schedule A to the management information circular of the Corporation dated April 30, 2018 (a copy of which is available under the Corporation's profile on the SEDAR

website at [www.sedar.com](http://www.sedar.com)), for the ensuing year. A summary of the terms of the Stock Option Plan is included under the heading "*Executive Compensation – Stock Option Plan*" in this Information Circular.

The TSXV requires all listed companies with 10% "rolling" security-based compensation plans to obtain annual shareholder approval of such plans. The Stock Option Plan is a "rolling" plan. The Board believes that the passing of the following resolution is in the best interests of the Corporation and recommends that Shareholders vote in favour of the resolution.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

**"BE IT RESOLVED THAT:**

1. the stock option plan (the "**Stock Option Plan**"), substantially in the form attached as Schedule A to the management information circular of the Corporation dated April 30, 2018, be and is hereby ratified and approved as the stock option plan of the Corporation;
2. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation be and the same is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the approval of the Stock Option Plan.**

### **OTHER MATTERS COMING BEFORE THE MEETING**

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

### **EXECUTIVE COMPENSATION**

#### **General**

All currency amounts expressed herein, unless otherwise indicated, are expressed in United States dollars.

The following information relates to the Corporation's financial year ended December 31, 2020.

For the purpose of this statement of executive compensation, a "CEO" or "CFO" means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Corporation or acted in a similar capacity during the most recently completed financial year. A "Named Executive Officer" or "NEO" means: (a) each CEO, (b) each CFO, (c) the Corporation's most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more than CAD\$150,000, and (d) any additional individuals who would be a Named Executive Officer under subsection (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

Based on the foregoing definitions, the Corporation's Named Executive Officers in respect of the year ended December 31, 2020 were: Manuel Pablo Zúñiga-Pflücker, President and Chief Executive Officer; Douglas C. Urch, Executive Vice President and Chief Financial Officer; and Estuardo Alvarez-Calderon, former Vice President Exploration and Development.

### **Compensation Philosophy, Objectives and Governance**

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Executive officers are motivated through the program to enhance long-term shareholder value. The Corporation has adopted the following practices recommended by the Corporate Governance and Compensation Committee that are designed to avoid inappropriate or excessive risks:

- **Ownership Guidelines.** The Corporation has implemented share ownership guidelines (the "**Ownership Guidelines**") for executive officers and non-executive directors of the Corporation to further align their interests with the long-term interests of Shareholders. The Ownership Guidelines require that, within three years of joining the Corporation, each executive officer or non-executive director has a minimum holding of Common Shares or Common Share equivalents, including performance share units ("**PSUs**") and restricted share units ("**RSUs**", and together with PSUs, "**Share Units**") under the Corporation's performance and restricted share unit plan (the "**PRSU Plan**") and deferred share units ("**DSUs**"), that have an aggregate value of at least: (a) three times the annual base salary for the CEO; (b) two times the annual base salary for each other officer of the Corporation; and (c) three times the amount of the annual Board retainer for each non-executive director.
- **Anti-Hedging Policy.** The Corporation has adopted a written anti-hedging policy (the "**Anti-Hedging Policy**") that prohibits a NEO or director, among others, from purchasing financial instruments, including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds, that are designed to or that may reasonably be expected to have the effect of hedging or offsetting a decrease in the market value of any securities of the Corporation.

The Anti-Hedging Policy has been implemented to ensure that directors, executive officers and employees of the Corporation are prohibited from hedging or monetizing transactions in order to lock in the value of their securities of the Corporation. Examples would include the entry into prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds that have the effect of offsetting a decrease in the market value of securities held in the Corporation.

In addition, pursuant to the Anti-Hedging Policy governing insider trading, short-term speculative trading of the Common Shares by officers, directors and employees is strongly discouraged as it conflicts with the best interests of the Corporation and its Shareholders. Consequently, insiders including the Corporation's NEOs, directors and their related persons, are not only discouraged from frequently trading the Common Shares, but are also specifically prohibited from short selling any Common Shares and from trading in any derivative instruments involving the Corporation's securities.

- **Clawback Policy.** The Corporation has implemented a written clawback policy (the "**Clawback Policy**") for situations where a director, executive officer or other employee receives additional incentive compensation as a result of his or her own misconduct (the "**Overpayment Amounts**"). In such situations, the director, executive officer or other employee shall be obligated to reimburse the Corporation for such Overpayment Amounts and the Board shall be given the discretion to determine the steps required to effect such recovery.



In early 2020, the Corporation retained Mercer (Canada) Limited, a compensation advisor to assist the Board in determining compensation for the Corporation's directors or executive officers.

## **2020 Compensation Awards**

In light of the unusual and difficult circumstances experienced both globally and in Peru in 2020, the consequent difficulty in making use of the originally established key performance indicators ("KPIs"), the challenges faced by the Corporation and the performance of the management team in managing and overcoming those challenges, the Compensation Committee recommended to the Board that the short term incentive ("STI") payout represent 75% of entitlement with respect to Houston-based employees, 100% with respect to Peru-based employees, and that the long term incentive ("LTI") PSU grant be set at 10% of entitlement for all eligible employees.

## **Compensation Process**

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for NEOs. When determining NEO compensation, the Board uses all data available to it to ensure that such compensation is set at a level that is both commensurate with the size of the Corporation, responsibilities of the particular NEO and retention of the NEOs, who are considered by the Board to be essential to the success of the Corporation. In reviewing comparative data during the most recently completed financial year, the Board did not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and did not compare its compensation to a specific peer group of companies. The Board reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, incentive bonuses and awards of stock options, PSUs and RSUs) and recommends the NEOs' compensation packages.

## **Elements of Compensation**

The executive compensation program consists of three components: (a) base compensation in the form of salary; (b) incentive bonuses in the form of cash payments; and (c) long-term compensation in the form of stock options, PSUs and RSUs. For the Named Executive Officers, the stock option, PSU and RSU component is an essential part of their compensation. Neither the Board nor a committee thereof considered the implications of the risks associated with the Corporation's compensation policies and practices. In addition, no NEO or director of the Corporation is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation, or held, directly or indirectly, by a Named Executive Officer or director of the Corporation.

## ***Base Compensation and Incentive Bonuses***

Base compensation for executive officers of the Corporation is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the TSXV. Subjective factors such as leadership, commitment and attitude are also to be considered.

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performance for executive officers.

## ***Stock Options, PSUs and RSUs***

To provide a long-term component to the executive compensation program, executive officers of the Corporation are eligible to receive stock options, PSUs and RSUs. The maximization of shareholder value is encouraged by granting stock options, PSUs and RSUs since such grants provide an incentive to eligible persons to further the development, growth and profitability of the Corporation. Consideration will be given to granting stock options, PSUs and RSUs amongst the various organizational levels of management, including directors, officers and certain consultants. The CEO makes recommendations to the Board for

the CFO and other key employees. These recommendations are to take into account factors, such as awards made in previous years, the number of stock options, PSUs and RSUs outstanding per individual and the level of responsibility. The Board, as a whole, determines the stock options, PSUs and RSUs to be issued to the CEO. See "*Stock Option Plan*" and "*PRSU Plan*", below, for more details.

## Pension Plan Benefits

The Corporation does not have a pension plan or provide any benefits following or in connection with retirement.

## Summary Compensation Table

The following table and notes thereto provide a summary of the compensation paid to the Named Executive Officers of the Corporation for the two most recently completed financial years:

Name and Principal Positions	Year	Salary (US\$) <sup>(1)</sup>	Share-based Awards (US\$) <sup>(6)</sup>	Option-based Awards (US\$) <sup>(7)</sup>	Non-Equity Incentive Plans <sup>(8)</sup>	All Other Compensation (US\$) <sup>(9)</sup>	Total Compensation (US\$)
Manuel Pablo Zúñiga-Pflücker <i>President, Chief Executive Officer and a Director</i>	2020	326,250	58,599	-	337,500	-	722,349
	2019	315,000	412,520	-	438,165	-	1,165,685
Douglas C. Urch <sup>(2)</sup> <i>Executive Vice President and Chief Financial Officer</i>	2020	242,917	41,484	-	165,000	66,653	516,054
	2019	52,500	141,094	-	51,003	-	244,597
Estuardo Alvarez-Calderon <sup>(3)</sup> <i>Former Vice President Exploration and Development</i>	2020	202,917	34,740	-	103,125	11,813	352,594
	2019	225,000	327,380	-	156,488	13,500	722,368
Gregory E. Smith <sup>(4)</sup> <i>Former Executive Vice President and Chief Financial Officer</i>	2020	-	-	-	-	-	-
	2019	225,167	-	-	-	1,037,455	1,262,622
Charles Fetzner <sup>(5)</sup> <i>Former Vice President, Asset Development</i>	2020	-	-	-	-	-	-
	2019	65,625	-	-	-	3,938	69,563

### Notes:

- (1) Reflects salary reductions from May 2020 to November 2020 of 30% for Mr. Zúñiga-Pflücker, 20% for Mr. Urch and 20% for Mr. Alvarez-Calderon. Mr. Zúñiga-Pflücker did not receive any additional compensation for his role as a director of the Corporation.
- (2) On November 4, 2019, Mr. Urch was appointed as the Executive Vice President and Chief Financial Officer and concurrently resigned as a director of the Corporation and the Chair of the Board and thus his compensation was prorated for a partial year.
- (3) Mr. Alvarez-Calderon resigned from his role as *Vice President Exploration and Development* and will retire for his role as of May 31, 2021.
- (4) Compensation was prorated for a partial year. Mr. Smith resigned as the Executive Vice President and Chief Financial Officer effective November 4, 2019 and received a termination payment of \$1,023,945.
- (5) Mr. Fetzner resigned as the Vice President, Asset Development effective April 18, 2019.

- (6) Represents PSUs granted under the PRSU Plan. Amounts reflect the grant date fair market value of PSUs granted in accordance with the PRSU Plan. Each PSU entitles the holder thereof upon settlement to receive up to two Common Shares subject to the achievement of performance conditions and in accordance with the PRSU Plan. The PSU grants vest on the third anniversary of the date of the grant. For further information, see "Executive Compensation – Stock Options, PSUs and RSUs" and "PRSU Plan".
- (7) No stock options were granted during the years ended December 31, 2020 and 2019.
- (8) Reflects discretionary cash bonuses paid to the NEOs based on certain key performance indicators set forth by the Board. Discretionary bonuses are disclosed for the year in respect of which they were earned although they are typically paid in the following year.
- (9) Reflects accommodation allowance and 401K pension matching contribution.

### Outstanding Option-Based and Share-Based Awards

There were no option-based awards granted to NEOs for the year ended December 31, 2020 and no option-based awards outstanding as at December 31, 2020. The following table sets forth all share-based awards outstanding at the end of the most recent fiscal year ended December 31, 2020, for NEOs.

Name and Principal Positions	Number of PSUs that have not Vested (#)	Market or Payout Value PSUs that have not Vested <sup>(1)</sup> (US\$)	Market or Payout Value of Vested PSUs not Paid Out or Distributed (US\$)
Manuel Pablo Zúñiga-Pflücker <i>President, Chief Executive Officer and a Director</i>	6,994,966	1,373,497	-
Douglas C. Urch <i>Executive Vice President and Chief Financial Officer</i>	1,667,504	327,423	-
Estuardo Alvarez-Calderon <i>Former Vice President Exploration and Development</i>	5,195,242	1,020,112	-

**Note:**

- (1) The value of the unvested PSUs as at December 31, 2020 has been determined considering the expected multiplier and based on the closing price of the Common Shares on the TSXV on December 31, 2020, being CAD \$0.25 per share or USD \$0.196 per share. Each PSU entitles the holder thereof upon settlement to receive up to two Common Shares, based on the achievement of performance conditions and in accordance with the PRSU Plan. The PSU grants vest on the third anniversary of the date of the grant. For further information, see "Executive Compensation – Stock Options, PSUs and RSUs" and "PRSU Plan".

### Incentive Plan Awards - Value Vested or Earned During the Year

The Corporation did not have any option-based awards outstanding at any point during the year ended December 31, 2020. No share-based awards for the Named Executive Officers vested during the Corporation's most recent fiscal year ended December 31, 2020.

Name and Principal Positions	Share-based awards – Value vested during the year (\$US) <sup>(1)</sup>	Non-equity incentive plan compensation Value earned during the year (US\$) <sup>(2)</sup>
Manuel Pablo Zúñiga-Pflücker <i>President, Chief Executive Officer and a Director</i>	-	437,625
Douglas C. Urch <i>Executive Vice President and Chief Financial Officer</i>	-	213,950
Estuardo Alvarez-Calderon <i>Former Vice President Exploration and Development</i>	-	133,719

**Note:**

- (1) Value is calculated by multiplying the total number of Common Shares issuable pursuant to vested PSUs by the closing price for the Common Shares on the TSXV on December 31, 2020 (the last trading day in the Corporation's most recently completed financial year), being CAD \$0.25 or USD \$0.196
- (2) Represents 2020 year-end cash bonus, all of which were paid in 2021.

**Share Ownership Guideline - Executives**

We have implemented share ownership guidelines for all of our executives, which are designed to align their long-term financial interest with those of our stockholders. The NEO share ownership guidelines are as follows:

Positions	Common Shares (#)	Performance Warrants (#)	PSU shares (#)	Estimated Value (US\$) <sup>(1)</sup>	Guideline (US\$) <sup>(2)</sup>	Ownership relative to base salary as of 12/31/20
<i>Manuel Pablo Zúñiga-Pflücker President, Chief Executive Officer and Director</i>	2,816,848	9,961,700	6,994,966	3,882,529	1,350,000	Exceeds
<i>Douglas C. Urch Executive, Vice President and Chief Financial Officer</i>	3,130,017	-	1,667,504	941,993	825,000	Exceeds
<i>Estuardo Alvarez-Calderon Former VP Exploration and Development</i>	462,194	2,140,000	5,195,242	1,531,027	825,000	Exceeds

**Note:**

- (1) Value is calculated by multiplying the total number of estimated Shares by the closing price for the Common Shares on the TSXV on December 31, 2020 (the last trading day in the Corporation's most recently completed financial year), being CAD \$0.25 or USD \$0.196
- (2) Represents estimated base salary times 3 (CEO) and 2 (for other Executives)

**Summary of Directors' Compensation**

The directors of the Corporation are entitled to receive compensation for services in their capacity as directors. Members of the Board of Directors are entitled to be reimbursed for all reasonable expenses incurred to attend meetings. In addition, the Stock Option Plan and the PRSU Plan allow for the grant of options and Share Units, respectively, to directors.

On April 30, 2018, the Board approved the adoption of a plan (the "**DSU Plan**") to grant DSUs to non-employee directors. No Common Shares will be issued under the DSU Plan and all DSUs granted are settled in cash. DSUs vest on the date they are granted but directors are only entitled to receive the value of the DSUs once they cease to be a director of the Corporation. As further described below, the DSU Plan provides for a cash payment equal to the closing price of the Common Shares on the trading day prior to payment multiplied by the number of notional Common Shares underlying the DSUs held by a director after such director ceases to be a director of the Corporation. In addition to providing for the grant of DSUs to non-employee directors, non-employee directors also have the option to elect to receive DSUs in lieu of receiving their annual cash retainers.

**Deferred Share Unit Plan**

The purpose of the DSU Plan is to: (a) promote a proprietary interest in the Corporation and a greater alignment between non-employee directors of the Corporation and Shareholders; (b) provide a compensation system for directors that is reflective of the responsibilities, commitments and risks

accompanying the role of a director; and (c) assist the Corporation in attracting experienced individuals to serve as directors.

The Board administers the DSU Plan, which has the authority to grant DSU awards under the DSU Plan to non-employee directors. The DSU Plan may be amended, suspended or terminated at any time by the Board. The DSUs granted thereunder are not transferable or assignable except in the case of death. There are currently 2,301,598 DSUs outstanding under the DSU Plan.

No Common Shares will be issued under the DSU Plan and all DSUs granted are settled in cash. DSUs vest on the date they are granted but directors are only entitled to receive the value of the DSUs once they cease to be a director of the Corporation. Under the DSU Plan, directors may elect to receive up to 100% of their annual retainer in the form of DSUs.

The cash payment to be received will be equal to the number of DSUs held by the director on the date the director ceased to be a director after giving effect to adjustments for dividends, multiplied by the closing price of the Common Shares on the TSXV on the trading day immediately prior to the date the payment is to be made, less all applicable withholding taxes.

Under no circumstances shall DSUs be considered Common Shares or other securities of the Corporation, nor shall they entitle any participant to exercise voting rights or any other rights attaching to the ownership of Common Shares or other securities of the Corporation, including, without limitation, voting rights, dividend entitlement rights or rights on liquidation, nor shall any participant be considered the owner of Common Shares by virtue of an award of DSUs. Notwithstanding the foregoing, and without conferring any rights as Shareholders to the holders thereof, DSUs held by directors are included in calculating achievement of share ownership guidelines.

For further information on compensation paid to the non-employee directors of the Corporation, see "*Director Compensation Table*" below. For a description of the compensation paid to Manuel Pablo Zúñiga-Pflücker, a director and the President and Chief Executive Officer of the, see "*Summary Compensation Table*" above.

### Director Compensation Table

The following table sets forth for each of the Corporation's directors, other than in the capacity of Named Executive Officer, all amounts of compensation earned, paid and payable, for the Corporation's most recently completed fiscal year ended December 31, 2020:

Name	Fees Earned (US\$) <sup>(1)</sup>	Share-based awards (US\$) <sup>(2)</sup>	Option-based awards (US\$)	All other compensation (US\$)	Total (US\$)
Mark McComiskey (Chair)	28,966	33,552	-	-	62,518
Gary S. Guidry	24,139	27,960	-	-	52,099
Ryan Ellson	24,139	27,960	-	-	52,099
Gavin Wilson	24,139	27,960	-	-	52,099
Eleanor J. Barker	24,139	27,960	-	-	52,099
Roger M. Tucker	24,139	27,960	-	-	52,099

**Notes:**

- (1) Represents fee reductions from May 2020 to December 2020 of 20%. Fees earned by the directors were paid in Canadian dollars, US dollars, and Great Britain pounds. The Canadian dollar amounts were converted to US dollars at each 2020 quarterly end rate.
- (2) The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2020. The value of DSUs is based on the number of DSUs granted multiplied by the closing price per common share on the TSXV

for the trading day prior to the date of the grant. This methodology for calculating the fair value of the DSU awards on the grant date is consistent with the initial fair value determined in accordance with IFRS 2. As a result, the total compensation expense for these DSU grants under IFRS for the year ended December 31, 2020 was US\$0.2 million in aggregate for all directors.

### **Share Ownership Guideline- Directors**

The non-executive Directors will continue to work towards achievement of their share ownership requirements. Following is the summary at December 31, 2020:

<b>Name</b>	<b>DSU (#)</b>	<b>Shares (#)</b>	<b>Total Shares (#)</b>	<b>Total value Shares (US\$)<sup>(1)</sup></b>	<b>Share Ownership Requirement (US\$)<sup>(2)</sup></b>	<b>Share Ownership Achievement (US\$)</b>
Mark McComiskey	512,319	-	512,319	100,594	212,058	In progress
Gary S. Guidry	450,693	-	450,693	88,494	176,715	In progress
Ryan Ellson	450,693	-	450,693	88,494	176,715	In progress
Gavin Wilson	450,693	-	450,693	88,494	176,715	In progress
Eleanor J. Barker	218,600	300,000	518,600	101,827	176,715	In progress
Roger M. Tucker	218,600	-	218,600	42,922	176,715	In progress

**Note:**

- (1) Value is calculated by multiplying the total number of estimated Shares by the closing price for the Common Shares on the TSXV on December 31, 2020 (the last trading day in the Corporation's most recently completed financial year), being CAD \$0.25 or USD \$0.196
- (2) Represents estimated annual compensation times 3 years

### **Outstanding Share-based Awards and Option-based Awards by Director**

Except for the DSUs set forth above, no awards are outstanding for the directors of the Corporation as of December 31, 2020.

### **Stock Option Plan**

Pursuant to the policies of the TSXV, the Corporation is permitted to have "rolling" equity-based compensation arrangements. On April 30, 2018, the Board approved the Stock Option Plan, a copy of which is attached as Schedule A to the management information circular of the Corporation dated April 30, 2018 (a copy of which is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com)), pursuant to which options to purchase Common Shares may be granted to directors, officers, employees and consultants of the Corporation. At the Meeting, Shareholders will be asked to vote on a resolution to approve the Stock Option Plan for the ensuing year. There are currently no stock options outstanding under the Stock Option Plan.

### **Description of the Stock Option Plan**

The purposes of the Stock Option Plan are: (a) to provide directors, officers, employees and consultants of the Corporation an incentive to achieve the longer-term objectives of the Corporation; (b) to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (c) to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

### **Eligibility**

The Stock Option Plan provides for the granting of stock options to purchase Common Shares to directors, officers, employees and consultants of the Corporation or any of its subsidiaries.

### *Administration*

The Stock Option Plan is administered by the Board and the Board may, subject to applicable law, delegate its powers to administer the Stock Option Plan to a committee of the Board. Stock options may be granted at the discretion of the Board, in such number that may be determined at the time of grant, subject to the limits set out in the Stock Option Plan. Previous grants will be taken into account when considering new grants.

### *Exercise Price*

The exercise price of stock options granted under the Stock Option Plan will be fixed by the Board at the time of grant, provided that the exercise price shall be not less than the discounted market price of the Common Shares in accordance with the policies of the TSXV.

### *Maximum Percentage of Common Shares Reserved*

The aggregate number of Common Shares that may be issued pursuant to the exercise of stock options awarded under the Stock Option Plan and all other security-based compensation arrangements of the Corporation, including the PRSU Plan, is 10% of the Common Shares outstanding from time to time (on a non-diluted basis), subject to the following limitations:

- (a) the aggregate number of Common Shares reserved for issuance to any one person under the Stock Option Plan, within a 12 month period, must not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis);
- (b) the aggregate number of Common Shares reserved for issuance to any single consultant under the Stock Option Plan within a 12 month period, shall not exceed 2% of the issued and outstanding Common Shares; and
- (c) the aggregate number of Common Shares reserved for issuance to any one participant employed to provide investor relations activities (as defined in the Stock Option Plan) within a 12 month period, must not exceed 2% of the issued and outstanding Common Shares.

### *Transferability*

The stock options are not assignable or transferable by a participant, except for a limited right of assignment in the event of the death of the participant.

### *Term and Vesting*

The term of the stock options granted shall be determined by the Board in its discretion, to a maximum of five years from the date of the grant of the option. Subject to the policies of the TSXV, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in its sole discretion at any time or in the agreement in respect of any stock options granted, accelerate, or provide for the acceleration of, vesting of stock options previously granted.

### *Early Expiration*

Unless otherwise provided in an agreement evidencing the grant of stock options, stock options shall terminate at the earlier of: (a) 30 days after the participant ceasing (other than by reason of death) to be at least one of an officer, director, employee or consultant of the Corporation or a subsidiary of the Corporation, as the case may be; and (b) the expiry date of the stock option. If before the expiry of a stock option in accordance with the terms thereof a participant ceases to be an employee, officer, director or consultant by reason of the death of the participant, any unvested portion of such stock option shall vest within one year following the earlier of the death of the participant and the expiry date of the stock option. In addition, such

stock option may, subject to the terms thereof and any other terms of the Stock Option Plan, be exercised by the legal personal representative(s) of the participant's estate.

#### *Takeover or Change of Control*

In the event of any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or any change in control of the Corporation occurring, the Corporation will have the power to make such arrangements as it shall deem appropriate for the exercise of outstanding options or continuance of outstanding options, including, without limitation, to amend any option agreement to permit the exercise of any or all of the remaining options prior to the completion of any such transaction.

#### *Voluntary Black-Out Periods*

The Corporation has adopted a policy on trading in the securities of the Corporation which results in the imposition of self-imposed black-out periods from time to time, preventing officers, directors, employees and consultants from exercising options. For example, these black-out periods would be imposed prior to the release of financial statements and when the Corporation is considering various possible transactions or is completing material operations that could, if consummated or successfully completed, have a significant effect on the trading price or value of the Corporation's securities. This policy will be adopted as part of Corporation's approach to responsible governance. However, the imposition of voluntary black-out periods can penalize the Corporation, and its insiders and employees where their stock options have not been exercised prior to the voluntary black-out period and such stock options would expire during such period.

Pursuant to the Stock Option Plan, the expiration of the term of any stock options that would fall during any black-out period or within 10 days following the termination of any black-out period will be extended for a period of 10 business days following the expiry of such black-out period, such that all participants will always have a maximum of 10 business days following a voluntary black-out period to exercise stock options. This provision applies to all participants.

#### ***PRSU Plan***

Pursuant to the policies of the TSXV, the Corporation is permitted to have "fixed" equity-based compensation arrangements. On December 13, 2019, the Board approved the amended and restated PRSU Plan, a copy of which is attached, a copy of which is attached as Schedule A to the management information circular of the Corporation dated July 29, 2020 (a copy of which is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com)), pursuant to which Share Units may be granted to directors, officers, employees and consultants of the Corporation. On September 9, 2020, Shareholders ratified and approved the PRSU Plan. There are currently 24,533,629 PSUs and no RSUs outstanding under the PRSU Plan.

#### ***Description of the PRSU Plan***

The purposes of the PRSU Plan are to provide directors, officers, employees and consultants of the Corporation with the opportunity to acquire Share Units to allow them to participate in the long term success of the Corporation and to promote a greater alignment of their interests with the interests of the Shareholders. Each Share Unit will entitle the holder thereof upon settlement to receive up to two Common Shares in accordance with the PRSU Plan.

#### *Eligibility*

The PRSU Plan provides for the granting of Share Units to directors, officers, employees and consultants of the Corporation or any of its subsidiaries. The Board reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the PRSU Plan at any time. Eligibility to participate does not confer upon any individual a right to receive an award of Share Units pursuant to the PRSU Plan.



### *Administration*

The PRSU Plan is administered by the Board and the Board may, subject to applicable law, delegate its powers to administer the PRSU Plan to a committee of the Board. Share Units may be granted at the discretion of the Board, in such number that may be determined at the time of grant, subject to the limits set out in the PRSU Plan. Previous grants will be taken into account when considering new grants.

### *Maximum Percentage of Common Shares Reserved*

The aggregate number of Common Shares that may be issued pursuant to the exercise of Share Units awarded under the PRSU Plan is 50,000,000 Common Shares, subject to the following limitations:

- (a) the Board shall not grant Share Units under the PRSU Plan if the number of Common Shares issuable pursuant to outstanding Share Units, when combined with the number of Common Shares issuable pursuant to outstanding stock options granted under the Stock Option Plan and outstanding convertible securities under any other security-based compensation arrangements, would exceed 10% of the issued and outstanding Common Shares at the time of the grant;
- (b) the number of Common Shares issued to any one participant and their associates under the PRSU Plan, within a 12 month period, must not exceed 1% of the issued and outstanding Common Shares at the time of the grant;
- (c) the number of Common Shares issued to any one insider and their associates under all security based compensation arrangements, including the PRSU Plan, within a 12 month period, must not exceed 5% of the issued and outstanding Common Shares at the time of the grant;
- (d) the number of Common Shares issued to insiders (as a group) under the PRSU Plan, within a 12 month period, must not exceed 2% of the issued and outstanding Common Shares at the time of the grant;
- (e) the number of Common Shares issued to any participant consultant under all security based compensation arrangements, including the PRSU Plan, within a 12 month period, must not exceed 2% of the issued and outstanding Common Shares at the time of the grant; and
- (f) no securities will be issued to any participants who are employees engaged to provide "Investor Relations Activities" (as defined in policies of the TSXV).

### *Transferability*

RSUs or PSUs, as applicable, are assignable by holders of such Share Units to certain assignors, including: a trustee, a custodian or an administrator acting on behalf of, or for the benefit of the holder or the holder's spouse, a holding entity of the holder or the holder's spouse, or the holder's spouse. Share Units are otherwise non-transferable.

### *Term and Settlement*

PSU and RSU grants vest in such manner as determined by the Board. Prior to the distribution date in respect of any PSU, the Board shall assess the performance of the Corporation for the applicable period. The weighting of the individual's performance measures shall be determined by the Board in its sole discretion having regard to the principal purposes of the PRSU Plan and, upon the assessment of all performance measures, the Board shall determine the adjustment factor for the applicable period in its sole discretion. The applicable adjustment factor may be between a minimum of zero and such maximum as

determined by the Board (provided such maximum shall not exceed 2.0). The number of PSUs which vest on a vesting date is the number of PSUs scheduled to vest on such date multiplied by the adjustment factor.

The Board, in its sole discretion, has the option of settling the Common Shares issuable in respect of Share Units by either or both of the following methods: (a) settlement in Common Shares acquired by the Corporation on the TSXV; or (b) the issuance of Common Shares from the treasury of the Corporation.

#### *Early Expiration*

In the event that a participant of the PRSU Plan ceases to be a director, officer, employee or consultant of the Corporation or a subsidiary of the Corporation for any reason, including without limitation, resignation or dismissal, but excluding death or permanent disability, the participant may, prior to the expiry date of the RSUs or PSUs, as applicable, and within 90 days from the date of ceasing to be a director, officer, employee or consultant, exercise any Share Units which are vested within such period, after which time any outstanding Share Units shall terminate. All grants of Share Units to U.S. Taxpayers (as such term is defined in the PRSU Plan) shall be deemed to adjust the 90 day term to 74 days. In the event of death or permanent disability of a participant, the participant's legal representative or the participant, as applicable, may, within one year from the participant's death and prior to the expiry date, exercise the Share Units which are vested within such period, after which time any remaining Share Units shall terminate.

A holder of vested Share Units may determine the date of settlement of such Share Units, provided that such date is not later than the earlier of: (a) the 30<sup>th</sup> day after the holder ceases to be eligible to participate in the PRSU Plan; and (b) December 15<sup>th</sup> of the year such Share Units become vested.

#### *Takeover or Change of Control*

In the event of a Change of Control (as such term is defined in the PRSU Plan), all unvested Share Units shall become automatically vested. Common Shares issuable in respect of Share Units shall be, and shall be deemed to be, issued to participants effective immediately prior to the completion of the transaction which would result in the Change of Control unless issued prior thereto in accordance with the PRSU Plan.

#### *Voluntary Black-Out Periods*

The Corporation has adopted a policy on trading in the securities of the Corporation which results in the imposition of self-imposed black-out periods from time to time, preventing officers, directors, employees and consultants from exercising Share Units. For example, these black-out periods would be imposed prior to the release of financial statements and when the Corporation is considering various possible transactions or is completing material operations that could, if consummated or successfully completed, have a significant effect on the trading price or value of the Corporation's securities. This policy will be adopted as part of the Corporation's approach to responsible governance. However, the imposition of voluntary black-out periods can penalize the Corporation, and its insiders and employees where their Share Units have not been exercised prior to the voluntary black-out period and such Share Units would expire during such period. The expiration of the term of any Share Units that would fall during any black-out period or within 10 days following the termination of any black-out period will be extended for a period of 10 business days following the expiry of such black-out period, such that all participants will always have a maximum of 10 business days following a voluntary black-out period to exercise Share Units. This provision applies to all participants.

#### ***Employment, Consulting and Management Agreements***

On December 18, 2018, the Corporation entered into an executive employment agreement with Mr. Zúñiga-Pflücker (the "**CEO Employment Agreement**") in connection with his role as President and Chief Executive Officer.

The CEO Employment Agreement provides a termination payment to Mr. Zúñiga-Pflücker upon a termination of the CEO Employment Agreement by the executive, for good reason, by the Corporation without cause, or upon a change of control of the Corporation. The termination payment shall be equal to:

(a) two times the annual base salary; (b) plus an amount equal to 20% of two times the base salary for the loss of benefits (in the event of termination by the executive); (c) plus two times the average annual bonus paid pursuant to the CEO Employment Agreement, if any, less applicable withholdings, based on the bonus paid for the year prior or the average of the bonus paid over the last two consecutive years of employment, whichever is greater.

On January 14, 2020, the Corporation entered into an executive employment agreement with Mr. Urch (the "**CFO Employment Agreement**") in connection with his appointment as Executive Vice President and Chief Financial Officer effective November 4, 2019. The CFO Employment Agreement provides a termination payment to Mr. Urch upon a termination of the CFO Employment Agreement by the executive, for good reason (as such term is defined in the CFO Employment Agreement), by the Corporation without cause, or upon a change of control of the Corporation. The termination payment shall be equal to: (a) one and a half times the annual base salary; (b) plus an amount equal to 20% of two times the base salary for the loss of benefits (in the event of termination by the executive); (c) plus one and one-half times the average annual bonus paid pursuant to the CFO Employment Agreement, if any, less applicable withholdings, based on the bonus paid for the year prior or the average of the bonus paid over the last two consecutive years of employment, whichever is greater.

On July 30, 2018, PetroTal USA Corp. entered into an executive employment agreements with Mr. Alvarez-Calderon (the "**VP Employment Agreement**") in connection with his role as Vice President Exploration and Development.

The VP Employment Agreement provides a termination payment to Mr. Alvarez-Calderon upon a termination of the VP Employment Agreement by the executive, for good reason, by the Corporation without cause, or upon a change of control of the Corporation. The termination payment shall be equal to: (a) one times the annual base salary; (b) plus an amount equal to 20% of two times the base salary for the loss of benefits (in the event of termination by the executive); (c) plus one times the average annual bonus paid pursuant to the VP Employment Agreement, if any, less applicable withholdings, based on the bonus paid for the year prior or the average of the bonus paid over the last two consecutive years of employment, whichever is greater.

Mr. Alvarez-Calderon resigned from his role as Vice President Exploration and Development and will retire for his role on May 31, 2021.

The estimated payments which would be payable by the Corporation to Messrs. Zúñiga-Pflücker, Urch and Alvarez-Calderon assuming a termination of employment without cause occurred on the last business day of the year ended December 31, 2020, would be, in the aggregate, US\$2,808,943.

#### **EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2020, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Share Units, Warrants and Rights (a)</b>	<b>Weighted Average Exercise Price of Outstanding Options, Share Units, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
Equity Compensation Plans Approved by Securityholders	-	N/A	-
Stock Option Plan	-	-	-
PRSU Plan	16,172,760	N/A	33,827,240
Equity Compensation Plans Not Approved by Securityholders	-	N/A	-
<b>Total</b>	<b>16,172,760</b>	<b>N/A</b>	<b>33,827,240</b>

**Note:**

- (1) As of May 13, 2021, there were 16,172,760 PSUs, no RSUs and no stock options issued and outstanding. See "Stock Option Plan" and "PRSU Plan" above.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No current or former director or executive officer of the Corporation, nor any of their associates or affiliates, nor any employee of the Corporation is or has been indebted to the Corporation or any of its subsidiaries since the beginning of the most recently completed fiscal year of the Corporation, nor is, or at any time since the beginning of the most recently completed fiscal year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There are no material interests, direct or indirect, of directors, executive officers of the Corporation or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year.

### **INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed in this Information Circular, management of the Corporation is not aware of any material interest of any director or nominee for director or executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

### **CORPORATE GOVERNANCE PRACTICES**

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to NI 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Corporation. The Board and the Corporation's management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Below is a discussion of the Corporation's approach to corporate governance.

### **Corporate Governance and Compensation Committee**

The Board has established a Corporate Governance and Compensation Committee. The members of the Corporate Governance Committee are Messrs. McComiskey, Ellson and Wilson. Mr. McComiskey is the Chair of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee is comprised entirely of non-management members of the Board.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Corporate Governance and Compensation Committee, which include: (a) reviewing and determining the compensation policies of the Corporation with respect to directors, officers, employees and consultants of the Corporation; (b) proposing new nominees to the Board and for assessing directors on an ongoing basis; and (c) responding to and implementing the guidelines set forth from time to time, by any applicable regulatory authorities.

The Corporate Governance and Compensation Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Corporate Governance and Compensation Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Corporate Governance and Compensation Committee.

### **Independence of Members of Board**

The Board currently consists of seven directors, six of whom are independent based upon the tests for independence set forth in NI 52-110. Messrs. McComiskey, Guidry, Ellson, Wilson, Barker and Tucker are independent. Mr. Zúñiga-Pflücker is not independent by virtue of serving as President and Chief Executive Officer of the Corporation.

### **Board Oversight**

The Board exercises its independent supervision over the Corporation's management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an *in camera* session among the independent and disinterested directors.

### **Directorships in Other Reporting Issuers**

The following table sets out the directors of the Corporation that are presently a director of other reporting issuers.

<b><u>Name</u></b>	<b><u>Name of Reporting Issuer</u></b>	<b><u>Exchange</u></b>
Gary S. Guidry	Gran Tierra Energy Inc.	NYSE TSX

### **Board Mandate**

The Board has adopted a written mandate, attached hereto as Schedule A, that summarizes, among other things, the Board's duties and responsibilities. The Board is responsible for the overall stewardship of the Corporation and dealing with issues which are pivotal to determining the Corporation's strategy and direction. The Board has directly, and through the appointment of certain committees, put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day-to-day operations of the Corporation, as these operations are conducted by the Corporation's management. The Board meets regularly to consider and approve the strategic objectives of the Corporation and management plans designed to accomplish those objectives. Where appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak to these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions and financing proposals. The Board approves, among

other things, all issuances of securities of the Corporation, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession and risk management.

Essential to strategic planning is assessing and understanding business risks and related control systems. The Board helps set limits with respect to business risks, to the extent they can be managed, and approves strategies for minimizing risks. Implementations of these strategies are then monitored by the Board. The Board, through the Audit Committee, requires management of the Corporation to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Corporation's shareholders and the public. The Corporation's management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, annual information forms, prospectuses and information circulars.

The Corporate Governance and Compensation Committee is responsible for monitoring the governance systems of the Corporation with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Corporate Governance and Compensation Committee also acts as a nominating committee for new directors, oversees and approves the Corporation's compensation plans and evaluates the overall Board effectiveness.

### ***Position Descriptions***

The Board has developed a written position description for the Chair of the Board and the Chief Executive Officer of the Corporation but has not developed a written position description for the Chair of the Audit Committee.

The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Corporation's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

### ***Orientation and Continuing Education***

While the Corporation does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Corporation's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Corporation;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Corporation's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Corporation; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

## ***Ethical Business Conduct***

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the TSXV for effective corporate governance, including NP 58-201. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") wherein directors, officers and employees of the Corporation and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process. The Code is available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) or upon request by contacting the Corporation's legal counsel at Suite 4300, 888 – 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 5C5.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Chief Financial Officer. Compliance with the Code is monitored primarily through the reporting process within the Corporation's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Audit Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

## ***Nomination of Directors***

The Corporate Governance and Compensation Committee has responsibility for identifying potential Board candidates. The Corporate Governance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance and Compensation Committee, which include considering and recommending candidates to fill new positions on the Board, reviewing candidates recommended by Shareholders, conducting inquiries into the backgrounds and qualifications of candidates, recommending the director nominees for approval by the Board and the Shareholders, considering conflicts of interests, recommending members and chairs of the committees, reviewing the performance of directors and the Board, establishing director retirement policies and establishing and implementing an orientation and education program for new members of the Board.

## ***Audit Committee***

Please see the discussion below under the heading "*Audit Committee*".

## ***Reserves Committee***

The members of the Reserves Committee are Messrs. Tucker, Guidry, Wilson and Zúñiga-Pflücker. Mr. Tucker is the Chair of the Reserves Committee. The Reserves Committee's responsibilities include, but are not limited to meeting with the independent engineering firm commissioned to do the reserves evaluation on the Corporation's assets and discussing the conclusions of such report.

The Reserves Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Reserves Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Reserves Committee.

### ***Health, Safety, Environment and Corporate Social Responsibility Committee***

The members of the Health, Safety, Environment and Corporate Social Responsibility Committee are Messrs. Guidry, Wilson and Tucker. Mr. Guidry is the Chair of the Health, Safety, Environment and Corporate Social Responsibility Committee. The Health, Safety, Environment and Corporate Social Responsibility Committee's responsibilities include, but are not limited to: (a) reviewing health and safety policies and procedures, monitoring compliance with such policies, maintaining management systems to implement such policies, and reporting on its findings to the Board; (b) reviewing environmental activities in terms of environmental policies of the Corporation and reporting on its findings to the Board; and c) reviewing social aspects of the Corporation's operations in terms of social responsibility policies of the Corporation and reporting on its findings to the Board.

The Health, Safety, Environment and Corporate Social Responsibility Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Health, Safety, Environment and Social Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Health, Safety, Environment and Social Committee.

### ***Assessments***

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review will identify any areas where the directors of the Corporation or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board. The Board relies on informal evaluations of the effectiveness through both formal and informal communications with Board members and through participation with other Board members on committees and matters relating to the Board.

## **AUDIT COMMITTEE**

The Audit Committee is a committee of the Board to which the Board delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the Shareholders, the relationship between the Corporation and the external auditor.

Pursuant to NI 52-110, the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

### ***Audit Committee Charter***

The Corporation's Audit Committee charter (the "**Audit Committee Charter**") was adopted by the Board, and is attached hereto as Schedule B. The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Corporation's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.



### **Composition of the Audit Committee**

As of the date hereof, the Audit Committee is comprised of:

<u>Name of Director</u>	<u>Independent (Yes/No)<sup>(1)</sup></u>	<u>Financially Literate (Yes/No)</u>
Eleanor Barker (Chair)	Yes	Yes
Ryan Ellson	Yes	Yes
Mark McComiskey	Yes	Yes

**Note:**

(1) As defined in NI 52-110.

### **Relevant Education and Experience**

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

Ms. Barker has over 25 years' experience in the international oil and gas business. Ms. Barker is currently the President of Barker Oil Strategies Inc., an oil and gas investment and consulting company, and Chair of the Audit Committee and was a director of Serinus Energy plc from 2017 to 2021. Ms. Barker was previously a director of Sterling Resources Ltd., the U.S. National Association of Petroleum Investment Analysis and the former President of the Canadian Association of Investment Analysts. Ms. Barker has held roles with Imperial Oil Limited and Gulf Canada Limited. Ms. Barker holds an Honours B.Sc. in Chemistry from Queen's University in Canada and an MBA from the University of Western Ontario.

Mr. Ellson has been Executive Vice President and Chief Financial Officer of Gran Tierra Energy since May 2015. Mr. Ellson has 20 years of experience in a broad range of international corporate finance and accounting roles. From July 2014 until December 2014, Mr. Ellson was Head of Finance for Glencore E&P (Canada), an oil and gas company, and prior thereto Vice President, Finance at Caracal Energy, an international oil and gas company listed on the London Stock Exchange with operations in Chad, Africa. He held that position from August 2011 until the Corporation was acquired by Glencore plc for \$1.8 billion in July 2014. Mr. Ellson has held management and executive positions with companies operating in Chad, Egypt, India and Canada. In these positions, Mr. Ellson oversaw financial and accounting functions, implemented and oversaw internal financial controls, secured a reserve-based lending facility and was involved in multiple capital raises. Mr. Ellson is a Chartered Accountant and holds a Bachelor of Commerce and a Master of Professional Accounting from the University of Saskatchewan.

Mr. McComiskey is a partner at AVAIO Capital, a firm that focuses on value-added infrastructure investment and that spun-out of AECOM in 2019. Prior to AVAIO, Mr. McComiskey was a partner at Prostar Capital's energy business and its successor firm, Vanwall Capital, LLC. Prior to Prostar, he was Co-Head of Private equity at First Reserve, a private equity firm focused on the energy industry. Mr. McComiskey holds a Juris Doctor degree from Harvard University and an AB degree in economics from Harvard College.

Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and

- (d) an understanding of internal controls and procedures for financial reporting.

### ***Audit Committee Oversight***

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### ***Pre-Approval Policies and Procedures***

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors, and approve in advance the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chair of the Audit Committee deems as necessary.

### ***External Auditor Service Fees (By Category)***

The fees for auditor services billed by the Corporation's external auditors for the last two fiscal years are as follows:

<b>Financial Year Ending December 31</b>	<b>Audit Fees (US\$)</b>	<b>Audit-related Fees (US\$)</b>	<b>Tax Fees (US\$)</b>	<b>All Other Fees (US\$)</b>
2020	220,900	-	-	-
2019	203,813	-	-	-

### ***Reliance on Certain Exemptions***

The Corporation is relying on the exemption in section 6.1 of NI 52-110.

## **ADDITIONAL INFORMATION**

Financial information of the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by mailing a request to the Corporation at its offices at Suite 500, 11451 Katy Freeway, Houston, Texas 77079.

Copies of these documents, as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities, may also be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## SCHEDULE A BOARD OF DIRECTORS MANDATE

### 1. GENERAL

The Board of Directors (the "**Board**") of PetroTal Corp. (the "**Corporation**") is responsible for the stewardship of the Corporation's affairs and the activities of management of the Corporation in the conduct of day to day business, all for the benefit of its shareholders.

The primary responsibilities of the Board are:

- (a) to maximize long term shareholder value;
- (b) to approve the strategic plan of the Corporation;
- (c) to ensure that processes, controls and systems are in place for the management of the business and affairs of the Corporation and to address applicable legal and regulatory compliance matters;
- (d) to maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for the overall stewardship of the Corporation;
- (e) to ensure that the Corporation meets its obligations on an ongoing basis and operates in a safe and reliable manner; and
- (f) to monitor the performance of the management of the Corporation to ensure that it meets its duties and responsibilities to the shareholders.

### 2. COMPOSITION AND OPERATION

The number of directors shall be not less than the minimum and not more than the maximum number specified in the Corporation's articles and shall be set from time to time within such limits by resolutions of the shareholders or of the Board as may be permitted by law. Directors are elected to hold office for a term of one year. At least 25 percent of the directors must be Canadian residents. The Board will analyze the application of the "independent" standard as such term is referred to in National Instrument 58-101-*Disclosure of Corporate Governance Practices*, to individual members of the Board on an annual basis and disclose that analysis. The Board will in each year appoint a chairperson of the Board (the "**Chair**").

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. 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 Board and determining compensation for the directors. Subject to the articles and by-laws of the Corporation and the *Business Corporations Act (Alberta)* (the "**ABCA**"), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to, committees of the Board.

### 3. MEETINGS

The Board shall have a minimum of four regularly scheduled meetings per year. Special meetings are called as necessary. Occasional Board trips are scheduled, if possible, in conjunction with regular Board meetings, to offer directors the opportunity to visit sites and facilities at different operational locations. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.

The Board will schedule executive sessions where directors meet with or without management participation at each regularly-scheduled meeting of the Board.

#### **4. SPECIFIC DUTIES**

##### **(a) Oversight and Overall Responsibility**

In fulfilling its responsibility for the stewardship of the affairs of the Corporation, the Board shall be specifically responsible for:

- (i) providing leadership and direction to the Corporation and management with the view to maximizing shareholder value. Directors are expected to provide creative vision, initiative and experience in the course of fulfilling their leadership role;
- (ii) satisfying itself as to the integrity of the Chief Executive Officer (the "**CEO**") and other senior officers of the Corporation and ensuring that a culture of integrity is maintained throughout the Corporation;
- (iii) approving the significant policies and procedures by which the Corporation is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Code of Business Conduct and Ethics;
- (iv) reviewing and approving material transactions involving the Corporation, including the acquisitions and dispositions of material assets by the Corporation and material capital expenditures by the Corporation;
- (v) approving budgets, monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;
- (vi) establishing methods by which interested parties may communicate directly with the Chair or with the independent directors as a group and cause such methods to be disclosed;
- (vii) developing written position descriptions for the Chair and for the chair of each Board committee; and
- (viii) making regular assessments of the Board and its individual members, as well as the effectiveness and contributions of each Board committee.

##### **(b) Legal Requirements**

- (i) The Board has the oversight responsibility for meeting the Corporation's legal requirements and for properly preparing, approving and maintaining the Corporation's documents and records.
- (ii) The Board has the statutory responsibility to:
  - A. manage the business and affairs of the Corporation;
  - B. act honestly and in good faith with a view to the best interests of the Corporation;
  - C. exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and

- D. act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Corporation, and other relevant legislation and regulations.
- (iii) The Board has the statutory responsibility 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:
- A. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - B. the filling of a vacancy among the directors or in the office of auditor;
  - C. the appointment of additional directors;
  - D. the issuance of securities except in the manner and on the terms authorized by the Board;
  - E. the declaration of dividends;
  - F. the purchase, redemption or any other form of acquisition of shares issued by the Corporation, except in the manner and on the terms authorized by the Board;
  - G. the payment of a commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any shares of the Corporation;
  - H. the approval of management proxy circulars;
  - I. the approval of any financial statements to be placed before the shareholders of the Corporation at an annual general meeting; and
  - J. the adoption, amendment or repeal of any by-laws of the Corporation.

**(c) Independence**

The Board shall have the responsibility to:

- (i) implement appropriate structures and procedures to permit the Board to function independently of management (including, without limitation, through the holding of meetings at which non-independent directors and management are not in attendance, if and when appropriate);
- (ii) implement a system which enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances; and
- (iii) provide an orientation and education program for newly appointed members of the Board.

**(d) Strategy Determination**

The Board shall:

- (i) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Corporation's business; and
- (ii) annually review operating and financial performance results relative to established strategy, budgets and objectives.

**(e) Managing Risk**

The Board has the responsibility to identify and understand the principal risks of the Corporation's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that appropriate systems are in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

**(f) Appointment, Training and Monitoring of Senior Management**

The Board shall:

- (i) appoint the CEO and other senior officers of the Corporation, approve (upon recommendations from the Corporate Governance and Compensation Committee) their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;
- (ii) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- (iii) establish limits of authority delegated to management; and
- (iv) develop a written position description for the CEO.

**(g) Reporting and Communication**

The Board has the responsibility to:

- (i) verify that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
- (ii) verify that the financial performance of the Corporation is reported to shareholders, other security holders and regulators on a timely and regular basis;
- (iii) verify that the financial results of the Corporation are reported fairly and in accordance with International Financial Reporting Standards from time to time;
- (iv) verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- (v) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and

- (vi) develop appropriate measures for receiving stakeholder feedback.

**(h) Monitoring and Acting**

The Board has the responsibility to:

- (i) review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements;
- (ii) verify that the Corporation operates at all time within applicable laws and regulations to the highest ethical and moral standards;
- (iii) approve and monitor compliance with significant policies and procedures by which the Corporation operates;
- (iv) monitor the Corporation's progress towards its goals and objectives and to work with management to revise and alter its direction in response to changing circumstances;
- (v) take such action as it determines appropriate when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant; and
- (vi) verify that the Corporation has implemented appropriate internal control and management information systems.

**(i) Other Activities**

The Board may perform any other activities consistent with this mandate, the articles and by-laws of the Corporation and any other governing laws as the Board deems necessary or appropriate including, but not limited to:

- (i) preparing and distributing the schedule of Board meetings for each upcoming year;
- (ii) calling meetings of the Board at such time and such place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Corporation; and
- (iii) ensuring that all regularly-scheduled Board meetings and committee meetings are properly attended by directors. Directors may participate in such meetings by conference call if attendance in person is not possible.

**(j) Code of Business Conduct and Ethics**

The Board shall be responsible to adopt a "Code of Business Conduct and Ethics" for the Corporation which shall address:

- (i) conflicts of interest;
- (ii) the protection and proper use of the Corporation's assets and opportunities;
- (iii) the confidentiality of information;
- (iv) fair dealing with various stakeholders of the Corporation;

- (v) compliance with laws, rules and regulations; and
- (vi) the reporting of any illegal or unethical behaviour.

## **5. BOARD COMMITTEES**

The Board shall at all times maintain: (a) an Audit Committee; (b) a Reserves Committee; (c) a Corporate Governance and Compensation Committee; and (d) a Health, Safety, Environment and Social Committee, each of which must report to the Board. Each such committee must operate in accordance with the by-laws, applicable law, its committee charter and the applicable rules of any stock exchange on which the shares are traded. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

## **6. DIRECTOR ACCESS TO MANAGEMENT**

The Corporation shall provide each director with complete access to the management of the Corporation, subject to reasonable advance notice to the Corporation and reasonable efforts to avoid disruption to the Corporation's management, business and operations. Prior to any director of the Corporation initiating a discussion with any employee of the Corporation, including management, such director shall have the obligation to provide notice to the Chair and the Chief Executive Officer of the Corporation that the director intends on initiating such a discussion.

## **7. DIRECTOR COMPENSATION**

The Board, upon recommendation of the Corporate Governance and Compensation Committee, will determine and review the form and amount of compensation to directors.



## SCHEDULE B AUDIT COMMITTEE CHARTER

### I. THE BOARD OF DIRECTORS' MANDATE FOR THE AUDIT COMMITTEE

The Board of Directors (the "**Board**") has responsibility for the stewardship of PetroTal Corp. (the "**Corporation**"). To discharge that responsibility, the Board is obligated by the *Business Corporations Act* (Alberta) to supervise the management of the business and affairs of the Corporation. The Board's supervisory function involves Board oversight or monitoring of all significant aspects of the management of the Corporation's business and affairs.

Public financial reporting and disclosure by the Corporation are fundamental to the Corporation's business and affairs. The objective of the Board's monitoring of the Corporation's financial reporting and disclosure is to gain reasonable assurance of the following:

- (a) that the Corporation complies with all applicable laws, regulations, rules, policies and other requirement of governments, regulatory agencies and stock exchanges, if applicable, relating to financial reporting and disclosure;
- (b) that the accounting principles, significant judgements and disclosures which underlie or are incorporated in the Corporation's financial statements are appropriate in the prevailing circumstances;
- (c) that the Corporation's quarterly and annual financial statements are accurate within a reasonable level of materiality and present fairly the Corporation's financial position and performance in accordance with generally accepted accounting principles; and
- (d) that appropriate information concerning the financial position and performance of the Corporation is disseminated to the public, to the extent required by applicable securities laws, in a timely manner in accordance with corporate and securities law and with stock exchange regulations, if applicable.

The Board is of the view that monitoring of the Corporation's financial reporting and disclosure policies and procedures cannot be reliably met unless the following activities (the "**Fundamental Activities**") are, in all material respects, conducted effectively:

- (a) the Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions and consistent with internal financial controls implemented by companies of similar size and peer group as the Corporation;
- (b) the internal financial controls are regularly assessed for effectiveness and efficiency consistent with assessments performed by companies of similar size and peer group as the Corporation;
- (c) the Corporation's quarterly and annual financial statements are properly prepared by management to comply with International Financial Reporting Standards ("**IFRS**"); and
- (d) the Corporation's quarterly and annual financial statements are reported on by an external auditor appointed by the shareholders of the Corporation.

To assist the Board in its monitoring of the Corporation's financial reporting and disclosure and to conform to applicable corporate and securities law, the Board has established the Audit Committee (the "**Committee**") of the Board.

The role of the Committee is to assist the Board in its oversight of the integrity of the financial and related information of the Corporation, including its consolidated financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them.

## **II. COMPOSITION OF COMMITTEE**

The Committee shall be appointed annually by the Board and consist of at least three members from among the directors of the Corporation, each of whom shall be an independent director (as determined under applicable laws). Officers of the Corporation, who are also directors, may not serve as members of the Committee.

The Board shall designate the Chair of the Committee.

In the event of a vacancy arising in the Committee or a loss of independence of any member, the Committee will fill the vacancy within six months or by the following annual shareholders' meeting if sooner.

## **III. RELIANCE ON EXPERTS**

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:

- (a) financial statements of the Corporation represented to him by an officer of the Corporation or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and
- (b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

## **IV. LIMITATIONS ON COMMITTEE'S DUTIES**

In contributing to the Committee's discharging of its duties under Terms of Reference, each member of the Corporation shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in these Terms of Reference is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to endeavor to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the objectives of the Corporation's financial reporting are being met and to enable the Committee to report thereon to the Board.

## **V. AUDIT COMMITTEE TERMS OF REFERENCE**

The Committee's Terms of Reference outlines how the Committee will satisfy the requirements set forth by the Board in its mandate. Terms of Reference reflect the following:

- Operating Principles;
- Operating Procedures; and
- Specific Responsibilities and Duties.

While the Committee has the responsibilities set forth in its terms of reference, it is not the duty of the Committee to prepare the financial statements, plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with IFRS and applicable rules and regulations. Primary responsibility for the financial reporting, information systems, risk management, and disclosure controls and internal controls of the Corporation is vested in management.

## **1. Operating Principles**

The Committee shall fulfill its responsibilities within the context of the following principles:

### **(a) Committee Values**

The Committee expects the management of the Corporation to operate in compliance with corporate policies; reflecting laws and regulations governing the Corporation; and to maintain strong financial reporting and control processes.

### **(b) Communications**

The Committee and members of the Committee expect to have direct, open and frank communications throughout the year with management, other Committee chairs, the external auditors, and other key Committee advisors or Corporation staff members as applicable.

### **(c) Delegation**

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that may be lawfully delegated.

### **(d) Financial Literacy**

All Committee members should be sufficiently versed in financial matters to read and understand the Corporation's financial statements and also to understand the Corporation's accounting practices and policies and the major judgements involved in preparing the financial statements.

### **(e) Annual Audit Committee Work Plan**

The Committee, in consultation with management and the external auditors, shall develop an annual Committee work plan responsive to the Committee's responsibilities as set out in these Terms of Reference. In addition, the Committee, in consultation with management and the external auditors, shall participate in a process for review of important financial topics that have the potential to impact the Corporation's financial disclosure.

The work plan will be focused primarily on the annual and interim financial statements of the Corporation; however, the Committee may at its sole discretion, or the discretion of the Board, review such other matters as may be necessary to satisfy the Committee's Terms of Reference.

### **(f) Meeting Agenda**

Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with Committee members, senior management and the external auditors.

### **(g) Committee Expectations and Information Needs**

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that

written materials will be received from management and the external auditors at a reasonable time in advance of meeting dates.

(h) Access to Committee

Representatives of the external auditor and management of the Corporation shall have access to the Committee each in the absence of the other.

(i) External Resources

To assist the Committee in discharging its responsibilities, the Committee may at its discretion, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise, including independent counsel.

(j) In Camera Meetings

At the discretion of the Committee, the members of the Committee shall meet in private session with the external auditors. In addition, at the discretion of the Committee, the members of the Committee shall meet in private with the management of the Corporation, without the auditors being present at such meeting.

(k) Reporting to the Board

The Committee, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.

(l) The External Auditors

The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall report directly to and be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues, either specific to the Corporation or to the financial reporting environment in general, to the Committee.

## **2. Operating Procedures**

(a) The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair, upon the request of two members of the Committee or at the request of the external auditors.

(b) A quorum shall be a majority of the members.

(c) Unless the Committee otherwise specifies, the Secretary (or his or her deputy) of the Corporation shall act as Secretary of all meetings of the Committee.

(d) In the absence of the Chair of the Committee, the members shall appoint an acting Chair.

(e) A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Corporation in a timely fashion.

(f) Notice of the time and place of every meeting shall be given in writing by any means of transmitted or recorded communication, including facsimile, email or other electronic means that produces a written copy, to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member of the Committee may in any manner waive a notice of the meeting. Attendance of a member of the Committee at a meeting constitutes waiver of notice of the meeting, except where a

member of the Committee attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called for.

- (g) Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with the other members of the Committee, senior management and the external auditors.
- (h) Subject to any statute or the articles and by-laws of the Corporation, the Committee shall fix its own procedures at meetings, keep records of its proceeds and report to the Board when the Committee may deem appropriate (but not later than the next regularly scheduled meeting of the Board).

### **3. Specific Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

#### **(a) Financial Reporting**

- (i) Review, prior to public release, the Corporation's annual and quarterly financial statements with management and the external auditors with a view to gaining reasonable assurance that the statements (A) are accurate within reasonable levels of materiality, (B) complete, (C) represent fairly the Corporation's financial position and performance in accordance with IFRS. The Committee shall report thereon to the Board before such financial statements are approved by the Board;
- (ii) Receive from the external auditors reports of their review of the annual and quarterly financial statements and any management letters issued to the management of the Corporation;
- (iii) Receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee;
- (iv) Review, prior to public release, to the extent required pursuant to applicable securities laws, and, if appropriate, recommend approval to the Board, of news releases, to the extent required pursuant to applicable securities laws, and reports to shareholders issued by the Corporation with respect to the Corporation's annual and quarterly financial statements;
- (v) Review and, if appropriate, recommend approval to the Board of prospectuses, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar disclosure documents that may be issued by the Corporation; and
- (vi) Review and validate procedures for the receipt, retention and resolution of complaints received by the Corporation from any party regarding accounting, auditing or internal controls. For greater certainty, the Committee's responsibilities in this area will not include complaints about minor operational issues. (Examples of minor operational issues include late payment of invoices, minor disputes over accounts owing or receivable, revenue and expense allocations and other similar items characteristic of the normal daily operations of the accounting department of an oil and gas company.)

(b) **Accounting Policies**

- (i) Review with management and the external auditors the appropriateness of the Corporation's accounting policies, disclosures, reserves, key estimates and judgements, including changes or variations thereto.
- (ii) Obtain reasonable assurance that they are in compliance with IFRS from management and external auditors and report thereon to the Board.
- (iii) Review with management and the external auditors the apparent degree of conservatism of the Corporation's underlying accounting policies, key estimates and judgements and provisions along with quality of financial reporting.
- (iv) Participate, if requested, in the resolution of disagreements, between management and the external auditors.
- (v) Review with management the policies and procedures used for the categorization of flow-through expenditures and the qualification of such expenditures to satisfy the Corporation's existing obligations.

(c) **Risk and Uncertainty**

- (i) Acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Corporation, determine the Corporation's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:
  - A. reviewing with management the Corporation's tolerance for financial risks;
  - B. reviewing with management its assessment of the significant financial risks facing the Corporation;
  - C. reviewing with management the Corporation's policies and any proposed changes thereto for managing those significant financial risks; and
  - D. reviewing with management its plans, processes and programs to manage and control such risks.
- (i) Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;
- (ii) Review foreign currency, interest rate and commodity price risk mitigation strategies, including the use of derivative financial instruments;
- (iii) Review the adequacy of insurance coverages maintained by the Corporation; and
- (iv) Review regularly with management, the external auditors and the Corporation's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements.

**(d) Financial Controls and Control Deviations**

- (i) Review the plans of the external auditors to gain reasonable assurance that the evaluation and testing of applicable internal financial controls is comprehensive, coordinated and cost-effective;
- (ii) Receive regular reports from management and the external auditors on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereto;
- (iii) Institute a procedure that will permit any employee, including management employees, to bring to the attention of the Chair of the Committee, under conditions of confidentiality, concerns relating to financial controls and reporting which are material in scope and which cannot be addressed, in the employee's judgement, through existing reporting structures in the Corporation; and
- (iv) Receive and periodically assess reports from management on the policies and procedures used to assess and ensure the adequacy of controls over financial information disclosed to the public, which is extracted or derived from the Corporation's financial statements.

**(e) Compliance with Laws and Regulations**

- (i) Review regular reports from management and others (e.g. external auditors) with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements including:
  - A. tax and financial reporting laws and regulations;
  - B. legal withholding requirements; and
  - C. other laws and regulations which expose directors to liability.
- (ii) Review the filing status of the Corporation's tax returns, flow-through share renunciation filings and those of its subsidiaries.

**(f) Relationship with External Auditors**

- (i) Recommend to the Board the nomination of the external auditors;
- (ii) Approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter. The Chair of the Committee has the authority to pre-approve non-audit services which may be required from time to time;
- (iii) Review the performance of the external auditors annually or more frequently as required;
- (iv) Receive annually from the external auditors an acknowledgement in writing that the shareholders, as represented by the Board and the Committee, are their primary client;
- (v) Receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation;

- (vi) Review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, and the materiality levels which the external auditors propose to employ;
  - (vii) Meet with the external auditors in the absence of management to determine, inter alia, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
  - (viii) Establish effective communication processes with management and the Corporation's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee; and
  - (ix) Establish a reporting relationship between the external auditors and the Committee such that the external auditors can bring directly to the Committee matters that, in the judgement of the external auditors, merit the Committee's attention. In particular, the external auditors will advise the Committee as to disagreements between management and the external auditors regarding financial reporting and how such disagreements were resolved.
- (g) **Other Responsibilities**
- (i) After consultation with the Chief Financial Officer and the external auditors, consider at least annually, of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources;
  - (ii) Approve in advance non-audit services, including tax advisory and compliance services, provided by the external auditors. However, the Committee can establish a threshold amount for fees for non-audit services to be provided by the external auditors without advance approval of the Committee. The nature of such services and the associated cost will be provided to the Committee at the next following meeting;
  - (iii) Investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
  - (iv) Perform such other functions as may from time to time be assigned to the Committee by the Board;
  - (v) Review and update the Terms of Reference on a regular basis for approval by the Board; and
  - (vi) The Committee will review disclosures regarding the organization and duties of the Committee to be included in any public document, including quarterly and annual reports to shareholders, information circulars and annual information forms.