INFORMATION DOCUMENT

QUESTERRE ENERGY CORPORATION

(*a public corporation incorporated and existing under the laws of the Province of Alberta, Canada*)

Admission to trading of shares on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by Questerre Energy Corporation, a public corporation existing under the laws of the Province of Alberta, Canada, ("**Questerre**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**"), solely for use in connection with the admission to trading of the Company's 45,221,345 Series 2 Preferred shares (the "**Preferred Shares**"), on Euronext Growth Oslo (the "**Admission**").

The Preferred Shares have been approved for the Admission, and will start trading on Euronext Growth Oslo on 30 June 2026 under the ticker code "QGAS". The Preferred Shares are recorded in Euronext Securities Oslo, the Norwegian Central Securities Depository (the "**VPS**"), in book-entry form with ISIN CA 74836K3082. For detailed information about the rights attached to the Preferred Shares, please refer to Section 7.2.4 "*The Preferred Shares*" and the Company's Articles and By-Laws (both as defined below), included as Appendix A.

Euronext Growth Oslo is a multilateral trading facility (MTF) operated by Euronext Oslo Børs. Financial instruments admitted to trading on Euronext Growth Oslo are not subject to the same rules as financial instruments on a regulated market. Instead, they are subject to a less extensive set of rules and regulations. The risk in investing in a financial instrument on Euronext Growth Oslo may therefore be higher than investing in a financial instrument on a regulated market. **Investors should take this into account when making investment decisions.**

As of the date of this Information Document, the Company's Class A Common shares (the "Common Shares") are admitted to trading on the Toronto Stock Exchange ("TSX") as a primary listing and secondary listed on Euronext Oslo Børs, with the ticker code "QEC". Because of this, the Company is subject to more extensive rules and regulations than those otherwise applicable to companies with financial instruments solely admitted to trading on Euronext Growth Oslo.

Investors should note that there are other rights attached to the Preferred Shares than to the Common Shares.

This Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71. This Information Document has been drawn up under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisor (as defined below) and Euronext Oslo Børs.

THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the Preferred Shares and the Company involves a high degree of risk. Prospective investors should read the entire document and, in particular, Section 2 "*Risk factors*" and Section 3.4 "*Cautionary note regarding forward-looking statements*" when considering an investment in the Company and its Preferred Shares.

Euronext Growth Advisor

SB1 Markets AS

29 June 2026

IMPORTANT NOTICE

This Information Document has been prepared by the Company solely to comply with the Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth Oslo (the "**Euronext Growth Rule Book**"), to provide information about the Group and its business and in relation to the Admission of the Preferred Shares. This Information Document has been prepared solely in the English language. The responsibility for the accuracy and completeness of the information contained in the Information Document lies with the Company.

For definitions of terms used throughout this Information Document, see Section 10 "*Definitions and Glossary of Terms*".

The Company has engaged SB1 Markets AS to act as the Company's advisor in connection with the Admission (the "**Euronext Growth Advisor**"). The Euronext Growth Advisor has engaged advisors to conduct limited due diligence investigations related to certain legal and financial matters pertaining to the Group and the Preferred Shares in relation to the Admission, including for the purposes of identifying relevant risk factors relating to such matters. The Euronext Growth Advisor disclaims liability, to the fullest extent legally permitted, for the accuracy or completeness of the information in the Information Document.

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisor. No other person has been authorised to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisor in connection with the Admission, and if given or made, such other information or representation must not be relied upon as having been authorised by the Company and/or the Euronext Growth Advisor.

The Company, with assistance from the Euronext Growth Advisor, has within its reasonable effort ensured that all relevant information about the Company and the Preferred Shares to be admitted to trading is included in the Information Document and that it covers the content requirements as set out in Notice 2.3 issued by Euronext Oslo Børs on 21 June 2022 pursuant to section 2.3 of Rule Book Part II for Euronext Growth Oslo.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Preferred Shares arising after the publication of this Information Document and before the Admission will be published and announced promptly in accordance with the Euronext Growth Rule Book. Neither the delivery of this Information Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult its own legal, business or tax advisors as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required. The Preferred Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw. *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company involves risks. See Section 2 "*Risk factors*" of this Information Document.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Preferred Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment (as defined below), distributors should note that: the price of the Preferred Shares may decline and investors could lose all or part of their investment; the Preferred Shares offer no guaranteed income and no capital protection; and an investment in the Preferred Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Preferred Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Preferred Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Preferred Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public corporation incorporated and existing under the laws of the Province of Alberta, Canada. As a result, the rights of holders of the Preferred Shares are governed by Canadian and Alberta law as well as the Company's articles of amendment (the "**Articles**") and by-laws (the "**By-Laws**"). The rights of shareholders under Canadian and Alberta law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

Neither the members of the Company's board of directors (each a "**Director** ", and collectively, the "**Board of Directors**") nor the members of the Company's senior management (the "**Management**") are residents of the United States of America (the "**United States**" or the "**U.S.**"), and most of the Group's assets, other than its assets held through Red Leaf Resources Inc. ("**Red Leaf**"), are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process on the Company, the members of the Board of Directors and members of the Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the members of the Board of Directors or the members of the Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the members of the Board of Directors or members of the Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

It is uncertain whether courts in Alberta, Canada will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Directors or members of the Management under the securities laws of those jurisdictions or entertain actions in Alberta, Canada against the Company or the Directors or members of the Management under the securities laws of other jurisdictions.

Similar restrictions may apply in other jurisdictions.

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1 RESPONSIBILITY FOR THE INFORMATION DOCUMENT

This Information Document has been prepared by Questerre Energy Corporation solely in connection with the Admission.

The Board of Directors of Questerre Energy Corporation accepts responsibility for the information contained in this Information Document. The Board of Directors confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Document is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

29 June 2026

The Board of Directors of Questerre Energy Corporation

Bjørn Inge Tønnessen
Chairman

Jauvonne Kitto
Director

Dennis F. Sykora
Director

Hans Jacob Holden
Director

Michael Binnion
Director, President and Chief Executive Officer

2 RISK FACTORS

Investing in the Preferred Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Information Document, including the financial information and related notes. The risks and uncertainties described in this Information Document are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Preferred Shares. An investment in the Preferred Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialise, individually, jointly, or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Preferred Shares that could result in a loss of all or part of any investment in the Preferred Shares. The risks and uncertainties described below are not the only risks the Group may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow.

The risk factors described in this Section 2 "Risk factors" are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The risks that are assumed to be of the greatest significance are described first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, and the fact that a risk factor is not mentioned first in its category does not in any way suggest that the risk factor is less important when taking an informed investment decision.

2.1 Risks relating to the Preferred Shares

2.1.1 The value of the Preferred Shares depends on the outcome of the Litigation, which is not expected to be finally resolved for several years

As a result of the enactment of Bill 21, *An Act mainly to end petroleum exploration and production and the public financing of those activities* ("**Bill 21**"), the government of Québec has revoked all exploration licenses held by the Company, effectively expropriating its assets in the province for notional compensation. The Group has filed a claim against the government of Québec for the attempted revocation of licences for a significant natural gas discovery in the province (the "**Litigation**", as further described in Section 3.3.3.1 "*Québec*" and Section 4.4.1 "*The Québec Business"*).

The outcome of the Litigation is inherently uncertain. While the main trial on the merits remains pending, investors should not interpret the existence of ongoing litigation as an indicator of its likely success. The Québec court system may conclude that Bill 21 is constitutionally valid, that the revocation of the Group's licenses did not constitute unlawful expropriation, or that any compensation owed falls materially below the range of CAD 700 million to CAD 4.8 billion set out in the Group's independent economic loss report.

If the Québec Litigation is wholly unsuccessful, meaning neither a cash settlement is obtained nor a development pathway is established, the Preferred Shares will have no recoverable economic value. The Company's 16 petroleum and natural gas exploration licences in the province of Québec, Eastern Canada (the "**Québec Business**"), have been revoked by operation of Bill 21. In the absence of a judicial or negotiated remedy, those assets cannot be developed, monetized, or assigned, and the licenses cannot be reinstated. In that circumstance, the Preferred Shares will be worth nil.

Even partial success carries material risk to holders of Preferred Shares. An amount equal to 5% of the value of any settlement, plus any costs incurred, will first be allocated to the benefit of holders of Common Shares to reflect the ongoing management and stewardship of the Québec Business, including the funding of costs related to the legal action. The residual amount only, net of that priority allocation and all costs, flows to holders of Preferred Shares. In circumstances where litigation costs have been substantial, a settlement amount at or near the lower end of the estimated range may,

after the deduction of the Group's priority allocation and incurred costs, yield a materially lower return to holders of Preferred Shares than the headline figures in the economic loss report might suggest.

Although neither the Company nor its legal counsel engaged in connection with the Litigation is aware of any material procedural, evidentiary or substantive matters which could materially affect the expected timing of the Litigation, there is material uncertainty as to when the Litigation will be concluded. The Company expects the main hearing to take place in late 2027 or early 2028, subject to the court's schedule and any further procedural developments. In accordance with Québec Code of Civil Procedure, a judgment is expected within six months after the main hearing on the merits before the Québec Superior Court. The judgment rendered by the Québec Superior Court may be appealed to the Québec Court of Appeal in accordance with applicable procedural rules, including the relevant grounds, timing and any leave requirements. In case of an appeal of the Québec Superior Court's judgment to the Court of Appeal, it would be approximately one year of proceedings before the Court of Appeal renders its judgment. A decision by the Court of Appeal may be subject to appeal to the Supreme Court of Canada, although the Supreme Court is not required to grant leave to appeal. If leave is granted, an appeal before the Supreme Court would require approximately a year to a year and a half before a final judgment is rendered. On this basis, if the Litigation is appealed in all instances, it is unlikely that a final and enforceable judgment is in place for several years.

The shareholders holding Common Shares are entitled to receive an amount equal to 5% of the sum of any and all amounts paid or to be paid directly or indirectly to or for the benefit of the Company, or received directly or indirectly by or for the benefit of the Company in connection with or as a result of the Litigation, whether before or after any proceedings have been commenced and whether by judgment, settlement or otherwise, including but not limited to any costs awards. See section 7.2.4 "*The Preferred Shares*" for further information.

2.1.2 The Company is only obliged to fund the Litigation to a maximum of CAD 1,000,000

The prosecution of the Litigation, the ongoing stewardship of the Québec Business (including compliance with Bill 21 obligations), and any future development activities are entirely dependent on the financial capacity and willingness of the Company. Holders of Preferred Shares have no direct recourse to fund, direct, or compel the conduct of the Litigation independently of the Company.

Due to Canadian tax legislation applicable to taxable preferred shares, including Part VI.1 tax under the Income Tax Act (Canada) (the "**Tax Act**"), the Preferred Shares are not redeemable for a minimum of five years and are convertible at the option of the Company into Common Shares upon the occurrence of certain events.

Under the Articles, the Company is obliged to continue to fund the Litigation to a maximum of CAD 1,000,000 (see Section 5.8.5). However, the Company is under no obligation, contractual or otherwise, to fund amounts beyond this. Should the Litigation prove more protracted, more expensive, or more complex than currently anticipated, including but not limited to a trial on the constitutional merits, potential appeals, or government-initiated consolidation proceedings, the incremental cost of litigation may exceed any pre-agreed funding envelope. In such circumstances, the Company may determine, in the exercise of its discretion, not to advance additional capital beyond agreed amounts. Any failure or delay in litigation funding could materially impair the prosecution of the Group's claims, result in adverse procedural outcomes, or compel a settlement on terms less favourable than a fully litigated result.

Additionally, the financial capacity of the Company to continue funding the Litigation is subject to risks wholly independent of the Québec Business itself, including the Group's liquidity position, access to capital markets, cash flow from its non-Québec operations, and the financial position of its other business units. A material deterioration in the Group's financial condition could result in a curtailment or termination of litigation funding irrespective of the merits of the Québec claims. Holders of Preferred Shares should not assume that the Group's willingness and ability to fund the Litigation at the date of this Information Document will persist throughout the litigation period, which may extend for several additional years.

2.1.3 Conversion into common shares is at the option of the Company

Subject to approval by the Board of Directors, including the approval of the Director elected following nomination by the Oversight Committee (as defined below) (the "**Preferred Director**"), the Company may convert Preferred Shares into Common Shares if the Litigation concludes without reinstatement of the licences relating to the Québec Business or similar

result. If the Company exercises its conversion right, holders of Preferred Shares will cease to hold a security tracking the Québec Business and will instead hold Common Shares, which carry no priority interest in any economic value, proceeds, or benefit realised in connection with the Québec Business, whether received through the Litigation or otherwise (the "**Québec Recovery**"). The Company may exercise its conversion right at a time that is favourable to holders of Common Shares but adverse to holders of Preferred Shares. Holders of Preferred Shares have no right to block or delay conversion. The amended terms of the Preferred Shares also clarify that approval of the Toronto Stock Exchange may be required in connection with certain conversion events, which could introduce further timing uncertainty.

2.1.4 Holders of Preferred Shares have limited and indirect governance rights

The terms of the Preferred Shares were amended to provide that the Oversight Committee has the right to nominate a director for election by the holders of Common Shares, in lieu of a separate class vote of holders of Preferred Shares. As a result, holders of Preferred Shares do not directly elect their representative to the Board of Directors. The Preferred Director nominee must be approved by holders of Common Shares, who may elect not to support the nominee. In practice, holders of Preferred Shares cannot guarantee board representation, and the Oversight Committee has no compulsory authority over the Group's management of the Québec Business, the conduct of the Litigation, or funding decisions beyond what is expressly provided in the Articles.

The Oversight Committee is constituted to represent the interests of holders of Preferred Shares in an advisory and monitoring capacity. It has no independent legal standing to commence or direct litigation, compel the Company to fund the Québec Business, block a conversion of Preferred Shares, or prevent a settlement on terms the Oversight Committee deems unfavourable. Any formal dispute between the Oversight Committee and the Company would need to be resolved through Canadian corporate law proceedings in Canada, at the cost and risk of the holders of Preferred Shares seeking to enforce their rights.

The holders of the Preferred Shares do not have any general voting rights. The limited voting rights are further described in Section 7.2.4 "*The Preferred Shares*").

Further, the Group's management and board are primarily accountable to holders of Common Shares. The interests of holders of Common Shares and Preferred Shares may diverge materially with respect to: the decision to continue or settle the Litigation; the terms on which any settlement is accepted; the amount of funding allocated to the Litigation; and the timing and terms of any conversion of Preferred Shares into Common Shares. In each of these decisions, management exercises discretion that may favour holders of Common Shares over holders of Preferred Shares. The Preferred Director, even if successfully nominated and elected, holds a single board seat among multiple directors whose primary duty runs to the Company and its holders of Common Shares.

2.1.5 Future issuances of Preferred Shares

The Group may issue additional Preferred Shares in the future, which may dilute a shareholder's holdings in the Company. The Articles permit issuances of Preferred Shares until a maximum of 6,000,000 Preferred Shares are in issue, and shareholders will have no pre-emptive rights in connection with such further issuances. Also, additional Preferred Shares may be issued by the Group on the exercise of stock options issued under the Group's stock option plan.

Depending on the structure of any future offering, certain existing shareholders may therefore not be able to purchase additional Preferred Shares, meaning that these shareholders' holding and voting interest may be diluted. Any additional future offering may also have an adverse effect on the market price of the Preferred Shares.

2.1.6 The market value and liquidity of the Preferred Shares are uncertain

Management estimates the fair market value of the Preferred Shares at approximately CAD 1 per share, and the Company notes that this estimate is not binding on any regulatory body. This nominal valuation reflects the highly contingent and speculative nature of the underlying Québec Recovery. There is no assurance that the Preferred Shares will trade at or above this estimate following listing. The market price of the Preferred Shares will be entirely dependent on investor perceptions of the probability and magnitude of a successful Litigation outcome, and may be subject to extreme volatility

in response to legal developments, political statements, or changes in the Group's financial condition. The market price could be zero.

In addition, the Preferred Shares have not previously been listed or traded on any exchange. Following listing on Euronext Growth in Norway, there is no assurance that an active or liquid secondary market will develop or be sustained. Given the speculative nature of the Preferred Shares, the estimated nominal fair market value, and the binary character of the underlying litigation outcome, trading volume may be limited. Investors may be unable to sell their Preferred Shares at a time and price of their choosing. Bid-ask spreads may be wide and prices may be highly variable.

2.1.7 The rights of holders of Preferred Shares are governed by Canadian law and enforceable only in Canadian courts

The Preferred Shares are issued under the laws of Alberta, Canada, and are subject to the Business Corporations Act (Alberta) (the "**ABCA**") and applicable Canadian securities legislation. Norwegian investors acquiring the Preferred Shares on Euronext Growth Oslo will hold Canadian securities and must enforce any shareholder rights, including claims arising from the Articles, conversion rights, or Oversight Committee governance, in Canadian courts. This creates material practical barriers to enforcement for holders resident in Norway, including cost, distance, choice of law, and the requirement to engage Canadian legal counsel. Norwegian securities law and Norwegian court jurisdiction will not apply to the Articles.

2.1.8 Holders of Preferred Shares may be subject to adverse and uncertain tax treatment in Canada and Norway

The Preferred Shares are subject to Part VI.1 of the Tax Act, which governs taxable preferred shares and directly informs the mandatory five-year non-redemption restriction. Norwegian-resident investors holding Preferred Shares may be subject to Canadian withholding tax on any distribution received in connection with the Québec Recovery, subject to the provisions of the Canada-Norway tax convention. The tax characterization of any recovery amount, as income, capital gain, or return of capital, may differ between Canadian and Norwegian law and may be treated differently across jurisdictions. Investors are strongly advised to obtain independent tax advice in both Canada and Norway before acquiring Preferred Shares. The Company does not provide tax advice to holders of Preferred Shares and does not represent that the tax treatment of the Preferred Shares in Norway is settled or favourable. For more information, please refer to Section 8 "*Taxation*".

2.2 Risks relating to the industry in which the Group operates

2.2.1 Volatility in the oil and gas industry

Market events and conditions, including global oil and natural gas supply and demand, world health emergencies, actions taken by the Organization of the Petroleum Exporting Countries ("**OPEC**") and its allies (collectively, "**OPEC+**") decisions on production growth and space capacity, potential trade disputes involving Canada, Mexico, China, the European Union and the U.S., market volatility and disruptions, weakening global relationships, the war in Ukraine, conflict between the U.S. and Iran, isolationist and punitive trade policies, hostilities in the Middle East, Ukraine and Taiwan, the occurrence or threat of terrorist attacks in the U.S. or other countries, U.S. shale production, sovereign debt levels and political upheavals in various countries including growing anti-fossil fuel sentiment, have caused significant volatility in commodity prices. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly. These events and conditions have been a factor in the volatility in the valuation of oil and gas companies. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax and royalty changes and other environmental regulations (see Section 2.1.1 "*The value of the Preferred Shares depends on the outcome of the Litigation*").

In addition, the difficulties in obtaining the necessary approvals to build pipelines and other facilities to provide better access to markets for the oil and gas industry in Western Canada has led to additional uncertainty and reduced confidence in the oil and gas industry in Western Canada. Lower commodity prices may also affect the volume and value of the Group's reserves, especially as certain reserves become uneconomic. In addition, lower commodity prices have reduced

the Group's cash flow leading to a reduction in funds available for capital expenditures. As a result, the Company may not be able to replace its production with additional reserves and both the Group's production and reserves could be reduced on a year over year basis. Any decrease in value of the Group's reserves may reduce the borrowing base under its credit facilities, which, depending on the level of the Group's indebtedness, could result in the Group having to repay all or a portion of its indebtedness. Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, the Group may have difficulty raising additional funds, and any such future fundraising may be on unfavourable and highly dilutive terms.

2.2.2 Prices, markets and marketing of crude oil and natural gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, including geopolitical events, all of which are beyond the control of the Group. World prices for oil and natural gas have fluctuated widely in recent years. Oil and natural gas prices are expected to remain volatile in the near future in response to a variety of factors beyond the Group's control, including but not limited to: (i) global energy supply, production and policies, including the ability of OPEC and OPEC+ countries to set and maintain production levels in order to influence prices for oil; (ii) political conditions, instability, hostilities, epidemics, pandemics and terrorist activities; (iii) global and domestic economic conditions, including currency fluctuations; (iv) the level of consumer demand, including demand for different qualities and types of crude oil and liquids and the availability and pricing of alternative fuel sources; (v) the production and storage levels of North American natural gas and crude oil and the supply and price of imported oil and liquefied natural gas; (vi) weather conditions; (vii) the proximity of reserves and resources to, and capacity of, transportation facilities and the availability of refining and fractionation capacity; (viii) the ability, considering regulation and market demand, to export oil and liquefied natural gas and natural gas liquids ("**NGLs**") from North America; (ix) the effect of world-wide energy conservation and greenhouse gas reduction measures and the price and availability of alternative fuels; (x) government regulations, actions by provincial governments and the government of Brazil; and (xi) the impact of regional and/or global health related events, on economic activity levels and energy demand; and (xii) the implementation of new export tariffs or import taxes on Canadian and/or Brazilian energy resources in the U.S. Certain wells or other projects may become uneconomic because of this decline or any further decline in world oil prices or a decline in natural gas prices, leading to a reduction in the future volume of the Group's oil and natural gas production. The Group might also elect not to produce from certain wells or sites at lower prices. All these factors could result in a material decrease in the Group's future net production revenue, causing a reduction in its oil and natural gas exploration, development and acquisition activities.

Volatility in oil and natural gas prices makes it difficult to estimate the value of producing properties for acquisitions and often causes disruption in the market for oil and natural gas producing properties, as buyers and sellers may have difficulty agreeing on the value of such properties. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

In addition to establishing markets for its oil and natural gas, the Group must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by the Group will be affected by numerous factors beyond its control. The Group will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by the Group. The ability of the Group to market natural gas and NGLs may depend upon its ability to acquire space on pipelines which deliver these products to commercial markets. The Group will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and the management of other aspects of the oil and natural gas business. The Group has limited direct experience in the marketing of oil, natural gas and NGLs.

2.2.3 Carbon pricing risk

Taxes on carbon emissions affect the demand for oil and natural gas, the Group's operating expenses and may impair the Group's ability to compete. The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal government implemented legislation aimed at incentivizing

the use of alternative fuels and in turn reducing carbon emissions. The federal system applies in provinces and territories that request it to be implemented or are without their own system that meets federal standards. The federal regime was subject to several court challenges by Alberta, Saskatchewan and Ontario. The final decision from the Supreme Court of Canada was released on 25 March 2021. See Section 4.7 *"Regulatory environment"*.

Any taxes placed on carbon emissions may have the effect of decreasing the demand for oil and natural gas products and at the same time, increasing the Group's operating expenses, each of which may have a material adverse effect on its profitability and financial condition. Further, the imposition of carbon taxes puts the Company at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations.

2.2.4 U.S. tariffs

Since February 2025, multiple tariff measures between the United States and Canada have been threatened, implemented and subsequently adjusted, including with respect to the 10% U.S. tariffs on energy resources and critical minerals from Canada, which have subsequently been paused since its announcement. The eventuality, timing, and scope of potential U.S. tariffs, and the ultimate impact of these tariffs on the Canadian oil and gas industry, including the Group's business, remain difficult to predict. However, should a 10% tariff on Canadian energy resources be imposed, it would significantly undermine the competitiveness of Canadian crude oil and natural gas exports to the U.S., which remains the primary export market for Western Canadian producers. Furthermore, such a tariff may reduce demand for Canadian oil and gas and lower realised commodity prices which could negatively impact the Group's revenues and profitability.

Additionally, market uncertainty surrounding U.S.-Canada trade relations and the potential for further trade restrictions could affect the Group's ability to raise capital. There is no assurance that trade tensions between Canada and the U.S. will be resolved favorably or that additional tariffs or trade barriers will not be introduced in the future. Any prolonged or escalated trade dispute could have a material adverse effect on the Group's business, financial condition, and results of operations.

2.2.5 Political uncertainty

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

The oil and natural gas industry has become an increasingly politically polarizing topic in Canada, which has resulted in a rise in civil disobedience surrounding oil and natural gas development particularly with respect to infrastructure projects. Protests, blockades, and demonstrations have the potential to delay and disrupt the Group's activities.

Additionally, following the February 2026 missile strikes in Iran, there has been increased instability, including airspace closures in the Middle East, damage to airports and the de facto closure of Strait of Hormuz, a waterway that transports approximately 20% of the world's petroleum. The duration and impact of these ongoing armed conflicts, and the potential of these conflicts spreading to more regions is uncertain, has contributed to increased volatility in global oil and gas markets and may result in sustained increases in energy prices and disruptions to supply.

2.2.6 Climate change

The Group faces both transition risks and physical risks arising from climate change and related policy developments.

Transition Risks

Governments continue to introduce and tighten legislation, regulation and carbon pricing schemes aimed at reducing greenhouse gas emissions and accelerating the transition to a low-carbon economy. Such measures are expected to increase the Group's operating costs and may, over the longer term, reduce demand for oil, natural gas and related products, adversely affecting the Group's profitability and asset values.

Institutional investors, banks and insurers are increasingly restricting capital allocation to and insurance coverage of hydrocarbon-intensive businesses. These developments require significant management attention and may adversely affect the Group's cost of capital and access to financing.

The Group is also subject to evolving sustainability reporting requirements, including IFRS S1 and S2, the Canadian Standards CSDS 1 and 2, and, as a result of its listing on the Oslo Stock Exchange, the EU Corporate Sustainability Reporting Directive. Failure to meet these requirements or stakeholder expectations could adversely affect the Group's ability to raise capital, attract employees and obtain regulatory approvals. See Section 4.7 "*Regulatory environment*".

2.3 Risks relating to the Group's operations

2.3.1 Exploration, development and production risks

Oil and natural gas exploration involves a high degree of risk, and there is no assurance that exploration expenditures will result in commercially viable discoveries. The Group's long-term success depends on its ability to find, acquire, develop and produce reserves. Without continual reserve additions, existing reserves and production will decline over time.

Exploratory drilling may prove unprofitable, not only from dry wells but from wells that fail to generate sufficient revenues to recover drilling, completion and operating costs. Drilling hazards, environmental damage and field operating conditions, including regulatory delays, weather-related shut-ins and transportation or storage constraints, may adversely affect production and cash flows.

The Group's activities are also dependent on the availability of specialised materials and equipment, which is limited. Increased demand or cost, or reduced availability, could impede exploration, development and production activities. Where multi-well pad drilling is employed, a problem affecting a single well may disrupt production across the entire pad.

Further, oil and natural gas operations are subject to inherent hazards including fire, explosion, blowouts, cratering, spills and unexpected reservoir conditions such as abnormal pressures, premature reservoir decline and water invasion. Any of these risks could result in material damage to wells, facilities, the environment or personnel, and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

As is standard industry practice, the Company is not fully insured against all risks, nor are all risks insurable. Although the Company maintains liability insurance in an amount that it considers consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event the Company could incur significant costs.

2.3.2 Gathering and processing facilities and pipeline systems

The Group delivers its products through gathering, processing, and pipeline systems, some of which it does not own. The amount of oil, natural gas and NGLs that the Company can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering, processing and pipeline systems. The lack of availability of capacity in any of the gathering, processing and pipeline systems, and in particular the processing facilities, could result in the Group's inability to realize the full economic potential of its production or in a reduction of the price offered for the Group's production. Although pipeline expansions are ongoing, the lack of firm pipeline capacity continues to affect the oil and natural gas industry limiting the ability to produce and market oil and natural gas production. In addition, the pro-rationing of capacity on inter-provincial pipeline systems also continues to affect the ability to export oil and natural gas. Unexpected shutdowns or curtailment of capacity of pipelines for maintenance or integrity work because of actions taken by regulators

could also affect the Group's production, operations and financial results. Furthermore, producers are increasingly turning to rail as an alternative means of transportation. In recent years, the volume of crude oil shipped by rail in North America has increased dramatically. Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities could harm the Group's business and, in turn, the Group's financial condition, results of operations and cash flows. Future pipeline projects may be terminated for reasons such as failure to obtain government and/or regulatory support or approval. The direct impact that the termination of such projects will have on the Company is unknown. See Section 4.7 *"Regulatory environment"*.

2.3.3 Operational hazards and insurance

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

The Group's insurance policies are generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, policy limits and/or deductibles for certain insurance policies can vary substantially. In some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. Significantly increased costs could lead the Group to decide to reduce or possibly eliminate coverage. In addition, insurance is purchased from a number of third-party insurers, often in layered insurance arrangements, some of whom may discontinue providing insurance coverage for their own policy or strategic reasons. Should any of these insurers refuse to continue to provide insurance coverage, the Group's overall risk exposure could be increased and the Group could incur significant costs.

2.3.4 Project risks

The Group will manage and participate in a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Québec is a relatively new area for oil and gas development and specialized support services are therefore not locally available. Project cost estimates may not be accurate due to a lack of history of comparable projects. Furthermore, significant project cost over-runs could make a project uneconomic. Higher than expected costs could defer planned operations and set back the anticipated timeline for project development.

The Group's ability to execute projects and market oil, natural gas and NGLs will depend upon numerous factors beyond the Group's control, including: the availability of processing capacity; the availability and proximity of transportation infrastructure, including pipeline capacity; the availability of storage capacity; the supply of and demand for oil and natural gas; the availability of alternative fuel sources; the effects of inclement weather; the availability of drilling and related equipment; unexpected cost increases; accidental events; currency fluctuations; changes in regulations; the availability and productivity of skilled labour; environmental and Indigenous activism or land claims that potentially result in delays or cancellation of projects; litigation and judicial interpretation and application of laws, including with respect to Indigenous rights and historical treaties; and the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

On 23 August 2022, the government of Québec enacted Bill 21, a legislative act aiming mainly to end petroleum exploration and production and the public financing of those activities. Bill 21 revokes petroleum exploration and production licenses, including the 16 exploration licenses held by the Company. It provides that the government must establish a compensation program pertaining to the revocation of licenses. Bill 21 requires, in particular, the holders of revoked licenses to

permanently close wells and restore sites according to the terms and conditions determined by the government. Bill 21 validates the regulations made under the authority of the Petroleum Resources Act (Québec), certain decisions which effectively limit or prohibit, directly or indirectly, exploration for petroleum and underground reservoirs and production of petroleum and brine as well as the collection by the Minister of the annual fees for oil and gas activities.

If the Group's funds flow and funds from external financing sources are not sufficient to cover the capital expenditure requirements, the Group may be required to reallocate available capital among its projects or modify its capital expenditure plans, which may result in delays to, or cancellation of, certain projects or deferral of certain capital expenditures. Any change to the Group's capital expenditure plans could, in turn, have a material adverse effect on the Group's growth objectives and business, financial position and results of operations.

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

2.3.5 Competition

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

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

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

Competition may also be presented by alternate fuel sources, additional discoveries of hydrocarbon reserves by the Group's competitors, the cost of production and political and economic factors and other factors outside the Group's control.

2.3.6 Title to oil and natural gas interests

Title to oil and natural gas interests can rarely be determined without incurring substantial expense. In accordance with industry practice, the Group will conduct such title reviews in connection with its principal properties as it believes are commensurate with the value of such properties. However, title defects may exist, and no absolute assurances can be given to the contrary. If title defects do exist, it is possible that the Group may lose all or a portion of its right, title and interest in and to the properties to which the title defects relate.

2.3.7 Reserve estimates

Estimating quantities of oil, natural gas, and NGLs, and the cash flows derived therefrom, involves significant uncertainty, much of which is beyond the Group's control. Reserve and cash flow estimates are subject to numerous variable factors and assumptions, including commodity prices, historical and projected production rates, estimated ultimate recovery, capital expenditure timing and effectiveness, royalty rates, marketability, and governmental regulation. As a result, estimates prepared by different engineers, or by the same engineers at different times, may vary materially, and the Group's actual production, revenues, and expenditures may differ materially from those estimates.

Reserve estimates are often based on volumetric calculations or analogies to similar assets rather than actual production history, making them inherently less reliable. Estimates based on assumed future exploitation activities carry additional

risk, to the extent those activities do not achieve the assumed level of success, reserves and related cash flow estimates will be reduced accordingly.

Actual future net revenues will also be affected by factors such as supply and demand dynamics, changes in governmental regulation or taxation, purchaser curtailments, and inflation. Investors should not place undue reliance on reserve or cash flow estimates, as actual results may differ materially from those projected.

Each of the McDaniel Report and the GLJ Report (both as defined in Section 3.3.1 "*Presentation of reserves information*") is effective as of a specific date and has not been updated and thus does not reflect changes in the Group's reserves since that date.

2.3.8 Operational dependence

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

In addition, due to the current low and volatile commodity prices, many companies, including companies that may operate some of the assets in which the Group has an interest, may be in financial difficulty, which could impact their ability to fund and pursue capital expenditures, carry out their operations in a safe and effective manner, and satisfy regulatory requirements with respect to abandonment and reclamation obligations. If companies that operate some of the assets in which the Group has an interest fail to satisfy regulatory requirements with respect to abandonment and reclamation obligations, the Group may be required to satisfy such obligations and to seek recourse from such companies. To the extent that any of such companies go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in such assets being shut-in, the Group potentially becoming subject to additional liabilities relating to such assets and the Group having difficulty collecting revenue due from such operators. Any of these factors could materially adversely affect the Group's financial and operational results.

2.3.9 Key employees

The success of the Group will be largely dependent upon the performance of its management and key employees. The Group does not have any key man insurance policies, and therefore there is a risk that the death or departure of any member of Management or any key employee could have a material adverse effect on the Group.

Any inability on the part of the Group to attract and retain qualified personnel may delay or interrupt the exploration for, and development and production of, oil and natural gas with respect to the Group's assets. Sustained delays or interruptions could have a material adverse effect on the financial condition and performance of the Group. In addition, rising personnel costs would adversely impact the costs associated with the exploration for, and development and production of, oil and natural gas in respect of the Group's assets, which could be significant and material.

2.3.10 Permits and licenses

The operations of the Group may require licenses and permits from various governmental authorities. There can be no assurance that the Group will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its properties. Further, if the Group or the holder of the license or lease fails to meet the specific requirement of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of the Group's licenses or leases or the working interests relating to a license or lease may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Bitumen and oil shale mining requires access to surface lands for mining, processing facilities, waste disposal and infrastructure. Although concession contracts grant subsurface hydrocarbon rights, surface land access may require

agreements with landowners and compliance with land use restrictions. Disputes regarding land access, compensation or surface disturbance may result in operational delays, increased costs or litigation.

In addition, Brazil has an active judicial system in which environmental, land use, Indigenous rights, labour and administrative matters are frequently contested. Licences, permits or approvals granted to the Group may be challenged before administrative tribunals or courts by third parties, including community groups, non-governmental organisations or public prosecutors. Such legal proceedings or injunctions could delay or suspend operations, increase costs or result in additional compliance obligations.

2.3.11 Availability of drilling equipment access restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such equipment may exceed supply thereof and may affect the availability of such equipment to the Group and may delay the Group's exploration and development activities.

Brazilian concession contracts impose local content requirements relating to goods and services. Oil shale mining operations may require specialized industrial equipment or technologies that are not widely manufactured domestically. Difficulties in sourcing compliant local content, changes in local content measurement rules, or penalties for non-compliance could adversely affect project economics.

Oil shale extraction and processing rely on specialized technologies and industrial processes. Operational underperformance, equipment failures, unplanned maintenance or the inability to optimize processing efficiency could reduce production volumes, increase operating costs or adversely affect recovery rates. The Group may also face challenges in retaining or replacing personnel with specialized technical expertise.

2.3.12 Indigenous claims

Opposition from Indigenous groups to the Group's operations may adversely affect public perception, divert management time and resources, and increase legal and advisory costs, potentially impairing the Group's ability to explore and develop its properties.

In Canada, certain Indigenous groups have established or asserted treaty and title rights over lands on which the Group operates. Any such claims could materially affect the Group's ability to operate on those lands and, in turn, its financial condition, results of operations and growth plans. The Canadian federal and provincial governments are under a duty to consult with Indigenous peoples before taking actions that may affect their asserted or proven rights, and in certain circumstances to accommodate their concerns. The scope of this duty varies and is frequently litigated. Compliance with consultation and accommodation requirements may delay or impede the Group's ability to obtain or renew permits, leases, licences and other approvals.

This risk is illustrated by events in British Columbia, where regulatory authorities suspended and, in some cases, revoked approvals for oil and natural gas activities following a Supreme Court ruling that cumulative industrial development had breached the treaty rights of an Indigenous group in northeast British Columbia. In response, the Government of British Columbia entered into an implementation agreement with that group, establishing restoration measures, protected areas and constraints on development activities, arrangements expected to serve as a template for agreements with other Indigenous groups in the province. While the Group believes approvals will resume on terms consistent with past practice, the long-term impacts on the Group and the broader Canadian oil and natural gas industry remain uncertain.

2.3.13 Hydraulic fracturing

Hydraulic fracturing involves the injection of water, sand, and small amounts of additives under high pressure into tight rock formations that were previously unproductive to stimulate the production of oil and natural gas. Concerns about seismic activity, including earthquakes, caused by hydraulic fracturing has resulted in regulatory authorities implementing additional protocols for areas that are prone to seismic activity or completely banning hydraulic fracturing in other areas. Any new laws, regulations, or permitting requirements regarding hydraulic fracturing could lead to operational delays,

increased operating costs, third-party or governmental claims, and could increase the Group's costs of compliance and doing business, as well as delay the development of oil and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions or bans on hydraulic fracturing in the areas where the Group operates could result in it being unable to economically recover its oil and gas reserves and reserves, which would result in a significant decrease in the value of the Group's assets.

Water is an essential component of the Group's drilling and hydraulic fracturing processes. Limitations or restrictions on the Group's ability to secure enough water (including limitations resulting from natural causes such as drought), could materially and adversely impact its operations.

Government authorities may issue orders to temporarily shut down or to curtail the injection depth of existing wells in the vicinity of seismic events. Another consequence of seismic events may be lawsuits alleging that disposal well operations have caused damage to neighbouring properties or otherwise violated laws and regulations regarding waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells by the Group or by commercial disposal well vendors that it may use from time to time to dispose of produced water.

Any significant restrictions on the Group's use of hydraulic fracturing may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.3.14 Cost of new technologies

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

2.3.15 Risks associated with interests in Jordan and Brazil

The Group conducts operations in the Hashemite Kingdom of Jordan ("**Jordan**") and Brazil and is therefore exposed to a range of political, economic, legal and social risks in those jurisdictions that are outside of its control. These include changes in government policy or legislation, adverse regulatory determinations, currency fluctuations and controls, high inflation, expropriation or nationalisation without fair compensation, renegotiation or nullification of existing concessions and contracts, taxation policies (including royalty and tax increases and retroactive tax claims), import, export and transportation restrictions, social instability, corruption, and other uncertainties arising out of foreign government sovereignty over the Group's operations.

Jordan

While Jordan has historically been regarded as relatively stable within the region, the evolving geopolitical environment, including conflicts in neighbouring jurisdictions and heightened regional tensions, may increase security, operational and compliance risks. Terrorist or criminal actions, including by transnational or domestic extremist groups, could result in delays to operations, damage to assets or infrastructure, increased security and compliance costs, constraints on the availability of contractors and personnel, or, in extreme circumstances, loss of operating control or restrictions on the Group's ability to extract, transport or sell hydrocarbons.

The Group is also exposed to the risk of deterioration in its relations with the Jordanian government. The present or future governments may take actions that adversely affect the Group's business or financial condition. The Group and its co-venturers may be unable to obtain or renew required drilling rights, licences, permits and other authorisations, or such rights may be suspended, terminated or revoked prior to expiry, whether due to non-compliance, changes in applicable

law, or government discretion. Any significant delay or failure in this regard could impede the Group's planned activities and the future development of its Jordanian oil and gas resources.

Brazil

Changes in government may alter the level of support for oil and gas activities in Brazil, potentially resulting in revisions to existing oil and gas regulations or to tax and other laws that could adversely affect the Group. There can be no certainty as to the outcome of any such regulatory or legislative change.

Income tax and other tax laws affecting the Group may change in the future or be interpreted in a manner that adversely affects the Group. In 2025, Brazil introduced a new 10% withholding tax on dividends effective 1 January 2026, which will result in additional taxes on any dividends paid by the Group's Brazilian subsidiary to Canada. While there are currently no restrictions or taxes on repatriations of capital, changes in foreign exchange regulations, further restrictions on the repatriation of funds from Brazil, or the imposition of additional withholding or other taxes may adversely affect the Group's ability to obtain cash from its Brazilian subsidiaries to meet obligations in Canada, including the payment of dividends. The impact on future cash flows may be material.

The majority of the Group's Brazilian operations are conducted in Portuguese, and the Group may enter into significant contracts in Portuguese, which may give rise to uncertainties. The Group manages this risk through the employment of qualified local personnel. The majority of personnel in Brazil belong to a labour union with defined requirements regarding compensation and benefits, and any employee strike could disrupt operations and have an adverse financial impact.

Canadian Laws and Policies

The Group's international operations may also be adversely affected by the laws and policies of Canada, including as they pertain to oil and gas development, foreign trade, taxation, investment and political relations with Jordan and Brazil, as well as any economic sanctions imposed by Canada or other jurisdictions.

Any of the mentioned risks may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.3.16 Cyber-attacks or other incidents negatively affecting the Group's data systems could have a material adverse effect on the Group's business, financial condition and results of operations

The Group relies on information technology systems to operate its business. These systems may be vulnerable to cyberattacks, including unauthorised access by hackers or cyberterrorists, ransomware, malicious code, and deliberate security breaches by third parties or insiders. Any such attack could result in interruptions to operations, loss or corruption of critical data, theft or extortion of funds, regulatory infractions, reputational damage, or loss of competitive advantage.

In the ordinary course of business, the Group collects, uses and stores sensitive data, including intellectual property, proprietary business information and personal information of employees and third parties. Despite the Group's security measures, its systems and networks remain potential targets for cyberattacks and malicious intrusion. A successful attack could result in unauthorised access to, or disclosure or loss of, confidential information, giving rise to legal claims, regulatory penalties, reputational damage and significant disruption to operations.

The Group is also exposed to cyber-phishing attacks, in which malicious parties attempt to obtain sensitive information or misappropriate financial resources by disguising themselves as trustworthy entities in electronic communications. Such attacks are becoming increasingly sophisticated, including through the exploitation of social media platforms to gather information and penetrate the Group's systems. The Group's employees are frequent targets of fraudulent emails and other social engineering tactics designed to introduce malware or extract confidential data. To date, the Group has not experienced any material losses from cyberattacks or security breaches. However, there can be no assurance that this will remain the case. The Group does not currently maintain insurance coverage for the operational impacts of a cyberattack on or breach of its information technology systems.

2.4 Risks relating to the Group's financial situation

2.4.1 Liquidity and the Group's substantial capital requirements

The Company anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. As future capital expenditures will be financed out of cash generated from operations, borrowings and possible future equity sales, the Group's ability to do so is dependent on, among other factors:

- the overall state of the capital markets;
- the Group's credit rating (if applicable);
- commodity prices;
- interest rates;
- royalty rates;
- tax burden due to current and future tax laws; and
- investor appetite for investments in the energy industry and the Group's securities in particular.

Further, if the Group's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. The recent acquisition of Paraná Xisto S.A. ("**PX Energy**") and its associated working capital deficit and long term debt as of 31 December 2025, materially increases the Group's liquidity requirements. The current conditions in the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies to access additional financing. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The Company may be required to seek additional equity financing on terms that are highly dilutive to existing shareholders. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Group's business financial condition, results of operations and prospects.

2.4.2 Credit facilities

The Group's ability to draw on its existing credit facility depends on a borrowing base determined periodically by its lender, taking into account the Group's reserves, commodity prices and other factors. A decline in commodity prices could reduce the borrowing base, limiting the funds available to the Group and potentially requiring repayment of amounts already drawn.

The credit facility is subject to certain covenants with which the Group must comply. A failure to comply, including as a result of events beyond the Group's control, could result in a default, requiring immediate repayment of outstanding amounts. A default under the credit facility may also trigger cross-default or cross-acceleration provisions under other financing arrangements. Even if alternative financing is obtained, there is no assurance it will be available on commercially reasonable terms.

The credit facility also imposes operating and financial restrictions on the Group, including restrictions on the payment of dividends, incurring additional indebtedness, making capital expenditures and disposing of assets, among others. As a demand facility, it may be reduced or cancelled by the lender at any time for reasons outside the Group's control. If the Group is unable to repay owed amounts, the lender may enforce its security over the collateral provided.

The credit facility is currently limited to the Group's Canadian assets. The Group's Brazilian operations, including PX Energy, do not currently have access to external credit facilities and to date the Group has been unable to secure third-party financing for those operations on acceptable terms. As a result, the Brazilian operations are reliant on operational cash flow and support from the Group to fund their working capital requirements, capital expenditures and debt service obligations. There is no assurance that credit facilities for the Brazilian operations will be secured in the future, or that any such facilities will be on terms acceptable to the Group.

Any of the abovementioned could have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

2.4.3 Variations in foreign exchange rates

World oil and natural gas prices are quoted in United States dollars. The Canadian/United States dollar and Brazilian Reals/United States dollar exchange rates fluctuate over time and consequently affect the price received by Canadian and Brazilian producers of oil and natural gas. Material increases in the value of the Canadian dollar and/or Brazilian Reals relative to the United States dollar will negatively affect the Group's production revenues. Accordingly, exchange rates between Canada and the United States could affect the future value of the Group's reserves as determined by independent evaluators. Although a low value of the Canadian dollar relative to the United States dollar may positively affect the price the Group receives for its oil and natural gas production, it could also result in an increase in the price for certain goods used for the Group's operations, which may have a negative impact on the Group's financial results.

2.4.4 Hedging arrangements

From time to time the Company may enter into agreements to receive fixed prices on its oil and natural gas production, which is intended to mitigate the effect of commodity price volatility and support the Group's capital budgeting and expenditure plans. However, if commodity prices increase beyond the levels set in such agreements, the Group may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk.

In addition, the Group's hedging arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which:

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

On the other hand, failure to protect against a decline in commodity prices exposes the Group to reduced liquidity when prices decline. A sustained lower commodity price environment would result in lower realised prices for unprotected volumes and reduce the prices at which the Group would enter into derivative contracts on future volumes. This could make such transactions unattractive, and, as a result, some or all of the Group's production volumes forecasted for the current fiscal year and beyond may not be protected by derivative arrangements.

2.5 Risks relating to legal matters, disputes and compliance

2.5.1 Fiscal and royalty regime

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

The royalty regime in Alberta and any other jurisdictions in which the Group's oil and natural gas assets are located, including Québec, may be subject to further review and changes which could adversely impact the Group's financial condition and operations and make future capital investments less economic.

The Group's Brazilian operations are subject to federal, state and municipal taxes, royalties and other levies, which may be amended through legislative, regulatory or administrative action. In addition, Brazil has recently enacted tax reforms

and introduced a withholding tax on dividends. Changes in tax laws, royalty rates, fiscal incentives or interpretations by tax authorities could increase the Group's tax burden or reduce after-tax cash flows.

2.5.2 Regulatory and environmental risks

The Group's oil and natural gas operations are subject to extensive environmental regulation at international, federal, state and municipal levels. Applicable laws govern, among other things, emissions and discharges, water use, waste disposal, land reclamation and post-closure obligations. Non-compliance may result in fines, penalties, suspension or revocation of licences and permits, civil liability and remediation costs, some of which could be material.

Environmental regulation is evolving towards stricter standards and enforcement. Oil shale operations are comparatively energy-intensive and generate higher greenhouse gas emissions per unit of output than conventional production, which may increase the Group's exposure to future regulatory change. Compliance with new or more stringent requirements could result in increased costs, operational constraints or reduced project economics.

The Group's oil shale operations also depend on significant volumes of water, the abstraction of which is regulated at the state level in Brazil and subject to competing demands and seasonal variability. Restrictions on water availability or changes in water use regulation could adversely affect operations and costs.

The Group is in material compliance with current environmental laws. However, the application of environmental laws to the Group's business may result in curtailment of production or a material increase in production, development or exploration costs, or otherwise adversely affect the Group's financial condition, results of operations or prospects. See Section 4.7 "*Regulatory environment*".

Further, the Group's oil shale mining operations in Brazil are subject to extensive regulatory oversight, including environmental and operational approvals that are more complex and time-consuming than those applicable to conventional oil and gas activities. Oil shale mining involves surface disturbance, industrial processing and waste management, which may result in increased scrutiny by regulatory authorities and longer permitting timelines. Delays in obtaining, renewing or amending permits or licences may adversely affect the timing, cost or scope of the Group's operations.

3 GENERAL INFORMATION

3.1 Important information

This Information Document has been prepared by the Company in connection with the Admission on Euronext Growth Oslo.

The Euronext Growth Advisor has assisted the Company in preparing the Information Document and used reasonable efforts to ensure that the Information Document is in accordance with the content requirements set out by Euronext Oslo Børs. For the purpose of identifying such information, the Euronext Growth Advisor has engaged advisors to conduct customary limited due diligence investigations related to certain legal and financial matters, and held discussions and interviews with the Management.

The responsibility for the accuracy and completeness of the Information Document lies with the Company. The Euronext Growth Advisor cannot guarantee that the information in this Information Document is correct and/or complete in all respects and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of the accuracy or completeness of the information in this Information Document or any such statement.

Neither the Company, the Euronext Growth Advisor, nor any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Preferred Shares regarding the legality of an investment in the Preferred Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Preferred Shares.

Investing in the Preferred Shares involves a high degree of risk. See Section 2 "*Risk factors*" beginning on page 6.

3.2 Presentation of financial information

3.2.1 Financial information

The financial information included in this Information Document has been derived from the following (together, the "**Financial Information**"):

(i) Audited consolidated financial statements for Questerre Energy Corporation as of and for the financial years ended 31 December 2025 and 31 December 2024 (the "**Annual Financial Statements**"). The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("**IFRS**"). The Annual Financial Statements have been audited by Ernst & Young LLP, Chartered Professional Accountants ("**EY**"), and the audit report is issued without any qualifications, modifications of opinion or disclaimers.

(ii) Unaudited consolidated interim financial statements for Questerre Energy Corporation as of and for the three-month period ended 31 March 2026 (the "**Interim Financial Statements**"). The Interim Financial Statements are prepared in accordance with IFRS and Canadian Generally Accepted Accounting Principles.

The Group's statutory auditor is EY. EY has not audited, reviewed or produced any report on any other information provided in this Information Document.

The Financial Information is incorporated by reference to this Information Document, see Section 9.4 "*Incorporated by reference*". For further details on the Financial Information, please refer to Section 6 "*Selected financial information*".

3.3 Other information

3.3.1 Presentation of reserves information

McDaniel & Associates Consultants Ltd. ("**McDaniel**"), independent petroleum engineers of Calgary, Alberta prepared an Evaluation of Oil & Gas Reserves dated 9 March 2026 (the "**McDaniel Report**") which evaluation is effective 31 December

2025. The McDaniel Report is in respect of the Group's conventional oil and gas properties in Canada and excludes its assets in the Québec Lowlands and its oil shale assets in Brazil and the US. In preparing its report, McDaniel obtained basic information from the Group, which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluation and upon which the McDaniel Report is based, was obtained from public records, other operators and from McDaniel's non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by McDaniel as represented.

GLJ Ltd. ("**GLJ**"), independent petroleum engineers of Calgary, Alberta prepared the Reserve Assessment and Evaluation of Oil and Gas Properties dated March 2026 (the "**GLJ Report**") which report is effective 31 December 2025. The GLJ Report is in respect of the Mina de Xisto Field in Brazil held by PX Energy. Information used in the preparation of the GLJ Report was obtained from PX Energy. The GLJ Report is based on certain factual data supplied by the Company and GLJ's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to petroleum properties and contracts (except for certain information residing in the public domain) were supplied by the Company to GLJ. GLJ accepted this data as presented and neither title searches nor field inspections were conducted.

No reserves are currently assigned to the Group's assets in Jordan or held by Red Leaf in the United States.

3.3.2 Selected reserves and oil and gas information

The tables set forth below contain certain information relating to the oil and natural gas reserves of the Group's properties and the present value of the estimated future net cash flow associated with such reserves as of 31 December 2025. Please refer to Section 3.3.3.2 "*Québec Resource Assessment*" for information about the resource report relating to the Québec Business, which is not reflected in this Section 3.3.2.

Numbers may vary slightly from those presented in the McDaniel Report and the GLJ Report due to rounding. Due to rounding, certain columns may not add exactly. The information set forth below is derived from the McDaniel Report and/or the GLJ Report, as applicable, which reports have been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook Volume I (the "**COGE Handbook**") and the reserves definitions contained in NI 51-101.

All evaluations and reviews of future net revenue are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. The estimated future net revenue from the production of disclosed oil and natural gas reserves does not represent the fair market value of the Group's reserves. There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGLs and natural gas reserves may be greater than or less than the estimates provided herein. All of the Group's crude oil, NGLs and natural gas reserves are in Canada and Brazil.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Summary of oil and gas reserves as of 31 December 2025 (forecast prices and costs)

	Light & Medium Oil		Heavy Oil		Tight Oil	
Reserves Category	Gross[1] (Mbbl)	Net[2] (Mbbl)	Gross[1] (Mbbl)	Net[2] (Mbbl)	Gross[1] (Mbbl)	Net[2] (Mbbl)
Proved - Canada						
Developed Producing	532.3	504.4	—	—	—	—
Developed Non-Producing	—	—	—	—	—	—
Undeveloped	—	—	—	—	—	—
Total Proved - Canada	**532.3**	**504.4**	**—**	**—**	**—**	**—**
Proved - Brazil						
Developed Producing	546	519	2,496	2,371	7,159.9	6,801.9
Developed Non-Producing	—	—	—	—	—	—
Undeveloped	—	—	—	—	—	—
Total Proved - Brazil	**546.4**	**519.1**	**2,495.7**	**2,371.0**	**7,159.9**	**6,801.9**
Total Proved - Combined	**1,078.7**	**1,023.5**	**2,495.7**	**2,371.0**	**7,159.9**	**6,801.9**
Total Probable - Canada	728.6	707.6	—	—	—	—
Total Probable - Brazil	311.3	268.1	299	285	859.2	816.2
Total Probable - Combined	**1,039.9**	**975.7**	**299.5**	**284.5**	**859.2**	**816.2**
Total Proved + Probable Combined	**2,118.5**	**1,999.2**	**2,795.2**	**2,655.5**	**8,019.1**	**7,618.1**

FOR CANADA:

(1) Gross reserves are working interest reserves before royalty deductions.

(2) Net reserves are working interest reserves after royalty deductions plus royalty interest reserves.

(3) Natural Gas Liquids include Condensate volumes.

FOR BRAZIL:

(1) Conventional Gas volumes are volume associated with Processing the Shale Ore.

(1) Gross reserves are working interest reserves before royalty deductions.

(2) Net reserves are working interest reserves after royalty deductions plus royalty interest reserves.

(2) All reserves volumes are sales volume after internal consumption.

(3) Reserves Volumes do not include Sludge Oil Processing Volumes.

	Conventional Natural Gas		Shale Gas		Natural Gas Liquids[3]	
Reserves Category	Gross[1] (MMcf)	Net[2] (MMcf)	Gross[1] (MMcf)	Net[2] (MMcf)	Gross[1] (Mbbl)	Net[2] (Mbbl)
Proved - Canada						
Developed Producing	16.8	68.1	10,692.4	9,819.9	1,402.2	1,115.8
Developed Non-Producing	—	—	—	—	—	—
Undeveloped	—	—	27,277.5	25,175.2	3,638.2	3,084.3
Total Proved - Canada	**16.8**	**68.1**	**37,970**	**34,995**	**5,040**	**4,200**
Proved - Brazil						
Developed Producing	5,075.4	4,821.6	—	—	2,495.7	2,371.0
Developed Non-Producing	—	—	—	—	—	—
Undeveloped	—	—	—	—	—	—
Total Proved - Brazil	**5,075.4**	**4,821.6**	**—**	**—**	**2,496**	**2,371**
Total Proved - Combined	**5,092.2**	**4,889.7**	**37,969.8**	**34,995.1**	**7,536.2**	**6,571.1**
Total Probable - Canada	3.2	13.6	33,981.3	30,213.5	4,058.1	3,089.0
Total Probable - Brazil	609.0	578.6	—	—	299.5	284.5
Total Probable - Combined	**612.2**	**592.1**	**33,981.3**	**30,213.5**	**4,357.6**	**3,373.5**
Total Proved + Probable Combined	**5,704.4**	**5,481.9**	**71,951.1**	**65,208.6**	**11,893.8**	**9,944.6**

Summary net present values of future net revenue as of 31 December 2025 (forecast prices and costs)

	Before Income Taxes Discounted at (%/year)				
Reserves Category	@0.0% (M$)	@5.0% (M$)	@10.0% (M$)	@15.0% (M$)	@20.0% (M$)
Proved					
Developed Producing	58,278.3	52,693.9	47,403.3	42,964.4	39,325.0
Developed Non-Producing	—	—	—	—	—
Undeveloped	78,719.3	45,493.7	25,183.4	12,405.8	4,159.0
Total Proved - Canada	136,997.6	98,187.6	72,586.7	55,370.2	43,484.0
Proved					
Developed Producing	247,896.5	163,684.6	113,260.1	81,740.5	61,237.4
Developed Non-Producing	—	—	—	—	—
Undeveloped	—	—	—	—	—
Total Proved - Brazil	247,896.5	163,684.6	113,260.1	81,740.5	61,237.4
Total Proved - Combined	**384,894.1**	**261,872.1**	**185,846.8**	**137,110.7**	**104,721.4**
Total Probable - Canada	174,097.6	99,127.7	60,759.2	39,779.4	27,598.7
Total Probable - Brazil	600,027.0	383,108.2	258,691	183,468	135,760
Total Probable - Combined	**774,124.6**	**482,235.9**	**319,450.0**	**223,247.5**	**163,358.4**
Total Proved + Probable Combined	**1,159,018.7**	**744,108.0**	**505,296.7**	**360,358.2**	**268,079.8**

	After Income Taxes Discounted at (%/year)				
Reserves Category	**@0.0% (M$)**	**@5.0% (M$)**	**@10.0% (M$)**	**@15.0% (M$)**	**@20.0% (M$)**
Proved					
Developed Producing	58,278.3	52,693.9	47,403.3	42,964.4	39,325.0
Developed Non-Producing	—	—	—	—	—
Undeveloped	78,719.2	45,493.7	25,183.4	12,405.8	4,159.0
Total Proved - Canada	136,997.5	98,187.6	72,586.7	55,370.2	43,484.0
Proved					
Developed Producing	159,479.3	105,593.4	73,116.3	52,720.5	39,411.5
Developed Non-Producing	—	—	—	—	—
Undeveloped	—	—	—	—	—
Total Proved - Brazil	159,479.3	105,593.4	73,116.3	52,720.5	39,411.5
Total Proved - Combined	**296,476.8**	**203,780.9**	**145,703.0**	**108,090.7**	**82,895.5**
Total Probable - Canada	172,888.7	98,723.0	60,616.4	39,726.5	27,578.2
Total Probable - Brazil	400,150.3	255,289.9	172,371	122,317	90,607
Total Probable - Combined	**573,038.9**	**354,012.8**	**232,987.6**	**162,043.7**	**118,184.8**
Total Proved + Probable Combined	**869,515.7**	**557,793.8**	**378,690.7**	**270,134.4**	**201,080.4**

(1) The unit values are based on net reserve volumes.

Total future net revenue (undiscounted) as of 31 December 2025 (forecast prices and costs)

CANADA Reserves Category	Revenue [1] M$	Royalties [2] M$	Operating Costs M$	Development Costs M$	Abandonment & Reclamation Costs M$	Future Net Revenue Before Income Taxes M$	Income Taxes M$	Future Net Revenue After Income Taxes M$
Total Proved Reserves	661,527	79,569	271,952	155,527	17,483	136,997	—	136,997
Total Proved + Probable Reserves	1,305,928	186,037	508,896	279,180	20,720	311,095	1,209	309,886

BRAZIL Reserves Category	Revenue [1] M$	Royalties [2] M$	Operating Costs M$	Development Costs M$	Abandonment & Reclamation Costs M$	Future Net Revenue Before Income Taxes M$	Income Taxes M$	Future Net Revenue After Income Taxes M$
Total Proved Reserves	2,210,523	62,047	1,739,347	143,886	17,345	247,897	88,417	159,479
Total Proved + Probable Reserves	3,226,187	70,723	2,121,889	165,854	19,798	847,924	288,294	559,630

(1) Product revenues and other revenues as forecast.
(2) Royalties include any net profits, interests paid, as well as the Saskatchewan Corporation Capital Tax Surcharge.

Future net revenue by product type as of 31 December 2025 (forecast prices and costs)

CANADA Reserves Category	Product Type	Future Net Revenue Before Income Taxes (discounted @ 10%) M$	Unit Value [1] CAD/Mcf CAD/bbl
Total Proved Reserves	Light and Medium Oil (Including Solution Gas and By-products)	14,960	29.66
	Conventional Natural Gas (Including By-products)	208	3.06
	Shale Gas (Including By-products)	57,418	1.64
	Total	**72,587**	
Total Proved + Probable Reserves	Light and Medium Oil (Including Solution Gas and By-products)	19,532	16.11
	Conventional Natural Gas (Including By-products)	245	3.00
	Shale Gas (Including By-products)	113,569	1.74
	Total	**133,346**	
BRAZIL **Reserves Category**	**Product Type**		
Total Proved Reserves	Tight Oil	113,260	1.80
Total Proved + Probable Reserves	Tight Oil	371,951	5.18

(1) Unit values are calculated using the 10% discount rate divided by the Major Product Type Net reserves for each group.

Forecast Prices and Costs Employed by McDaniel and GLJ as of 1 January 2026

McDaniel and GLJ employed the following pricing, exchange rate and inflation rate assumptions in estimating the Group's reserves data as of January 1, 2026. These are based on the average of commodity price forecasts effective January 1,

2026, from three qualified reserves evaluators who are independent of the Company, being GLJ Ltd., Sproule Associates Ltd., and McDaniel's (each of which is available on their respective websites at www.gljpc.com, www.sproule.com and www.mcdan.com).

Summary of Crude Oil and Natural Gas Liquids Price Forecasts as of 1 January 2026

Year	WTI Crude Oil USD/bbl	Brent Crude Oil USD/bbl	Edmonton Light Crude Oil CAD/bbl	Western Canadian Select Crude Oil CAD/bbl	Alberta Heavy Crude Oil CAD/bbl	Edmonton Ethane CAD/bbl	Edmonton Propane CAD/bbl	Edmonton Butanes CAD/bbl	Edmonton Natural Gasolines CAD/bbl	Inflation %	US/CAN Exchange Rate USD/CAD
	(1)	(2)	(3)	(5)	(6)						
History											
2025	65.50	69.10	85.65	75.05	70.45		32.35	37.75	88.60	2.05	0.720
Forecast											
2026	59.92	63.92	77.54	65.13	60.09	9.59	25.10	36.95	80.01	—	0.730
2027	65.10	69.13	83.60	70.43	64.94	10.64	27.28	39.79	86.19	2.00	0.740
2028	70.28	74.36	90.17	76.90	71.16	11.34	29.67	42.87	92.83	2.00	0.740
2029	71.93	76.10	92.32	78.71	72.84	11.66	30.37	43.89	95.04	2.00	0.740
2030	73.37	77.62	94.17	80.29	74.30	11.89	30.98	44.77	96.94	2.00	0.740
2031	74.84	79.17	96.06	81.90	75.80	12.14	31.60	45.66	98.89	2.00	0.740
2032	76.34	80.76	97.98	83.53	77.32	12.39	32.23	46.58	100.86	2.00	0.740
2033	77.87	82.37	99.93	85.20	78.87	12.64	32.87	47.51	102.88	2.00	0.740
2034	79.42	84.02	101.93	86.91	80.46	12.90	33.53	48.46	104.94	2.00	0.740
2035	81.01	85.70	103.97	88.65	82.08	13.16	34.20	49.43	107.04	2.00	0.740
2036	82.63	87.41	106.05	90.42	83.72	13.43	34.89	50.42	109.18	2.00	0.740
2037	84.29	89.16	108.17	92.23	85.39	13.70	35.58	51.42	111.36	2.00	0.740
2038	85.97	90.94	110.34	94.07	87.10	13.97	36.30	52.45	113.59	2.00	0.740
2039	87.69	92.76	112.54	95.96	88.84	14.25	37.02	53.50	115.86	2.00	0.740
2040	89.44	94.62	114.80	97.87	90.62	14.53	37.76	54.57	118.18	2.00	0.740
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	2.00	0.740

(1) West Texas Intermediate at Cushing Oklahoma 40 degrees API, 0.5% sulphur
(2) North Sea Brent Blend 37 degrees API, 1.0% sulphur
(3) Edmonton Light Sweet 40 degrees API, 0.3% sulphur
(4) Western Canadian Select at Hardisty, Alberta
(5) Heavy crude oil 12 degrees API at Hardisty, Alberta (after deduction of blending costs to reach pipeline quality)
(6) Historical prices based on AECO 7A (near month prices). 5A (daily price) expected to be equal to 7A over long term. 2025 historical prices: (7) 7A CAD 1.86/MMBTU, 5A CAD 1.62/MMBTU
(8) This forecast also applies to direct sales contracts and the Alberta gas reference price used in the Crown royalty calculations.

Summary of Natural Gas Price Forecasts as of 1 January 2026

Year	U.S. Henry Hub Gas Price USD/MMBtu	Alberta AECO Spot Price CAD/MMBtu	Alberta Average Plantgate CAD/MMBtu	Alberta Aggregator Plantgate CAD/MMBtu	Empress CAD/MMBtu	Sask. Prov. Gas Plantgate CAD/MMBtu	British Columbia Average Plantgate CAD/MMBtu	British Columbia Station 2 CAD/MMBtu
		(1)	(2)					
History								
2025	3.55	1.85	1.65	1.65	2.15	2.10	1.00	1.15
Forecast								
2026	3.74	3.00	2.80	2.80	3.18	3.03	2.23	2.66
2027	3.78	3.30	3.10	3.10	3.42	3.33	2.63	3.07
2028	3.85	3.49	3.28	3.28	3.61	3.52	2.80	3.25
2029	3.93	3.58	3.37	3.37	3.70	3.62	2.89	3.34
2030	4.01	3.65	3.44	3.44	3.78	3.69	2.95	3.41
2031	4.09	3.72	3.50	3.50	3.85	3.77	3.01	3.47
2032	4.17	3.80	3.58	3.58	3.93	3.85	3.08	3.55
2033	4.26	3.88	3.65	3.65	4.01	3.93	3.14	3.62
2034	4.34	3.95	3.72	3.72	4.09	4.01	3.21	3.69
2035	4.43	4.03	3.79	3.79	4.17	4.09	3.28	3.77
2036	4.52	4.11	3.87	3.87	4.25	4.17	3.34	3.84
2037	4.61	4.20	3.95	3.95	4.33	4.25	3.41	3.92
2038	4.70	4.28	4.03	4.03	4.42	4.34	3.48	4.00
2039	4.79	4.37	4.11	4.11	4.51	4.42	3.55	4.08
2040	4.89	4.45	4.19	4.19	4.60	4.51	3.62	4.16
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr

(1) Historical prices based on AECO 7A (near month prices). 5A (daily price) expected to be equal to 7A over long term. 2025 historical prices: 7A CAD 1.86/MMBTU, 5A CAD 1.62/MMBTU
(2) This forecast also applies to direct sales contracts and the Alberta gas reference price used in the Crown royalty calculations.

3.3.3 Other oil and gas information

The Group has two core areas in Canada and one in Brazil where it currently conducts and expects to conduct the most of its near-term activity: Kakwa, Alberta and Antler, Saskatchewan in Canada and Sao Mateus do Sul in the state of Parana

in Brazil. The Company also holds assets prospective for oil shale in the United States, and assets in the St. Lawrence Lowlands, Québec.

3.3.3.1 Québec

The Québec Lowlands are situated in Québec, south of the St. Lawrence River between Montreal and Québec City. The exploration potential of the Québec Lowlands is complemented by proximity to one of the largest natural gas markets in North America and a well-established distribution network.

The area is prospective for natural gas in several horizons with the primary target being the Utica. Secondary targets include the shallower Lorraine and the deeper Trenton Black-River carbonate. The majority of the Group's acreage lies in the heart of the fairway between two major geological features – Logan's Line, a subsurface thrust fault to the east and the Yamaska growth fault to the west.

The Group originally acquired its exploration licenses in the Quebec Lowlands in 2003. It previously formed a joint venture with its founding shareholder, Terrenex Acquisition Corporation, in 2000 to develop these licenses. The Group subsequently acquired Terrenex Acquisition Corporation and its rights in the licenses in 2008. Prior to the acquisition, Terrenex Acquisition Corporation conveyed its contractual royalty rights in the exploration licenses held by the Group to Terrenex Ventures Ltd., a private company controlled by certain directors and officers including the Chief Executive Officer and the Chief Financial Officer.

Between 2005 and 2010, the Group and its partner, Repsol Oil & Gas Canada Inc. ("**Repsol**") (formerly Talisman Energy Inc.), conducted an exploration and commercial appraisal program of the natural gas potential of the Lowlands. In the fall of 2010, the program was suspended while the provincial government initiated an environmental assessment of shale gas development in the province.

Following almost six years of extensive studies and public consultation, in December 2016, the government of Québec passed Bill 106, An Act to implement the 2030 Energy Policy and amend various legislative provisions ("**Bill 106**"). These amendments include the enactment of the Petroleum Resources Act to govern the future development of petroleum resources in Québec. In September 2017, the Ministry of Natural Resources published draft regulations required for the implementation of the Petroleum Resources Act.

In the third quarter of 2018, the government of Québec enacted the Petroleum Resources Act to govern the development of hydrocarbons in the province. It also enacted the associated regulations (the "**Regulations**") which includes restrictions on oil and gas activities, specifically the prohibition of hydraulic fracturing of shale and increasing the minimum setbacks from urbanized areas and bodies from water.

Following the enactment of the Regulations, the Group filed a legal brief with the Superior Court of Québec challenging the validity of the specific Regulations relating to the restrictions. The brief requested a stay and ultimately a judicial review to have them set aside. The Group's motion was made on the basis that the Regulations are ultra vires, or beyond the legal authority granted to the government by the Petroleum Resources Act, contrary to the independent scientific studies, and moreover they do not comply with the consultation requirements detailed in Québec legislation with respect to the enactment of regulations.

In 2019, pursuant to the agreement with a senior exploration and production company, the Group acquired the remaining interest in the exploration licenses over one million acres in the Lowlands, associated wells and equipment, geological and geophysical data and other miscellaneous assets. Consideration included a mutual release for all claims related to outstanding litigation as described in the Group's press release dated 4 June 2018. Other consideration included cash, a contingent payment to the vendor on receipt of government approval to complete a well and security for the assumption of abandonment and reclamation liabilities. Prior to closing adjustments and excluding the release for all claims relating to outstanding litigation, the consideration was estimated at CAD 67.3 million. The acquisition closed effective December 31, 2019, with requisite government approvals received in early 2020.

As a result of the extensive consultations with stakeholders over the last five years, the Company continued to build support for its project.

The Group's primary objective remains the implementation of a business and political solution for the development of its natural gas discovery in the province. Concurrently, it is protecting its legal rights by pursuing the Litigation, following the enactment in August 2022 of Bill 21.

Discussions remain ongoing with the Québec Ministry of Economy, Innovation and Energy, for the Group's carbon storage pilot project application under Bill 21. The project includes a comprehensive program to assess the carbon storage potential including injection and monitoring wells, compression facilities and a pipeline to an adjacent industrial park. The Company is seeking government funding for this pilot project. The Company is participating in the consultation process for new regulations proposed by the province related to carbon sequestration legislation.

Through the Québec Energy Association, the Company participated in the public consultation for Bill 69, An Act to ensure the responsible governance of energy resources and to amend various legislative provisions ("**Bill 69**"). Bill 69 included the requirement for an integrated resource management plan to promote energy development in Québec. Among other things, it established for electric power and natural gas markets, policy directions, objectives and targets regarding supply, energy infrastructure and innovation. In June 2025, the government of Québec enacted Bill 69 under closure.

During the third quarter, the Company was advised that the Supreme Court of Canada declined to hear its application to appeal the decision from the Québec Court of Appeal on the stay of application of Bill 21. The ruling by the Québec Court of Appeal in May 2025 annulled a decision by the Québec Superior Court justice in January 2024 suspending key provisions of Bill 21. The government of Québec is now permitted to enforce the specific provisions related to the abandonment and reclamation of existing wells. In March 2026, the Company was advised the government is seeking proof of solvency for CAD 11.4 million for the estimated gross abandonment and reclamation costs for these wells. Pursuant to Bill 21, the government is responsible for 75% of these costs. The Company intends to work collaboratively with the government to meet its obligations on a reasonable and timely basis.

The Company is also proceeding with the main hearing on the merits of the case in accordance with procedural rules in Québec, including its debate on the constitutional validity of Bill 21. The questioning of key government representatives was completed in September and October in the fall of 2025. Subject to completion of pre-trial motions and other procedural matters, the Company is seeking a date for the main hearing in the first instance in 2026.

3.3.3.2 Québec Resource Assessment

Overview and basis of preparation

The Company engaged GLJ, independent petroleum engineers of Calgary, Alberta, to prepare an independent resource assessment (the "**Québec Resource Assessment**") of its approximately 1.2 million gross acres (1 million net acres) in the St. Lawrence Lowlands, Québec, which have potential for the Upper Utica Shale, a deep shale gas formation underlying a significant portion of the St. Lawrence Lowlands in the Province of Québec, Canada. The Québec Resource Assessment has an effective date of 31 December 2020 and was prepared in accordance with NI 51-101 and the standards contained in the COGE Handbook. It does not include any of the Group's other properties.

GLJ used probabilistic methods to generate low, best and high estimates of total petroleum initially in place ("**TPIIP**"), both discovered and undiscovered, covering the Upper Utica Shale (including the Indian Castle and Dolgeville members, being the two sub-formations evaluated by GLJ for recoverable resources). Recoverable contingent and prospective resources (both as defined below) were estimated by analogy, drawing on available well data from the Company's Québec acreage and public data from the United States Utica and Marcellus shale plays. The Flat Creek, the lowermost member of the Upper Utica Shale, was evaluated only to estimate undiscovered petroleum initially in place. No recoverable resources were assigned to it, due to insufficient test data as of the effective date.

Unless otherwise indicated, all resource volumes presented in this section are on an unrisked, gross basis, meaning that they are unadjusted for chance of commerciality and before deduction of royalties.

Investors should note that resource estimates are estimates only and there is no guarantee that any portion of the estimated resources will be recovered. With respect to the Company's discovered resources, there is uncertainty that it will be commercially viable to produce any portion of the "**Contingent Resources**" (as defined in the COGE Handbook, meaning those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies, such as economic, legal, environmental, political or regulatory matters, or a lack of markets). Estimates of future net revenue do not represent fair market value.

Please note that the Québec Resource Assessment was issued before the enactment of Bill 21 in August 2022, and does not reflect any uncertainty or risk caused by the purported revocation of the Company's 16 exploration licences in Québec or the current state of the Litigation.

Contingent resources

Of the TPIIP estimated over the Company's acreage, only land within a 3-mile radius of a successfully tested well was quantified as discovered gas-in-place. Based on this qualification, only 16% of the total mapped TPIIP in the Upper Utica Shale was classified as Contingent Resources. Recovery factors of 22%, 32% and 46% were applied to the low, best and high estimate resource cases respectively.

Contingent Resources are sub-classified based on project maturity sub-classes which help identify a project's chance of commerciality. The project maturity sub-classes used in the Québec Resource Assessment are "development on hold" and "development unclarified", as defined in the COGE Handbook. "Development on hold" is when there is a reasonable chance of development, but there are major non-technical contingencies to be resolved that are usually beyond the control of the operator. "Development unclarified" is when the evaluation is incomplete and there is ongoing activity to resolve any risks or uncertainties.

The Contingent Resources require additional data gathering, the preparation of firm development plans, and regulatory application and approval for development. Those areas classified as development on hold are primarily contingent on government and public approval for development. Areas classified as development unclarified have additional contingency or risk associated with public approval of respective county populations, thereby lowering their priority for development.

Contingent Resources are evaluated based on the same fiscal conditions used in the assessment of reserves and, as such, are forecasted to be economic. Contingent Resource values are estimated on the basis of established technology, namely multistage hydraulic fracturing recovery technologies that are widely used in the development of shale gas plays including in the Montney shale formation in western Canada and the Upper Utica Shale in Ohio.

The chance of commerciality for Contingent Resources is equal to the product of the chance of discovery and the chance of development. By definition, the chance of discovery for Contingent Resources is 100%. GLJ estimated the chance of development for the development on hold sub-class at 70%, giving a corresponding chance of commerciality of 70%. GLJ estimated the chance of development for the development unclarified sub-class at between 10% and 25%, giving a corresponding chance of commerciality of between 10% and 25%.

Contingent resources – Development on hold

The Québec Resource Assessment estimated gross risked Contingent Resources with a project maturity sub-class of development on hold of 128.6 million boe (low estimate) to 347.6 million boe (high estimate), with a best estimate of 214 million boe. The unrisked estimated cost to bring these resources on commercial production is an aggregate of approximately CAD 2.3 billion, with an expected timeline of one to six years.

Contingent resources – Development Unclarified

The Québec Resource Assessment estimated gross risked contingent resources with a project maturity sub-class of development unclarified of 5.7 million boe (low estimate) to 95.9 million boe (high estimate), with a best estimate of approximately 59.8 million boe. The risked estimated cost to bring these resources on commercial production is an aggregate of approximately CAD 2.8 billion, with an expected timeline of one to four years.

The following tables provide a summary of risked oil and gas resources as of 31 December 2020:

	Summary Of Oil And Gas Risked Resources						
	Shale Gas		Oil Equivalent				
Resources Category	Gross MMcf	Net MMcf	Gross Mboe	Net Mboe	Chance of Development %	Chance of Discovery %	Chance of Commerciality %
Contingent Resources							
Low Estimate - On Hold							
Becancour / Ste. Sophie-de-Levrard	278,328	245,633	46,388	40,939	70	100	70
La Visitation-de-Yamaska	-	-	-	-	-	-	-
St. David	-	-	-	-	-	-	-
St. Edouard-de-Lotbiniere	493,350	439,560	82,225	73,260	70	100	70
St. Francois-du-Lac / Pierreville	-	-	-	-	-	-	-
St. Louis	-	-	-	-	-	-	-
Utica Prospective Resources	-	-	-	-	-	-	-
Total: Low Estimate - On Hold	**771,678**	**685,193**	**128,613**	**114,199**			
Best Estimate - On Hold							
Becancour / Ste. Sophie-de-Levrard	463,284	408,452	77,214	68,075	70	100	70
La Visitation-de-Yamaska	-	-	-	-	-	-	-
St. David	-	-	-	-	-	-	-
St. Edouard-de-Lotbiniere	820,244	730,102	136,707	121,684	70	100	70
St. Francois-du-Lac / Pierreville	-	-	-	-	-	-	-
St. Louis	-	-	-	-	-	-	-
Utica Prospective Resources	-	-	-	-	-	-	-
Total: Best Estimate - On Hold	**1,283,528**	**1,138,554**	**213,921**	**189,759**			
High Estimate - On Hold							
Becancour / Ste. Sophie-de-Levrard	753,332	663,162	125,555	110,527	70	100	70
La Visitation-de-Yamaska	-	-	-	-	-	-	-
St. David	-	-	-	-	-	-	-
St. Edouard-de-Lotbiniere	1,332,214	1,183,831	222,036	197,305	70	100	70
St. Francois-du-Lac / Pierreville	-	-	-	-	-	-	-
St. Louis	-	-	-	-	-	-	-
Utica Prospective Resources	-	-	-	-	-	-	-
Total: High Estimate - On Hold	**2,085,546**	**1,846,993**	**347,591**	**307,832**			

	Summary Of Oil And Gas Risked Resources						
	Shale Gas		Oil Equivalent				
Resources Category	Gross MMcf	Net MMcf	Gross Mboe	Net Mboe	Chance of Development %	Chance of Discovery %	Chance of Commerciality %
Contingent Resources							
Low Estimate - Unclarified							
Becancour / Ste. Sophie-de-Levrard	-	-	-	-	-	-	-
La Visitation-de-Yamaska	141,075	125,346	23,512	20,891	25	100	25
St. David	56,430	50,136	9,405	8,356	10	100	10
St. Edouard-de-Lotbiniere	-	-	-	-	-	-	-
St. Francois-du-Lac / Pierreville	8,208	7,355	1,368	1,226	10	100	10
St. Louis	8,208	7,355	1,368	1,226	10	100	10
Utica Prospective Resources	-	-	-	-	-	-	-
Total: Low Estimate - Unclarified	**213,921**	**190,192**	**35,653**	**31,699**			
Best Estimate - Unclarified							
Becancour / Ste. Sophie-de-Levrard	-	-	-	-	-	-	-
La Visitation-de-Yamaska	233,903	207,620	38,984	34,603	25	100	25
St. David	93,547	83,034	15,591	13,839	10	100	10
St. Edouard-de-Lotbiniere	-	-	-	-	-	-	-
St. Francois-du-Lac / Pierreville	13,641	12,213	2,273	2,035	10	100	10
St. Louis	13,612	12,187	2,269	2,031	10	100	10
Utica Prospective Resources	-	-	-	-	-	-	-
Total: Best Estimate - Unclarified	**354,703**	**315,054**	**59,117**	**52,508**			
High Estimate - Unclarified							
Becancour / Ste. Sophie-de-Levrard	-	-	-	-	-	-	-
La Visitation-de-Yamaska	379,204	336,070	63,201	56,012	25	100	25
St. David	151,646	134,396	25,274	22,399	10	100	10
St. Edouard-de-Lotbiniere	-	-	-	-	-	-	-
St. Francois-du-Lac / Pierreville	22,137	19,790	3,690	3,298	10	100	10
St. Louis	22,069	19,729	3,678	3,288	10	100	10
Utica Prospective Resources	-	-	-	-	-	-	-
Total: High Estimate - Unclarified	**575,056**	**509,985**	**95,843**	**84,997**			

A risked summary net present values of future net revenue as of 31 December 2020 is set out below. An estimate of the risked net present value of future net revenue of Contingent Resources is preliminary in nature and is provided to assist the reader in reaching an opinion on the merit and likelihood of the Company proceeding with the required investment. It includes contingent resources that are considered too uncertain with respect to the chance of development to be classified as reserves. There is uncertainty that the risked net present value of future net revenue will be realised.

	Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year)					Net Present Values of Future Net Revenue After Income Taxes Discounted At (%/year)					Unit Value Before Income Tax Discounted at 10%/year	
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%		
Resources Category	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	$/boe	$/Mcfe
Contingent Resources												
Low Estimate - On Hold												
Becancour / Ste. Sophie-de-Levrard	405,734	157,157	48,759	-2,541	-27,880	405,734	157,157	48,759	-2,541	-27,880	1.19	0.20
La Visitation-de-Yamaska	-	-	-	-	-	-	-	-	-	-	-	-
St. David	-	-	-	-	-	-	-	-	-	-	-	-
St. Edouard-de-Lotbiniere	836,274	328,797	118,742	22,870	-23,195	836,274	328,797	118,742	22,870	-23,195	1.62	0.27
St. Francois-du-Lac / Pierreville	-	-	-	-	-	-	-	-	-	-	-	-
St. Louis	-	-	-	-	-	-	-	-	-	-	-	-
Utica Prospective Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total: Low Estimate - On Hold	**1,242,008**	**485,954**	**167,501**	**20,329**	**-51,075**	**1,242,008**	**485,954**	**167,501**	**20,329**	**-51,075**		
Best Estimate - On Hold												
Becancour / Ste. Sophie-de-Levrard	1,179,837	549,884	293,442	167,898	98,810	1,179,837	549,884	293,442	167,898	98,810	4.31	0.72
La Visitation-de-Yamaska	-	-	-	-	-	-	-	-	-	-	-	-
St. David	-	-	-	-	-	-	-	-	-	-	-	-
St. Edouard-de-Lotbiniere	2,264,443	1,017,337	531,073	300,186	176,371	2,264,443	1,017,337	531,073	300,186	176,371	4.36	0.73
St. Francois-du-Lac / Pierreville	-	-	-	-	-	-	-	-	-	-	-	-
St. Louis	-	-	-	-	-	-	-	-	-	-	-	-
Utica Prospective Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total: Best Estimate - On Hold	**3,444,280**	**1,567,221**	**824,515**	**468,083**	**275,181**	**3,444,280**	**1,567,221**	**824,515**	**468,083**	**275,181**		
High Estimate - On Hold												
Becancour / Ste. Sophie-de-Levrard	2,503,451	1,173,110	672,996	430,444	293,479	2,503,451	1,173,110	672,996	430,444	293,479	6.09	1.01
La Visitation-de-Yamaska	-	-	-	-	-	-	-	-	-	-	-	-
St. David	-	-	-	-	-	-	-	-	-	-	-	-
St. Edouard-de-Lotbiniere	4,657,821	2,105,843	1,170,507	727,560	483,202	4,657,821	2,105,843	1,170,507	727,560	483,202	5.93	0.99
St. Francois-du-Lac / Pierreville	-	-	-	-	-	-	-	-	-	-	-	-
St. Louis	-	-	-	-	-	-	-	-	-	-	-	-
Utica Prospective Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total: High Estimate - On Hold	**7,161,272**	**3,278,953**	**1,843,503**	**1,158,004**	**776,681**	**7,161,272**	**3,278,953**	**1,843,503**	**1,158,004**	**776,681**		

	Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year)					Net Present Values of Future Net Revenue After Income Taxes Discounted At (%/year)					Unit Value Before Income Tax Discounted at 10%/year	
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%		
Resources Category	M$	M$	M$	M$	M$	M$	M$	M$	M$	M$	$/boe	$/Mcfe
Contingent Resources												
Low Estimate - Unclarified												
Becancour / Ste. Sophie-de-Levrard	-	-	-	-	-	-	-	-	-	-	-	-
La Visitation-de-Yamaska	233,592	80,730	22,117	-1,716	-11,418	233,592	80,730	22,117	-1,761	-11,418	1.06	0.18
St. David	97,174	34,828	10,676	697	-3,434	97,174	34,828	10,676	697	-3,434	1.28	0.21
St. Edouard-de-Lotbiniere	-	-	-	-	-	-	-	-	-	-	-	-
St. Francois-du-Lac / Pierreville	13,490	4,999	1,502	-41	-733	13,490	4,999	1,502	-41	-733	1.23	0.20
St. Louis	13,995	5,037	1,533	74	-536	13,995	5,037	1,533	74	-536	1.25	0.21
Utica Prospective Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total: Low Estimate - Unclarified	**358,251**	**125,594**	**35,828**	**-1,031**	**-16,121**	**358,251**	**125,594**	**35,828**	**-1,031**	**-16,121**		
Best Estimate - Unclarified												
Becancour / Ste. Sophie-de-Levrard	-	-	-	-	-	-	-	-	-	-	-	-
La Visitation-de-Yamaska	660,335	273,535	129,715	65,694	33,910	660,335	273,535	129,715	65,694	33,910	3.75	0.62
St. David	268,300	111,701	53,261	27,152	14,153	268,300	111,701	53,261	27,152	14,153	3.85	0.64
St. Edouard-de-Lotbiniere	-	-	-	-	-	-	-	-	-	-	-	-
St. Francois-du-Lac / Pierreville	38,062	16,682	8,333	4,428	2,388	38,062	16,682	8,333	4,428	2,388	4.09	0.68
St. Louis	39,024	16,381	7,867	4,037	2,117	39,024	16,381	7,867	4,037	2,117	3.87	0.65
Utica Prospective Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total: Best Estimate - Unclarified	**1,005,721**	**418,299**	**199,176**	**101,311**	**52,568**	**1,005,721**	**418,299**	**199,176**	**101,311**	**52,568**		
High Estimate - Unclarified												
Becancour / Ste. Sophie-de-Levrard	-	-	-	-	-	-	-	-	-	-	-	-
La Visitation-de-Yamaska	1,375,844	578,824	296,952	169,967	103,871	1,375,844	578,824	296,952	169,967	103,871	5.30	0.88
St. David	554,874	233,377	119,430	68,028	41,280	554,874	233,377	119,430	68,028	41,280	5.33	0.89
St. Edouard-de-Lotbiniere	-	-	-	-	-	-	-	-	-	-	-	-
St. Francois-du-Lac / Pierreville	79,624	35,210	18,952	11,333	7,203	79,624	35,210	18,952	11,333	7,203	5.75	0.96
St. Louis	81,050	34,349	17,710	10,162	6,210	81,050	34,349	17,710	10,162	6,210	5.39	0.90
Utica Prospective Resources	-	-	-	-	-	-	-	-	-	-	-	-
Total: High Estimate - Unclarified	**2,091,392**	**881,760**	**453,044**	**259,490**	**158,564**	**2,091,392**	**881,760**	**453,044**	**259,490**	**158,564**		

Prospective resources

"**Prospective Resources**" relate to the approximately 84% of the total mapped TPIIP over the Company's acreage in the St. Lawrence Lowlands that was considered undiscovered as of the effective date of the Québec Resource Assessment. Unlike Contingent Resources, which are estimated over discovered accumulations, Prospective Resources are estimated over accumulations that have not yet been confirmed by drilling and therefore carry both a chance of discovery and a chance of development.

Recovery factors of 24%, 35% and 52% were applied to the low, best and high estimate resource cases respectively.

Prospective resources – Methodology

GLJ used deterministic principles and methods to estimate Prospective Resources for each property area. Risked volumes were generated by applying GLJ's estimates of both the chance of discovery and the chance of development to the unrisked volumes. Note that, unlike the Contingent Resources evaluation, GLJ did not complete production and

development forecasts as part of the Prospective Resources evaluation, and accordingly no estimate of risked net present value of future net revenue is presented for Prospective Resources.

Prospective resources – Chance of commerciality

The chance of commerciality for Prospective Resources is the product of two separate probability estimates:

- Chance of discovery (81%): Proximity to extensional and compressional-related fault systems presents a risk of structuring, resulting in potential leak-off and reduced pressures in some prospective regions. Additionally, the lack of delineation data creates reservoir risk associated with uncertainty as to reservoir quality and rock mechanics amenable to hydraulic fracturing. Taking these geological risks into account, GLJ estimated the chance of discovery at 81%.

- Chance of development (10%–70%, average 32%): The wide range reflects the varying regulatory, social acceptability, and planning risk across different areas of Questerre's acreage, consistent with the same risk factors applied to the Contingent Resources evaluation.

- Resulting chance of commerciality: The corresponding chance of commerciality ranges between 8% and 57%, with an average of 26%.

The following table contains a summary of risked Prospective Resources as of 31 December 2020:

	Shale Gas		Oil Equivalent				
Resources Category	Company Gross MMcf	Company Net MMcf	Company Gross Mboe	Company Net Mboe	Chance of Development %	Chance of Discovery %	Chance of Commerciality %
Prospective Resources							
Total: Low Estimate - Prospect	3,623,695	3,225,052	603,949	537,509	32	81	26
Total: Best Estimate - Prospect	6,040,098	5,375,627	1,006,683	895,938	32	81	26
Total: High Estimate - Prospect	10,066,224	8,958,838	1,677,704	1,493,140	32	81	26

Notes:

1) *Prospective resources are defined in the COGE Handbook as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from unknown accumulations by application of future development projects. Prospective resources have both an associated chance of discovery (CoDis) and a chance of development (CoDev). There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources or that Questerre will produce any portion of the volumes currently classified as prospective resources. The estimates of prospective resources involve implied assessment, based on certain estimates and assumptions, that the resources described exists in the quantities predicted or estimated, as at a given date, and that the resources can be profitably produced in the future. The risked net present value of the future net revenue from the prospective resources does not represent the fair market value of the prospective resources. Actual prospective resources (and any volumes that may be reclassified as reserves) and future production therefrom may be greater than or less than the estimates provided herein.*

2) *GLJ prepared the estimates of prospective resources shown for each property using deterministic principles and methods. Probabilistic aggregation of the low and high property estimates shown in the table might produce different total volumes than the arithmetic sums shown in the table.*

3) *"Gross" prospective resources are the Company's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company. "Net" prospective resources are the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in prospective resources. Company Interest Before Royalties is provided for clarity as the Company's royalty interests result in higher Company Net resources compared to Company Gross resources.*

4) *The Low Estimate Prospective Resources is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual net remaining quantities recovered will exceed the low estimate of 604 million boe. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities recovered will equal or exceed the low estimate.*

5) *The Best Estimate Prospective Resources is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual net remaining quantities recovered will be greater or less than the best estimate of 1,006 million. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.*

6) *The High Estimate Prospective Resources is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual net remaining quantities recovered will exceed the high estimate of 1,680 million boe. If probabilistic methods are used, there should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.*

7) *The chance of commerciality is defined as the product of the chance of discovery and the chance of development. Chance of discovery is defined in COGE Handbook as the estimated probability that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum. Chance of development is defined as the estimated probability that, once discovered, a known accumulation will be commercially developed.*

The full Québec Resource Assessment, including GLJ's Form 51-101F2 Report on Contingent Resources Data and Prospective Resources Data by an Independent Qualified Reserves Evaluator, is set out in appendices A and B to the Company's Annual Information Form for the year ended 31 December 2020, which is incorporated by reference into this Information Document, see Section 9.4 "*Incorporated by reference*".

3.3.3.3 Kakwa, west central Alberta

The Kakwa area is situated approximately 75 kilometres south of Grande Prairie in west central Alberta. Among other zones of interest, the area is prospective for condensate-rich natural gas in the deep, over-pressured fairway of the Montney formation, at a depth of approximately 3,100 metres to 3,600 metres. Economics are enhanced by relatively high liquids content, particularly condensate, and Crown royalty incentives.

The Group currently holds 40,320 (17,700 net) acres in the area, including a 25% working interest in 10,080 acres ("**Kakwa Central**"), 50% working interest in 4,480 acres ("**Kakwa North**"), a 50% interest in 22,040 acres (Kakwa West) and a 50% interest in 3,840 acres (Kakwa South).

In April 2026, the Company entered into a binding agreement to sell its non-operated minority working interest in Kakwa Central for total cash consideration of CAD 23.5 million. Production from the assets averaged 690 boe per day in the first quarter of 2026. The purchaser is to assume associated decommissioning liabilities and certain firm transportation and processing commitments. The disposition was completed on 1 May 2026.

3.3.3.4 Antler, southeast Saskatchewan

The Antler area is approximately 200 kilometres southeast from Regina in southeast Saskatchewan. The primary target is high quality light oil from the Bakken/Torquay formation, a dolomitic siltstone shale sequence at a depth of between 1,050 metres and 1,150 metres. Secondary targets include the Souris Valley, a carbonate sequence at a depth of approximately 900 metres to 1,000 metres. The Company holds an average 100% working interest in 14,730 acres in this area.

In Antler, consistent with prior years, activities focused on optimizing existing production and expanding the pilot secondary recovery scheme to increase recovery of the oil in place.

CAD 5.1 million was invested at Antler during the year to expand the pilot secondary recovery scheme and drill two wells. (2024: CAD 0.8 million). Daily production averaged 207 bbl/d (2024: 250 bbl/d). Total proved and probable reserves as at 31 December 2025, were estimated at 1.2 MMBbls (2024: 1.2 MMBbls) with a before tax NPV-10% of CAD 17.4 million (2024: CAD 21.9 million). The Company currently holds 14,730 net acres in the area.

In 2026, the Company expects to continue its work to enhance existing production through workovers and expanding the pilot secondary recovery scheme while assessing future drilling locations.

3.3.3.5 Oil shale mining – Sao Mateus do Sul, Parana, Brazil

Sao Mateus do Sul in the state of Parana, is located approximately 900 kilometres from Sao Paulo in southern Brazil. The primary zone of interest is the Irati oil shale formation. The mined oil shale interval is approximately 18m thick consisting of an upper interval of 6m and a lower interval of 6m separately by 6m of limestone inter-burden. PX Energy's operations in Sao Mateus utilize a technology to produce oil from oil shale developed by an integrated energy company. Its assets include mining, processing and refining operations.

The PX Acquisition (as defined below) advances the Group's strategy to commercially develop oil shale resources globally. It provides a platform of producing oil shale operations, including mining, processing and refining facilities as well as oil shale reserves and resources. Average daily production from PX Energy for the fourth quarter was 3,768 bbl/d for crude oil and 3.9 MMcf/d of natural gas. Total proved and probable reserves as of 31 December 2025 were 12.6 MMBoe with a before tax NPV-10% of CAD 372 million.

3.3.3.6 Oil shale mining - Red Leaf

Red Leaf is a private US-based technology company whose principal assets include its patented HCCO® oil-shale processing technology, oil shale mineral leases in the State of Utah, title to over 7,000 acres in the Uintah Basin in the State of Utah and cash and investments of over USD 9 million. In December 2025, the Company consolidated its ownership of Red Leaf through an exchange of Red Leaf common shares for Common Shares and the acquisition of the Red Leaf preferred shares.

For 2026, the Company plans to optimize the operations of PX Energy to improve profitability and assess options to demonstrate the Red Leaf technology at scale.

3.3.3.7 Oil shale mining – Jordan

In October 2016, the Group commissioned an independent assessment of its oil shale resources in Jordan. The assessment was conducted by Millcreek Mining Group, an independent qualified reserves evaluator, as defined by NI 51-101 with an effective date of September 30, 2016. The assessment was prepared in accordance with NI 51-101 and the COGE Handbook. The assessment indicated a best estimate of discovered petroleum initially in place of between 7.8 billion barrels to 12.2 billion barrels. Given the preliminary nature of the Jordan Resources Assessment, it does not contain any estimates regarding the timing or cost to obtain commercial development nor has the Company finalized the specific technology to be used. For more information, please refer to the Company's press release dated October 27, 2016 and the Company's Annual Information Form dated 24 March 2017 available on the Company's website at www.questerre.com or on SEDAR+ at www.sedarplus.ca.

The Group intends to utilize the Red Leaf technology for its project in Jordan. Discussions with the government of Jordan for a demonstration of the technology and the related negotiations for the concession agreement for the project remain ongoing. Through the execution of a new agreement with the government of Jordan, the Group seeks to renew its exclusive rights to this project that expired in 2025.

3.3.4 Functional currency and foreign currency

In this Information Document, all references to "**NOK**" are to the lawful currency of Norway, and all references to "**CAD**" are to the lawful currency of Canada. No representation is made that the NOK or CAD amounts referred to herein could have been or could be converted into NOK or CAD as the case may be, at any particular rate, or at all.

The Company uses CAD as its functional currency, and the Financial Information is presented in CAD.

3.3.5 Rounding

Certain figures included in this Information Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

3.3.6 Third-party information

Throughout this Information Document, the Company has used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified such data. Similarly, whilst the Company believes that its internal surveys are reliable, they have not been verified by independent sources and the Company cannot assure their accuracy. Thus, the Company does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Information Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Group's competitive position is based on the Group's own assessment and knowledge of the market in which the Group operates.

3.4 Cautionary note regarding forward-looking statements

This Information Document includes forward-looking statements that reflect the Group's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in Section 4 "*Presentation of the Group*", and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, as well as other statements relating to the Group's future business development and financial performance, and the industry in which it operates.

Prospective investors in the Preferred Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "*Risk factors*".

The information contained in this Information Document, including the information set out under Section 2 "*Risk factors*", identifies additional factors that could affect the Group's financial position, operating results, cash-flows, liquidity and performance. Prospective investors in the Preferred Shares are urged to read all Sections of this Information Document and, in particular, Section 2 "*Risk factors*" and the Financial Information for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

The forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Group's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Document.

4 PRESENTATION OF THE GROUP

This Section provides an overview of the Group's business as of the date of this Information Document. The following discussion contains forward-looking statements that reflect the Group's plans, see Section 3.4 "*Cautionary note regarding forward-looking statements*" above, and should be read in conjunction with other parts of this Information Document, in particular Section 2 "*Risk factors*".

4.1 Introduction to the Group

The Company is an energy technology and innovation company, actively (directly and through its wholly owned subsidiaries) engaged in the acquisition, exploration, and development of oil and gas projects, in specific non-conventional projects such as tight oil, oil shale, shale oil and shale gas.

The Group's business is divided into (1) the Québec Business and (2) all remaining assets (the "**Core Business**"), comprising (i) producing petroleum and natural gas assets in Western Canada and (ii) its portfolio of oil shale assets including ownership in PX Energy, an oil shale production and refining company based in southern Brazil, its ownership of Red Leaf, an oil shale technology developer, and its oil shale project in Jordan.

The Preferred Shares are generally designed to track the economic performance and value of the Québec Business. The Group has initiated the Litigation for the attempted revocation of licences for a significant natural gas discovery in the province. The Common Shares represent the economic interest in the Core Business.

The Company has six direct wholly-owned subsidiaries: 6058931 Canada Inc., a corporation existing under the Canada Business Corporations Act, Questerre Energy Corporation/Jordan, a corporation existing under the laws of Jordan, 2207151 Alberta Ltd. and 2745821 Alberta Ltd., each corporations existing under the Business Corporations Act (Alberta), Questerre Energy Brazil Ltda., existing under the laws of Brazil, and Red Leaf, a corporation existing under the laws of Delaware . For more information about the corporate structure, please see Section 4.3 "*Group structure*".

A summary of the Group's history and development can be found in Section 4.2 "*History and development*" below, and further information about the Group is available at https://www.questerre.com/.

4.2 History and development

The table below shows the key milestones in the Group's development up to the date of this Information Document:

Date	Event
Oct, 1971	Incorporation of the Company.
Dec, 2000	The Company changed its name to "Questerre Energy Corporation".
2001	The Company acquired interests in the Beaver River Field in northeast British Columbia and the St. Lawrence Lowlands in Québec.
July, 2003	Admitted to trading on the Toronto Stock Exchange
2004	The Company began developing a portfolio of conventional oil and gas assets, primarily in Alberta and Saskatchewan.
June, 2005	Admitted to trading on the Oslo Stock Exchange (Now Euronext Oslo Børs)
2008	Following a successful vertical test well programme, the Company and Repsol began a pilot horizontal well programme to assess the commerciality of the Utica shale in Québec.
2010	The pilot programme was suspended pending the results of a strategic environmental assessment of shale gas development in Québec. The Company began to pursue unconventional oil opportunities elsewhere.
2011	The Company disposed of its interest in the Beaver River Field. In the fall of 2011 it assembled a portfolio of oil shale mining opportunities.
Mar, 2012	The Company concluded a letter of intent with Red Leaf, investing USD 40 million through participation in a USD 100 million equity offering, representing an approximate 6% equity interest. The Company also acquired and developed a new core area in the Kakwa-Resthaven area of west central Alberta, targeting liquids-rich natural gas.
2015	The Company concluded a Memorandum of Understanding for the appraisal and development of oil shale acreage in Jordan, covering 388 square kilometres approximately 200 km south of Amman.
Oct, 2016	An independent assessment of Jordan acreage indicated a best estimate of discovered petroleum initially in place of between 7.8 and 12.2 billion barrels.
Dec, 2016	The Québec National Assembly passed Bill 106, enacting a new regime governing petroleum exploration and development in Québec.

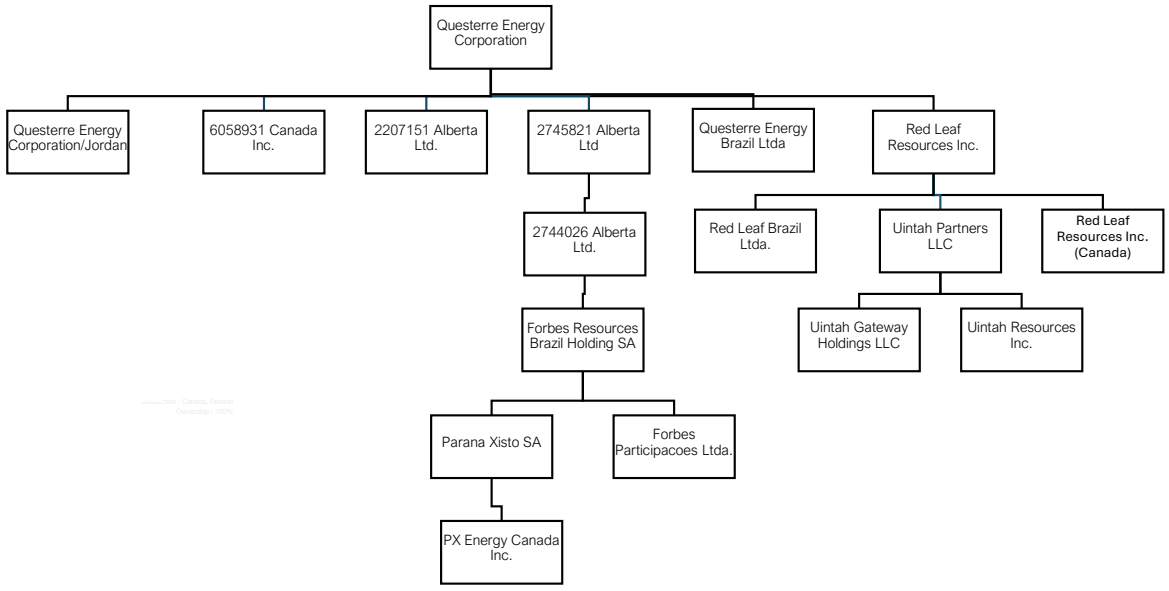
Date	Event
Feb, 2017	Equity interest in Red Leaf increased to approx. 30%.
Aug, 2022	The government of Québec enacted Bill 21, effectively revoking the Group's licences and nationalising its Québec discovery.
Oct, 2023	A hearing was held on the application to stay certain provisions of Bill 21. In early 2024, the court ruled that the Group's application met the key criteria for a stay and stayed some of the provisions.
Oct, 2024	The Company submitted an expert witness report on economic losses for its Québec legal claim, with estimates ranging from CAD 700 million to CAD 4.8 billion; Six wells were drilled at Kakwa during 2024, with average daily production of 1,756 boe per day. The carrying value of the Jordan assets was impaired as exclusive rights were set to expire in the absence of a new agreement.
Mar, 2025	Kakwa North wells were tested, producing over 2,000 boe per day net over a one-week period.
Sep, 2025	Acquisition of PX Energy (Paraná Xisto S.A.).
Dec, 2025	Acquisition of remaining common equity and preferred equity interest in Red Leaf.
Jan, 2026	The Reorganisation (as defined herein) was completed, resulting in the implementation of a dual share class structure: the Common Shares and Preferred Shares.

4.3 Group structure

The Company acts as the parent company of the Group. The table and graphic below provides an overview of the legal structure of the Group, including joint operations.

Subsidiary	Governing Jurisdiction	Ownership	Principal activity[1]
6058931 Canada Inc.	Canada	100%	None
Questerre Energy Corporation/Jordan	Jordan	100%	Ownership of interests in oil shale assets
2207151 Alberta Ltd.	Alberta	100%	Holding company
2745821 Alberta Ltd.	Alberta	100%	Oil shale production in Brazil through its subsidiaries
Questerre Energy Brazil Ltda.	Brazil	100%	Holding company
Red Leaf Resources Inc.	Delaware	100%	Oil shale technology development

(1) For the avoidance of doubt, the Québec exploration licences are held directly by the Company and are not held through any subsidiary.



4.4 Overview of the Group's business and principal activities

The Group is an energy technology and innovation business. The Group is actively engaged in the acquisition, exploration, and development of oil and gas projects, in specific non-conventional projects such as tight oil, oil shale, shale oil and shale gas. The Group holds assets in Canada, the United States, Brazil, and Jordan. Its assets in Brazil are held through PX Energy and include integrated mining, processing and refining operations for oil shale. The Group's assets in the United States are held through Red Leaf, a technology company focused on developing its proprietary technology with an initial focus on oil shale.

See Section 3.3.2 "*Selected reserves and oil and gas information*" and Section 3.3.3 "*Other oil and gas information*".

4.4.1 The Québec Business

The Québec Business is focused on the development of the Group's petroleum and natural gas exploration licences in the province of Québec, including its significant discovery on these licences. The licences constituting the Québec Business are held directly by the Company. In 2022, the government of Québec revoked the exploration licenses held by the Group through the passage of legislation. The Group has initiated the Litigation with the aim of reinstating the Québec Licenses and/or damages.

The Group's primary objective with respect to its Québec Business is the implementation of a business and political solution for the development of its natural gas discovery in the province, while concurrently protecting its legal rights through the Litigation. Because the recently completed PX Energy transaction included the issuance of Common Shares to new shareholders, the Preferred Shares were issued to ring-fence the value of the Québec Business for the benefit of existing shareholders.

Between 2005 and 2010, the Company focused on the exploration and commercial appraisal of the natural gas potential of the Québec Lowlands including the Utica shale with its partner, Repsol. In 2019, the Company settled outstanding litigation with the operator and acquired its assets in the Québec Lowlands. In the fall of 2010, the appraisal work was suspended pending the results of a strategic environmental assessment on shale gas development in Québec. Upon the completion of the strategic environmental assessment in 2014, the government of Québec commissioned a strategic environmental assessment of oil and gas development in the province and committed to introducing new hydrocarbon legislation in 2016. The legislation entitled the Petroleum Resources Act as part of Bill 106 was passed as law in December 2016. Following the introduction of the hydrocarbon regulations in September 2018 by the Ministry of Energy and Natural Resources, including a restriction on oil and gas activities, specifically the prohibition of hydraulic fracturing and increasing minimum setbacks for activity from urbanized areas and bodies of water, the legislation was enacted. In 2022, the government of Québec subsequently introduced and enacted Bill 21. Activity in Québec remains suspended pending the resolution of the situation in the province.

Bill 21 revokes petroleum exploration and production licences, including the 16 exploration licenses held by the Company. In 2022, the Company filed a claim against the government of Québec asserting among other things that the government's actions represent an expropriation without compensation, a breach of its duty to act in good faith, and in accordance with the due process of the law, to honour its contractual commitments and its duty to consult with our Indigenous partners and respect their rights. The claim also sought to have Bill 21 declared invalid.

In October 2023, a hearing was held at the Québec Superior Court (Civil Division) on the application by the Company and other license holders to suspend certain provisions of Bill 21 pending a hearing on the merits of its case, including the constitutionality of Bill 21.

In January 2024, the Québec Superior Court (Civil Division) ruled on the application by the Company. The Justice ruled that the Company's application met the key criteria for a stay and stayed certain provisions of Bill 21. In June 2024, the Attorney General of Québec was granted leave to appeal this ruling. In October 2024, the Québec Court of Appeal heard the appeal and rendered its ruling in May 2025.

In October 2024, in connection with its claim against the government of Québec, the Company filed an independent report on potential economic losses. Based on the scope and subject to the restrictions, qualifications and major assumptions, under various scenarios, all of which are set out in the report, the report estimates the economic losses if the licenses are successfully revoked under three different scenarios with estimates ranging from CAD 700 million to CAD 4.8 billion. A copy of the report is available on the disclosure system in Norway and on SEDAR+ in Canada, which report does not form part of nor is deemed to be incorporated herein by reference.

On 26 May 2025, the Québec Court of Appeal annulled a decision by the Québec Superior Court (Civil Division) justice in January 2024 suspending key provisions of Bill 21. Subsequently, the Supreme Court of Canada declined to hear the Company's application to appeal this decision.

The government of Québec is now permitted to enforce the specific provisions related to the abandonment and reclamation of existing wells. In March 2026, the Company was advised the government is seeking proof of solvency of CAD 11.4 million for the estimated gross abandonment and reclamation costs for these wells. The government is responsible for 75% of these costs. The Company intends to work collaboratively with the government to meet its obligations on a reasonable and timely basis.

The Company is proceeding with the main hearing on the merits of the case in accordance with procedural rules in Québec, including its debate on the constitutional validity of Bill 21. The questioning of key government representatives was completed in the fall of 2025. Subject to completion of pre-trial motions and other procedural matters, the Company is seeking a date for the main hearing in the first instance in 2026.

The creation of the Preferred Shares as a separate share class was undertaken for a number of reasons, including:

- enhanced value creation through independent investment opportunities in two share classes, the Common Shares and Preferred Shares, which are intended to track the Core Business and the Québec Business, respectively;
- unlocking the value of the Québec Business, which the Company considers to be undervalued;
- enabling investors, analysts and other stakeholders to value the Québec Business and the Core Business more accurately;
- the benefits associated with holding two separate classes of shares; and
- enabling the Company to pursue independent growth and capital allocation strategies in respect of the Québec Business and the Core Business.

For a summary of the independent resource assessment prepared in respect of the Québec Business, including the associated key assumptions and risk factors, see Section 3.3.3.2 "*Québec Resource Assessment*".

4.4.2 The Core Business

The Core Business comprises the Group's petroleum and natural gas assets in Western Canada, the Group's portfolio of oil shale assets in Brazil (see Section 4.4.5 "*The PX Acquisition"* for further information), and its oil shale project in Jordan.

4.4.3 Red Leaf

In March 2012, the Company acquired an equity interest in Red Leaf and at the end of December 2025, the Company acquired the remaining 62% common equity interest and the remaining 84% preferred equity interest in Red Leaf. Red Leaf is a Utah-based private company whose principal assets include its proprietary technology to produce oil from organic material and oil shale leases in the state of Utah.

The technology is characterised by very few moving parts and high thermal efficiency, with estimated capex and opex of less than USD 30 per barrel, built-in carbon capture, no external water or energy requirements, and over 20 patents in place with the pilot having been validated. In early 2025, Red Leaf completed a pilot lab test producing over one barrel of oil and demonstrating the rock mechanics within the vessel. The next step is a small-scale demonstration project of 300-

500 barrels per day, to be sited in either Brazil or Jordan.

See Section 3.3.3.6 "*Oil shale mining – Red Leaf*" for more information.

4.4.4 Jordan

The Group intends to utilise the Red Leaf technology for its project in Jordan, with discussions with the government of Jordan for a small-scale commercial project and related negotiations for the concession agreement remaining ongoing. Through the execution of a new agreement with the government of Jordan, the Company seeks to renew its exclusive rights to this project which expired in May 2025. The future opportunity is to apply the technology to 7 billion barrels of discovered resource in Jordan. Red Leaf completed the engineering design for a small-scale demonstration project for a consortium of local companies in Jordan, though additional funding is required to conclude an agreement. See Section 3.3.3.7 "*Oil shale mining – Jordan*" for more information.

4.4.5 The PX Acquisition

On 26 September 2025, the Company completed the acquisition of 100% of the common shares of PX Energy (the "**PX Acquisition**"). The PX Acquisition was completed by the purchase of all issued and outstanding shares of the parent company of PX Energy, Forbes Resources Brazil Holding S.A. ("**FRBH**"), a corporation existing under the laws of Brazil, from the vendors through a wholly owned subsidiary of the Company.

PX Energy is an integrated oil shale production and refining company in southern Brazil. Its assets include downstream production expertise that complement the Group's experience with upstream resource development and technology assessment. The acquisition of the remaining equity interest in Red Leaf provides ownership of its proprietary technology under development to produce oil from oil shale that incorporates carbon capture with efficient water usage.

PX Energy has over thirty years of operations and utilizes a technology to produce oil from oil shale developed by a Brazilian integrated energy company. The PX Acquisition provides a platform of producing oil shale operations, including mining, processing and refining facilities as well as oil shale reserves and resources. Total proved and probable reserves as of 31 December 2025, were 12.6 MMboe with a before tax NPV-10% of CAD 372 million. Average daily production from PX Energy for the quarter ended 31 December 2025 was over 4,000 boe per day.

The consideration for the PX Acquisition includes the issuance of 15 million Common Shares subject to a lock-up and voting agreement, with a deemed value of CAD 5.0 million and contingent equity consideration of two additional tranches of 25 million Common Shares with an estimated fair value of CAD 13.9 million as detailed below:

(1) 25 million Common Shares, subject to either (i) the achievement of USD 30 million in free cash flow within any twelve month period between the closing of the PX Acquisition and 31 September 2027, or (ii) completion of an equity issue by the Company of CAD 25 million at a price of CAD 0.50 per Common Share, no later than September 30, 2027; and

(2) 25 million Common Shares, subject to either (i) the achievement of USD 40 million in free cash flow within any twelve month period between the closing of the PX Acquisition and 30 September 2028, or (ii) the completion of an equity issue by the Company of CAD 25 million at a price of CAD 1.00 per Common Share, no later than 30 September 2028.

The consideration for the PX Acquisition also included the assumption by the Group's subsidiary of the vendor's obligations under a business combination agreement ("**BCA**") as amended, with a special purpose acquisition company ("**SPAC**"). Pursuant to the BCA, the Group's wholly owned subsidiary has assumed the obligation to combine with the SPAC in a go public transaction. The BCA is subject to conditions precedent including receipt of regulatory approvals, the filing of a Proxy/Registration Statement with the Securities and Exchange Commission and the completion of this transaction prior to 31 December 2026. Under the BCA, the Company's subsidiary assumed obligations related to the SPAC, along with other liabilities, with an estimated fair value of CAD 7.6 million.

Related to the SPAC and subject to the issuance of the first tranche of 15 million Common Shares and associated

transactions, the Group's subsidiary will assume convertible promissory notes originally issued by the vendor in the principal amount of CAD 15.2 million. The notes bear interest at 12% per annum and are due on 31 December 2026. PX Energy has issued a USD 5 million guarantee for these notes. Subject to conditions precedent in the BCA and the closing of the SPAC transaction, the notes are convertible into common shares of the SPAC. If the SPAC transaction does not proceed, the notes are due and payable or convertible into equity of the Company's subsidiary. Liabilities acquired under the acquisition included USD 80 million in senior secured callable bonds issued by FRBH with a maturity date of 24 April 2028. The bonds have a face value of USD 80 million and an acquisition date fair value of USD 64 million. The carrying amount will accrete from USD 64 million to USD 80 million with the accretion recognized on the income statement as finance costs at the effective interest rate. Interest will also be recognized as incurred. The bonds are secured by a fiduciary assignment of the equity of PX Energy and security over the assets of PX Energy.

In conjunction with the closing of the PX Acquisition, the holders of bonds representing a requisite majority agreed to amend the terms of the bonds as detailed below. These amendments may need to be formalized in an amending agreement to the bond terms.

Interest reduced from 16% per annum to 10% per annum effective 1 August 2025. All accrued and unpaid interest up to 31 December 2025, converts into shares in the SPAC transaction. If the SPAC transaction does not proceed, no interest is payable in 2025. Thereafter, interest is payable quarterly based on Brent pricing ranging from 4% based on Brent pricing under USD 55 per barrel to 20% based on Brent pricing greater than USD 95 per barrel with interest not to exceed 16% over the term of the bonds. Interest in 2026 may be payable in cash or in kind at the issuer's election with interest in 2027 onwards payable in kind if Brent prices are below USD 65 per barrel.

Concurrent with the PX Acquisition, the Company entered a binding term sheet with a prospective joint venture partner (the "**Partner**") for a 50/50 joint venture for the ownership and management of PX Energy (the "**Joint Venture**"). In January 2026, the Company was advised by the prospective partner that the term sheet for a 50/50 joint venture expired in accordance with its terms.

See Section 3.3.2 "*Selected Reserves and Oil and Gas Information*" and Section 3.3.3.5 "*Oil shale mining – Sao Mateus do Sul, Parana, Brazil*" for more information.

4.5 Strategy and objectives

The Group is an energy technology and innovation business. The Group directly and through its wholly owned subsidiaries is actively engaged in the acquisition, exploration, and development of oil and gas projects, in specific non-conventional projects such as tight oil, oil shale, shale oil and shale gas. The Group holds assets in Alberta, Saskatchewan, Manitoba, Québec Canada, the United States, Brazil, and Jordan.

The Group's Management intends to leverage its specialized knowledge of non-conventional oil and gas resources to acquire and develop these projects.

To mitigate the financial and operational risks associated with its high impact non-conventional projects, the Group normally seeks industry partners to jointly participate in their development. The Company plans to further diversify risk through the acquisition and development of a portfolio of lower risk projects to provide near-term cash flow and growth opportunities.

4.6 Operating environment

4.6.1 Environmental Matters

The oil and gas industry is subject to environmental regulations pursuant to applicable legislation. Such legislation provides for restrictions and prohibitions on release or emission of various substances produced in association with certain oil and gas industry operations and requires that well and facility sites be abandoned and reclaimed to the satisfaction of governmental authorities. As at 31 December 2025, the Group recorded an obligation on its balance sheet of CAD 20 million for Canadian asset retirement and CAD 17 million for the Brazilian asset retirement. The Company maintains an

insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blowouts, pollution and other operating accidents or disruptions. The Company also has operational and emergency response procedures and safety and environmental programs in place to reduce potential loss exposure. See Section 2 "*Risk factors*" and Section 4.7 "*Regulatory environment*" for more information.

4.6.2 Foreign Operations

In connection with the PX Energy Acquisition and the Company's acquisition of the remaining equity ownership interest in Red Leaf, the Company's operating activities include foreign operations in Brazil, Jordan and the United States. Despite Brazil's large economy, it is still considered a developing country. To date, PX Energy has benefitted from several initiatives provided by various levels of government in support of international oil and gas development in Brazil. However, all oil and gas exploration, development and production activities are subject to significant political, economic and other uncertainties and these risks are generally considered higher when operating in an emerging market. See Section 2 "*Risk factors*" for further details.

4.6.3 Marketing

In Canada, the Company's crude oil, natural gas and NGL production is sold primarily through marketing companies at current market prices. Crude oil contracts are generally month to month and cancellable on 30 days' notice, NGL contracts are generally for a period of up to one year and are cancellable on 90 days' notice and natural gas contracts are generally for one year.

In Brazil, refined petroleum products are sold to wholesale customers and distributors. Crude oil sales are generally conducted under term contracts, with pricing linked to applicable benchmark indices and adjusted for quality, location and transportation.

4.6.4 Cyclical and seasonal nature of industry

The Group's operational results and financial condition are dependent on the international prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on the financial condition of the Group. Further, in Canada production of oil and natural gas is dependent on access to areas where development of reserves is to be conducted. Seasonal weather variations, including freeze-up and break-up, affect access in certain circumstances. Although the Company's business in Brazil is not seasonal, seasonality may impact demand and price for oil and natural gas and may also impact the timing of operations. Please also refer to Section 2 "*Risk factors*".

4.6.5 Specialized skill and knowledge

The Group believes its success is dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to oil and gas operations. The Group believes that it has adequate personnel with the specialized skills required to successfully carry out its operations. Please also refer to Section 2 "*Risk factors*".

4.6.6 Social and environmental policies

The Group is committed to meeting industry standards in each jurisdiction in which it operates with respect to human rights, environment, health and safety policies. Management, employees and contractors are governed by and required to comply with the Group's environment, health and safety policy as well as all applicable federal, provincial, and municipal legislation and regulations. The Group has established roles and responsibilities to facilitate effective management of its environment, health and safety policy throughout the organization. It is the primary responsibility of the managers, supervisors and other senior field staff of the Group to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed.

4.6.7 Competitive landscape

The oil and natural gas industry is intensely competitive in all its phases. The Group competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Group's competitors include resource companies which have greater financial resources, staff and facilities than those of the Group. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. The Group believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development. Please also refer to Section 2 "*Risk factors*".

The oil and natural gas industry is highly competitive in all phases, including the acquisition of properties, exploration and development, access to capital, drilling and completion services, processing and transportation capacity, skilled personnel and the marketing of production. The Group competes with major integrated oil and natural gas companies, large independent producers, private operators and individual producers, many of which have substantially greater financial, technical and personnel resources. In Canada, the Group's principal competitive environment is the Western Canadian Sedimentary Basin, including larger operators and producers active in liquids-rich natural gas and light oil plays such as the Montney in west central Alberta and the Bakken/Torquay in southeast Saskatchewan.

In Brazil, following the PX Acquisition, the Group also competes in the production and sale of crude oil, natural gas and refined petroleum products with state-owned and private Brazilian and international oil and gas companies, refiners, importers and fuel distributors, including other participants in Brazil's wholesale and distribution markets. In oil shale and other non-conventional resource projects, including the Group's interests in Brazil, the United States and Jordan, competition also includes companies developing alternative technologies, conventional and unconventional resource projects and other energy projects seeking capital, regulatory support, government approvals and industry partners.

Competitive conditions are affected by commodity price volatility, regional price differentials, availability of transportation and processing infrastructure, inflationary pressure on equipment and services, access to debt and equity capital, environmental and climate-related regulation, investor sentiment toward fossil fuel investments, and the increasing role of alternative fuels and lower-carbon energy sources. The Group believes its competitive position is supported by its specialized knowledge of non-conventional oil and gas resources, its producing and development assets in Canada and Brazil, and its proprietary technology exposure through Red Leaf.

4.7 Regulatory environment

The Group is subject to a complex and evolving regulatory framework, comprising certain rules and regulations applicable in Brazil and Jordan and Canada, as well as the specific Canadian provinces in which the Group operates. These regulations include stringent environmental laws, occupational health and safety requirements, legislation relating to sanctions and export controls, anti-bribery and anti-corruption laws, competition and antitrust laws, data privacy regulations, and legislation relating to human rights, that govern the Group's activities. The Group does not have active operations in the United States or Jordan.

4.7.1 Brazil

4.7.1.1 Overview and Material Characteristics

Brazil is a federal republic with a population of approximately 218 million and a diversified economy supported by a large domestic market. Brazil has a significant oil and natural gas industry and is a material crude oil exporter. As at 2024, Brazil held approximately 17 billion barrels of proven oil reserves and approximately 17 trillion cubic feet of proven natural gas reserves, as reported by the Agência Nacional do Petróleo, Gás Natural e Biocombustíveis ("**ANP**").

Brazil's hydrocarbon sector has expanded substantially since the 1980s following offshore discoveries, particularly in the Campos and Santos Basins, including large "pre-salt" reservoirs. In addition to offshore production, Brazil has mature onshore and coastal basins that present redevelopment and unconventional resource opportunities.

Certain onshore operations, including oil shale and bituminous rock projects, differ from conventional oil and gas activities and may engage overlapping oil and gas, mining, land-use, and environmental regulatory regimes.

4.7.1.2 Regulatory framework and concession regime

Oil and gas activities in Brazil are governed primarily by Federal Law No. 9,478 of 1997, which ended Petrobras' monopoly and permits private and foreign investment under a concession-based regime.

Under Federal Law No. 9,478 of 1997, the ANP awards exploration and production rights through competitive licensing rounds and its Permanent Offer System. Concession contracts grant exclusive exploration and production rights subject to compliance with contractual and regulatory requirements.

Brazil also applies a production sharing regime to defined pre-salt and strategic areas; however, the Company's Brazilian operations are governed exclusively by concession contracts.

4.7.1.3 Regulatory authorities and environmental permitting

Oil and gas activities in Brazil are regulated primarily by:

- National Council of Energy Policy (CNPE) – national energy policy direction;
- ANP – sector regulator responsible for contracting, supervision, and technical standards; and
- Ministry of Mines and Energy (MME) – policy formulation and sector oversight.

Environmental licensing is required and may be administered at the federal or state level. In Bahia, environmental licensing for oil and gas operations is overseen by the Instituto do Meio Ambiente e Recursos Hídricos.

Oil shale and surface-based extraction activities are subject to heightened environmental scrutiny due to land disturbance, waste management, water use, emissions, and long-term reclamation obligations.

4.7.1.4 Government take and taxation

Government revenues associated with concession contracts include:

- signature bonuses;
- royalties on production;
- special participation for certain high-volume or high-profit fields; and
- annual area occupation or retention fees.

The standard royalty rate is 10%, subject to reduction. The Company obtained approval to reduce the royalty rate applicable to the Mina de Xisto field to 7.5% effective 1 May 2022. Landowners are entitled to royalties of up to 1%, and certain third parties hold overriding royalty interests in portions of the field.

Sales revenues are subject to federal PIS/COFINS contributions and, for natural gas, state-level ICMS. Brazil enacted comprehensive tax reform legislation in 2023 that will transition Brazil to a value-added tax system by 2033. No immediate material impacts were effective as at 2026.

Brazil's corporate income tax rate is 34%. A 10% withholding tax on dividends became effective 1 January 2026 and may impact future distributions from Brazilian subsidiaries.

Based on current production forecasts, special participation is not expected to apply to the Company's Brazilian reserves.

4.7.2 Canada

4.7.2.1 Pricing and market access

Oil, natural gas, and NGLs produced in Canada are sold at prices determined by negotiated contracts, market fundamentals, and transportation availability. Prices are influenced by global supply and demand, regional infrastructure constraints, product quality, and proximity to markets.

Western Canadian producers have historically experienced price differentials relative to global benchmarks due to limited pipeline and export infrastructure. While the Trans Mountain Expansion Pipeline entered service in 2024 and increased access to Pacific markets, transportation constraints, regulatory complexity, and permitting risk continue to affect market access and pricing.

4.7.2.2 Transportation and export infrastructure

Exports of crude oil, natural gas, and NGLs are regulated under the Canadian Energy Regulator Act. While export pricing is not regulated, physical access to export markets remains constrained by pipeline capacity, rail availability, and marine terminal infrastructure. Major pipeline projects in Canada face extended approval timelines, legal challenges, Indigenous consultation obligations, and multi-jurisdictional regulatory review. Delays, cost overruns, or cancellations of infrastructure projects can materially affect realised pricing and development plans. Crude-by-rail transportation remains subject to enhanced federal safety rules, including speed restrictions and operational requirements.

4.7.2.3 Trade agreements and geopolitical risk

Canada is a party to several trade agreements relevant to energy exports, including the United States-Mexico-Canada Agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and bilateral arrangements with the United Kingdom and the European Union.

The United States is Canada's principal energy export market. Uncertainty regarding the stability or future renegotiation of the United States Mexico Canada Agreement, which is expected to be reviewed beginning in July 2026, could result in adverse changes to market access, tariffs, or regulatory conditions.

4.7.2.4 Provincial royalties and regulatory oversight

Oil and gas development in Canada is regulated primarily at the provincial level. Royalty regimes vary across provinces and depend on factors such as production volumes, well productivity, pricing, recovery methods, and well vintage.

Alberta, Saskatchewan, and Manitoba each maintain distinct royalty frameworks and incentive programs aimed at encouraging exploration, enhanced recovery, and emissions reduction. Changes to royalty rates, eligibility criteria, or incentive programs could adversely affect project economics.

4.7.2.5 Environmental, climate, and emissions regulation

Canadian oil and gas operations are subject to extensive federal and provincial environmental regulation governing emissions, waste handling, water use, land disturbance, abandonment, and reclamation.

Canada has committed to achieving net-zero greenhouse gas emissions by 2050 and has implemented multiple emissions-reduction mechanisms, including:

- methane emissions regulations;
- output-based pricing systems for large emitters;
- clean fuel regulations; and
- enhanced reporting and disclosure standards.

Although consumer fuel charges were eliminated in 2025, industrial emissions pricing and compliance mechanisms remain in effect. Proposed federal oil and gas sector emissions cap regulations have not been implemented and are not currently expected to proceed, but future policy changes remain uncertain.

Compliance with current and future climate regulations may increase operating costs, restrict development activity, or require additional capital investment.

4.7.2.6 Liability management and site closure

Western Canadian provinces have implemented increasingly stringent liability management frameworks governing well abandonment and site reclamation. Alberta's Liability Management Framework, and comparable programs in other provinces, require operators to demonstrate ongoing financial capacity, meet mandatory closure spending targets, and post security where required.

Regulators have broad authority to restrict licence transfers, require security deposits, or suspend operations where liabilities present unacceptable risk. Insolvency proceedings do not shield operators or working interest participants from abandonment and reclamation obligations.

4.7.2.7 Indigenous consultation and project risk

Oil and gas development in Canada is subject to constitutionally protected Indigenous consultation and accommodation obligations. Recent court decisions and negotiated agreements have expanded the consideration of cumulative effects, land-use planning, and long-term environmental impacts.

Implementation of the United Nations Declaration on the Rights of Indigenous Peoples, evolving consultation standards, and cumulative effects jurisprudence may increase permitting timelines, restrict development in certain regions, or require additional mitigation and benefit-sharing measures.

4.7.2.8 Investor considerations

The Company operates in jurisdictions with established but evolving regulatory regimes. In Brazil, concession-based rights, royalty relief for mature assets, and government support for unconventional development underpin investment stability, subject to environmental licensing and tax reform transition risk. In Canada, infrastructure constraints, environmental regulation, liability management requirements, and Indigenous consultation obligations continue to present operational, cost, and timing risks that may materially affect development activities and realised pricing.

As further detailed in Section 4.4.1 "*The Québec Business*", the Group's activities in Québec have been severely affected by the enactment of Bill 21 in August 2022, which purported to revoke all 16 of the Group's exploration licences in Québec.

Non-compliance with regulatory requirements can lead to significant consequences, including administrative penalties, criminal sanctions, and economic or criminal liability for environmental and natural resources damage, regardless of fault or negligence on the part of the Group. Moreover, the Group may suffer reputational damages in cases of non-compliance. As such, the Group must maintain vigilant adherence to these complex and often changing regulations to mitigate any potential risks.

4.7.2.9 Anti-greenwashing rules

On 20 June 2024, Bill C-59 received royal assent, thereby enacting certain changes to the Competition Act to address ″greenwashing″, meaning false, misleading, or deceptive environmental claims made for the purpose of promoting a product or a business interest. Under the new rules, certain environmental claims that companies commonly make, including those related to sustainability and forward-looking environmental-related goals, may be problematic. How the new rules will be interpreted and applied is currently unclear. In June 2025, new private rights of action will come into effect, meaning that any person will be able to bring a complaint directly to the Competition Tribunal for an alleged violation of the new greenwashing provisions. The Competition Bureau has published draft guidance regarding how it will apply the

new greenwashing provisions, however the guidance, even once finalized, is not and will not be binding on private parties nor the Competition Tribunal.

On 17 November 2025, the federal government published a *Notice of Ways and Means Motion* to introduce a bill which proposes to amend the Competition Act by removing the requirement that environmental claims about a business or business activity be "in accordance with internationally recognized methodology" (but still requiring "adequate and proper substantiation"), and by making such business-level claims unavailable to third parties seeking to bring greenwashing complaints to the Competition Tribunal. Companies found to have made representations that violate the rules, intentionally or inadvertently, could be subject to an administrative penalty for the greater of CAD 10 million for the first order and CAD 15 million for any subsequent order, and 3% of the Group's annual worldwide gross revenues.

4.8 Material agreements outside the ordinary course of business

The Company entered into a Share Purchase Agreement dated as of 28 July 2025 with Forbes & Manhattan Limited and the former shareholders of FRBH, as amended by an amendment, Waiver and Undertaking dated 26 September 2025 between Forbes & Manhattan Inc., Forbes & Manhattan Limited, the former shareholders of FRBH, Forbes & Manhattan Resources Inc., Forbes Participações Ltda., the Company and 2744026 Alberta Ltd.

Other than the above, neither the Company nor any other Group companies have entered into any material agreements outside the ordinary course of business or other agreements containing rights or obligations of material importance to the Group for the two years' period preceding the date of this Information Document.

4.9 Material investments of the Group

Except for the PX acquisition (as described in Section 4.4.5 "*The PX Acquisition*") and the completion of the acquisition of remaining common equity and preferred equity interest in Red Leaf (as described in Section 4.4.3 "*Red Leaf*"), neither the Company nor any other company in the Group has carried out any material investments during the period covered by the Financial Information and up to the date of this Information Document:

- For the financial year ended 31 December 2025, the Group's material investments comprised of CAD 25.6 million consisting primarily of an investment in its producing assets in Western Canada.
- For the financial year ended 31 December 2024, the Group's material investments comprised of CAD 20.6 million consisting of an investment in its producing assets in Western Canada.
- For the three-month period ended 31 March 2026, the Group's material investments comprised of CAD 1.8 million consisting of an investment in producing assets in Western Canada and Brazil.

4.10 Dependency on contracts, patents, licenses, trademarks, etc.

Other than the Group's exploration licences in Québec which the government of Québec through the enactment of Bill 21 in 2022 purported to revoke, described in Section 4.4.1 "*The Québec Business*" and the licenses issued by the Brazil's National Agency for Petroleum, Natural Gas and Biofuels related to its producing property in Brazil, neither the Company nor any other Group company has any business-critical patents or licenses and the Company considers that the Group's current business and activities are not dependent on any single industrial, commercial or financial contract. The Company's subsidiary, Red Leaf, owns several patents related to its proprietary process to produce oil from oil shale. The Company plans to demonstrate this process at near-commercial scale to advance its strategy to commercially develop oil shale.

4.11 Related party transactions

The Company has no material agreements in place with any related party. In its ordinary course of business, the Company may enter into various sales, purchase and service transactions with joint operations in which the Company has a material interest. If entered into, such transactions will be entered into on arm's length terms.

Other than as set out above, no Group company has carried out any related party transactions for the period covered by the historical financial information included in this Information Document.

4.12 The Litigation related to the Québec Business

On 23 August 2022, the Government of Québec enacted Bill 21, being An Act mainly to end petroleum exploration and production and the public financing of those activities. Bill 21 revoked petroleum exploration and production licences, including all 16 of the Company's exploration licences in Québec. As a result, the Government of Québec effectively expropriated the Company's assets in the province for notional compensation.

Section 4.4.1 "*The Québec Business*" sets out the business that is the subject of the Litigation and further details about the legal proceedings, and in which holders of the Preferred Shares have an economic interest. Sections 3.3.3.1 "*Québec*" and 3.3.3.2 "*Québec Resource Assessment*" provide further details about the Québec Business and in particular the resource assessment associated with it.

An Oversight Committee has been established to uphold the interests of holders of the Preferred Shares (see Section 5.8.4 "*Oversight Committee and Technical Committee*" for further details). Under the Articles, the Company is obligated to fund the costs of the Litigation up to a maximum aggregate amount of CAD 1,000,000, which the Company expects to exceed (see Section 5.8.5 "*Funding of the costs associated with the Litigation*" for further details).

The Litigation is not expected to be finally resolved for several years. However, the Litigation may be discontinued at an earlier stage in certain circumstances, including where the Company considers the Litigation to no longer be commercially viable, subject in all cases to the prior written consent of the representative of the Oversight Committee acting on behalf of holders of the Preferred Shares. A high-level overview of the timeline of the Litigation is set out in Section 2.1.1 "*The value of the Preferred Shares depends on the outcome of the Litigation, which is not expected to be finally resolved for several years*".

The Company expects the Litigation to conclude in one of the following ways: (1) a cash settlement is provided to the Company; (2) a settlement whereby the Company is permitted to develop its Québec Business; or (3) the legal claim is unsuccessful, resulting in no favourable outcome for holders of the Preferred Shares, whether in the form of a full or partial reinstatement of licences or a cash settlement. See Sections 2.1.2 "*The Company is only obliged to fund the Litigation to a maximum of CAD 1,000,000*" and 5.8.5 "*Funding of the costs associated with the Litigation*" for further details on the potential outcomes and the funding arrangements applicable to the Litigation.

4.13 Other legal and arbitrational proceedings

Concurrent with the closing of the PX Acquisition, the Company executed a binding term sheet with the Partner to form the Joint Venture. In January of 2026, the Company was advised by the Partner that the term sheet had expired in accordance with its terms. In March of 2026, Partner notified the Company of their intent to seek a penalty of USD 20 million for alleged breaches by the Company pursuant to the term sheet. The Company has advised the Partner that its claim is wholly without merit and it is reserving its legal rights against the Partner and its affiliates for, among other things, breach of the term sheet. Pursuant to the term sheet, the matter will be submitted for arbitration pursuant to the ICC rules should either of the parties make a formal claim thereunder.

Other than as set out above, neither the Company nor any other Group company is, or has been during the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's and/or the Group's financial position or profitability. The Company is also not aware of any such proceedings which are pending or threatened.

5 ORGANIZATION, THE BOARD OF DIRECTORS AND MANAGEMENT

5.1 Introduction

The Board of Directors is responsible for the overall management of the Company and may exercise all the powers of the Company not reserved for the Group's shareholders by the Articles and By-Laws and the laws of the Province of Alberta, Canada.

In accordance with the laws of the Province of Alberta, Canada, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring the Group's activities, accounts and asset management are subject to adequate controls; and undertaking investigations necessary to ensure compliance with its duties. The Board of Directors may delegate such matters to Management as it sees fit.

The Management is responsible for the day-to-day management of the Group's operations in accordance with instructions set out by the Board of Directors, with support of an extended management team. Among other responsibilities, the Management is responsible for keeping the Group's accounts in accordance with applicable legislation and regulations and for managing the Group's assets in a responsible manner.

5.2 The Board of Directors

5.2.1 Overview

Upon the Admission, the Board of Directors will consist of five Directors. The names and positions of these Directors are set out in the table below:

Name	Position	Served since	Term expires	Common Shares	Preferred Shares	Common Share options[1]	Preferred Share Options[2]
Bjørn Inge Tønnessen	Chairman	November 2007	2026	445,482	44,482	1,650,000	400,000
Jauvonne Kitto	Director	February 2024	2026	-	-	650,000	250,000
Dennis F. Sykora	Director	March 2013	2026	593,750	59,375	1,030,000	250,000
Hans Jacob Holden	Director	April 2017	2026	275,000	27,500	1,055,000	250,000
Michael Binnion	President and Chief Executive Officer, Director	December 2000	2026	23,890,112	2,389,011	12,520,000	5,900,000

(1) Share options are presented on an aggregated and gross basis without consideration to vesting conditions or tax liabilities. Except for 400,000 options granted to Mr. Tønnessen, 250,000 options granted to each of Ms. Kitto, Mr. Sykora and Mr. Holden, and 5,900,000 options granted to Mr. Binnion, all options presented in this column were issued before the Reorganisation and give the holder the right to exercise 10 options to receive a total of 10 Common Shares and 1 Preferred Share. This structure reflects the reverse share split in the ratio of 10:1, implemented prior to the Admission. Common Share options issued after 21 January 2026 entitle the holder to acquire Common Shares only.

(2) The options referenced in this column were issued in February 2026. Options that convert into Preferred Shares convert at a ratio of 10:1, so that 10 options convert into 1 Preferred Share.

The terms of each Director expire at the end of the Group's next annual meeting of shareholders, or until successors are elected or directors vacate the office in accordance with the Group's By-Laws.

The Company's registered address, Suite 1650 – 801 6th Avenue S.W., Calgary, Alberta, T2P 3W2, Canada, serves as business address for the members of the Board of Directors as regards their directorship in the Company.

5.2.2 Brief biographies of the Board of Directors

Set out below are brief biographies of the Directors, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Bjørn Inge Tønnessen, Chairman of the Board of Directors

Mr. Tønnessen is Executive Chair of Transitus Energy Ltd, a private hydrogen energy production company. From June 2012 to June 2016, he was President and CEO of Spike Exploration AS, now part of Point Resources AS. Prior to that, Mr. Tønnessen was Executive VP for the Svenska Group, a private Swedish-based exploration and production company. In addition to serving as Managing Director of its Norwegian subsidiary, his main responsibility was to manage all of the group's existing licenses, comprising a mix of exploration, development and producing assets in Norway, Sweden and several countries in Africa. He was formerly the senior energy analyst with DNB Markets from January 2003 to July 2007 and an equity analyst with Handelsbanken Capital Markets from October 2001 to November 2002. Prior to this, he was employed by the Svenska Group in a variety of progressively more senior roles, including exploration and production manager for a large part of the Group's portfolio. Mr. Tønnessen has also worked as an offshore drilling engineer for several years. Mr. Tønnessen holds a Bachelor's degree in Petroleum Engineering from Stavanger University in Norway and an MBA equivalent degree from Stockholm University in Sweden. He became Chairman of the Board of Directors of the Company in June 2015.

Current directorships and management positions: ……..	*Transitus Energy Ltd (Executive Chair); Geothermal Energy Nordic AS (Chair); Kvitnjuk Invest AS (Sole shareholder); Rambera Invest AS (Sole shareholder); Sensnet Analytics AS (Chair)*
Previous directorships and management positions last five years:	*N/A*

Jauvonne Kitto, Director

Ms. Kitto has over 25 years of experience with First Nations and Tribes in North America, focusing on executive management, corporate governance, and advocacy. She has been the lead negotiator for numerous major Indigenous rights and title agreements; equity ownership and participation deals related to various energy major projects. She is a co-founder and the Chief Executive Officer of the Saa Dene Group, a holding company for a diverse group of Indigenous-owned or controlled businesses. Prior to this, she was executive director of the Fort McKay First Nation. She is actively involved with several Indigenous governments and non-profit organizations.

Current directorships and management positions: ……..	*The Saa Dene Group (Co-founder and Chief Executive Officer); Nature Conservancy Canada; Praxis Spinal Cord Institute; Calgary Housing Company; Information and Communications Technology Council (ICTC)*
Previous directorships and management positions last five years:	*N/A*

Dennis F. Sykora, Director

Mr. Sykora is an independent businessman who has worked for over 20 years in the oilfield services industry, primarily on international operations. From 2007 to 2014, he served as an executive of High Arctic Energy Services Inc., a public oilfield service company, including as Executive Vice President, General Counsel and Chief Executive Officer. Prior to joining High Arctic, he served for 10 years as President of International Operations for a Canadian-based drilling contractor. Prior to that, he spent 15 years as a lawyer and Chartered Accountant with Felesky Flynn and Ernst & Young in Calgary, specializing in tax planning for the oil industry. Mr. Sykora is a member of both the Law Society of Alberta and the Institute of Chartered Accountants of Alberta.

Current directorships and management positions: ……..	*Dominion Lending Centres (TSX – DLCG) (Director)*
Previous directorships and management positions last five years:	*N/A*

Hans Jacob Holden, Director

Mr. Holden has over 25 years of experience in the international oil and gas industry, with a focus on corporate finance in the last sixteen years. He currently works in the Business Development division of AF Gruppen, a Norwegian contracting and industrial group. Prior to this, he was a director of Seatankers Group, a private investment company with a broad portfolio within the energy and maritime sector, from January to November 2017. From 2004 to 2016, Mr. Holden was employed by Pareto Securities AS, a Norwegian-based brokerage firm, and from 2000 to 2004 he was employed by DnB Markets, the investment banking group of Norway's largest bank. Prior to this, he was employed as section manager in the reservoir department of Saga Petroleum ASA, a public Norwegian oil company. Mr. Holden holds a Master of Science in Civil Engineering (Nw. *Sivilingeniør*) from the Norwegian University of Science and Technology and resides in Oslo, Norway.

Current directorships and management positions: ……..	*AF Gruppen (Business Development division)*
Previous directorships and management positions last five years:	*N/A*

Michael Binnion, President and Chief Executive Officer, Director

Michael Binnion is the President and Chief Executive Officer and a founder of the Company. Mr. Binnion is an experienced entrepreneur with a track record of founding, financing and managing both commercial enterprises and not-for-profit organizations. He has extensive experience serving as a board member for several technology companies in Canada. He is the founder of the Modern Miracle Network, an organization dedicated to promoting informed public discourse on the benefits and impacts of energy use. A fifth-generation Albertan born in Calgary, Mr. Binnion is actively engaged in community initiatives focused on the prospects for future generations of Canadians.

Current directorships and management positions: ……..	*Modern Miracle Network Inc (Founder & Executive Director); Rupert's Crossing Capital Inc. (Director); Canada Strong & Free Network (Board member); High Arctic Energy Services (Chairman); High Arctic Overseas Holdings Corp (Chair)*
Previous directorships and management positions last five years:	*N/A*

5.3 The Management

5.3.1 Overview

As of the date of this Information Document, the Management consists of the following persons:

Name	Position	Employed since	Common Shares	Preferred Shares	Common Share options[1]	Preferred Share options
Michael Binnion	President and Chief Executive Officer, Director	November 2000	23,890,112	2,389,011	12,520,000	5,900,000
Jason D'Silva	Chief Financial Officer	December 2000	5,515,863	551,586	7,060,000	2,300,000
Jyoti Parmar	Vice President, Finance	December 2025	-	-	350,000	100,000

Name	Position	Employed since	Common Shares	Preferred Shares	Common Share options[1]	Preferred Share options
John Brodylo	Vice President, Exploration	January 2001	1,284,100	173,410	3,660,000	350,000
David Pellegrin	Vice President, Operations	September 2025	-	-	850,000	500,000
Rick Tityk	Vice President, Land	November 2005	806,000	105,000	3,660,000	350,000
Filippo Segatori	Vice President, Engineering	February 2026	206,800	20,680	2,000,000	1,000,000

(1) Share options are presented on an aggregated and gross basis without consideration to vesting conditions or tax liabilities.

(2) Options that convert into Preferred Shares convert at a ratio of 10:1, so that 10 options convert into 1 Preferred Share.

The Company's registered address, Suite 1650 – 801 6th Avenue S.W., Calgary, Alberta, T2P 3W2, Canada, serves as the business address for the members of the Management as regards their positions with the Company.

5.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management:

Michael Binnion, President and Chief Executive Officer, Director

Please refer to Section 5.2.2.

Jason D'Silva, Chief Financial Officer

Mr. D'Silva has over 20 years of progressive experience in corporate finance and management, primarily with junior public companies. He currently serves as Chief Financial Officer and is one of the founding shareholders of the Company. From 1995 to 2008, Mr. D'Silva was employed by Terrenex and its predecessor, during which time he was actively involved in several of its investee companies, including Flowing and CanArgo. Prior to joining the Company, he served as Corporate Compliance Officer of CanArgo from 1998 to 2000. Mr. D'Silva holds a Bachelor's degree in Finance from Utah State University.

Current directorships and management positions: ……..	*Rupert's Crossing Capital Inc. (Director, President, CEO, CFO, and Secretary-Treasurer)*
Previous directorships and management positions last five years:	*Neuro Thera Labs Inc. (Director)*

Jyoti Parmar, Vice President, Finance

Ms. Jyoti Parmar has over 20 years of progressive experience in senior financial leadership, including more than 15 years in the oil and gas energy industry. She currently serves as Vice President of Finance at the Company. Prior to joining the Company, Ms. Parmar served as Vice President, Finance at CarbonAi group and previously as Corporate Controller at Maha Energy, where she managed global finance operations across Brazil, the United States, and the Middle East for a publicly listed oil and gas company. Earlier in her career, she held senior finance roles at Gran Tierra Energy, Skope Energy, and TG World Energy, supporting multinational operations, capital projects, and public-company financial reporting. Ms. Parmar is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Commerce in International Business from the University of Victoria.

Current directorships and management positions: ……..	*N/A*
Previous directorships and management positions last five years:	*CarbonAI Inc. (VP Finance and Controller); Maha Energy*

(Corporate Controller)

John Brodylo, Vice President, Exploration

Mr. Brodylo has served as Exploration Manager since March 2001 and Vice President, Exploration since January 2004. Mr. Brodylo has over 30 years of experience as a geologist with medium to large energy companies. His career has focused on both development and exploration activities, primarily in Central Alberta. He has been responsible for independently generating prospects, conducting large-scale regional studies and geological mapping integrated with the work of geophysics and petrophysics. He was employed by Draig Energy Ltd. as a senior exploration geologist from June 1998 to March 2001. From 1995 to 1998, he was employed by Pan Northern Resources Ltd. Prior to that, he was employed by Samedan Oil of Canada Ltd. from 1993 to 1995. Mr. Brodylo was previously employed by Husky Energy and Canadian Occidental Petroleum Ltd. (Nexen) as an exploration geologist in domestic and international operations from 1984 to 1993. Mr. Brodylo holds a Bachelor of Science degree in Geology and Geophysics from the University of Calgary and is registered as a Professional Geologist with APEGA in Alberta.

Current directorships and management positions: …….. *N/A*

Previous directorships and management positions last five years: *N/A*

David Pellegrin, Vice President, Operations

Mr. Pellegrin is a petroleum engineering executive with a proven track record of optimizing well performance, maximizing reserve value, and delivering cost efficiencies across conventional and unconventional reservoirs. He holds a BASc in Mechanical Engineering from the University of British Columbia and is a Professional Engineer registered with APEGA and APEGS. Before joining the Company he was at Sproule Asset Management where he was instrumental in all production activities for Sproule's many clients, as well as leading both emissions reduction efforts and audits of production operations, notably offshore Guyana. He previously worked for companies including Norcen Energy, Suncor Energy, Anadarko Canada and Advantage.

Current directorships and management positions: …….. *N/A*

Previous directorships and management positions last five years: *N/A*

Rick Tityk, Vice President, Land

Mr. Tityk has served as Vice President, Land since November 2005. Prior to joining the Company, he accumulated over sixteen years of experience in the oil and gas land sector, most notably as Land Lead with Hunt Oil Company of Canada Inc., where he played an integral role in expanding the Group's exploration and development activities across Central Alberta, Northern Alberta, the Foothills, and Northeast British Columbia. Previously, Mr. Tityk held Landman positions with Star Oil Gas Ltd., Calpine Canada Corporation, and Encal Energy Ltd., where he was responsible for the initiation and negotiation of numerous transactions. Mr. Tityk holds a Bachelor of Commerce degree in Petroleum Land Management and Accounting from the University of Calgary. He is an active member of the Canadian Association of Petroleum Landmen and the American Association of Professional Landmen.

Current directorships and management positions: …….. *N/A*

Previous directorships and management positions last five years: *N/A*

Filippo Segatori, Vice President, Oil Shale

Mr. Segatori has served as the Vice President Oil Shale since February 2026. He is also President of Red Leaf, since March 2025 and was Vice President, Projects from January 2023 to March 2025. He is also Chief Operating Officer of the Company's indirect subsidiary, PX Energy. Mr. Segatori is a professional engineer with over 20 years' experience in oil and gas projects, project and engineering management and field construction. Mr. Segatori holds a Bachelors and Master's Degree in Mechanical Engineering from Università degli Studi, L'Aquila, Italy and is a member of the Association of Petroleum Engineers and Geoscientists of Alberta and Ordine degli Ingegneri della Provincia di Roma.

Current directorships and management positions: …….. *N/A*

Previous directorships and management positions last five years: *N/A*

5.4 Benefits upon termination

The Company has entered into written executive employment agreements with each member of Management. Each of these written agreements provides that in the event of a change of control of the Company, or a termination without just cause, each of the members of Management (other than the Chief Executive Officer) is entitled to 18 months of the applicable base salary. The Chief Executive Officer is entitled to 24 months of the applicable base salary.

If an option holder is terminated for cause by the Company, they may not exercise unvested options following the date of termination. If the option holder ceases to be a participant for any reason other than death or termination for cause, they may exercise any vested options for a period of 90 days following the date of such cessation. However, at the Group's discretion, the exercise period may be extended in certain circumstances for a maximum of the expiry date of the options or five years from the date of such cessation.

In the event of a change of control, and at the Board of Directors' discretion, all unexercised and unvested outstanding stock options shall immediately vest and be exercisable.

Other than the above, the Group does not have any contract, agreement, plan or arrangement that provides for payments or other forms of benefits to members of Management at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the member of Management's responsibilities.

5.5 Arrangements for involving the employees in the capital of the Company

The Company has adopted two stock option plans, one in connection with the grant of options exercisable into Common Shares (the "**Common Share Option Plan**") and one in connection with the grant of options exercisable into Preferred Shares (the "**Preferred Share Option Plan**", and collectively with the Common Share Option Plan, the "**Stock Option Plans**"). The Stock Option Plans permit the granting of stock options to the Company's employees, officers, directors and consultants and certain other eligible persons for the purpose of developing the interest of the participants in the growth and development of the Company (in the case of the Common Share Option Plan) and the growth and development of the Québec Business (in the case of the Preferred Share Option Plan) and to better enable the Company to attract and retain persons of desired experience and ability. The Stock Option Plans facilitate the alignment of the compensation levels of the Named Executive Officers to the successful implementation of the Company's strategic plans by resultant increases in the price of the Common Shares and/or Preferred Shares, as applicable.

The aggregate number of Common Shares issuable pursuant to stock options granted under the Common Share Option Plan shall not exceed 10% of the issued and outstanding Common Shares. The aggregate number of Preferred Shares issuable pursuant to stock options granted under the Preferred Share Option Plan shall not exceed 10% of the issued and outstanding Preferred Shares. Each of the Stock Option Plans also contain additional restrictions on the grant of options thereunder.

The Stock Option Plans provide for the exercise price to be determined by the Board provided that the exercise price of the options may not be less than, that permitted by the TSX being the closing price on the last business day preceding the date of grant (in the case of the Common Share Option Plan), or the market price (in the case of the Preferred Share Option Plan). Vesting of the stock options is determined by the Board in its sole discretion. Substantially all of the Company's stock options have been granted so as to vest in equal quarterly amounts over a three-year period starting at the grant date or one year from the grant date.

Participation in the Stock Option Plans is voluntary. In order to constitute a valid stock option under the Stock Option Plans, the participant and the Company must enter into a valid option agreement in a form acceptable to the Board. Stock options granted under the Stock Option Plan will be for a term of no longer than six years commencing on the date of the granting of the option, subject to extension in certain circumstances and with appropriate approvals. The interest of any optionee under any Stock Option Plan is not transferable or assignable by the optionee. If any optionee ceases to be a participant as a result of death, then such options may be exercised until the earlier of one year after the date of death and the expiry of the options. If an optionee is terminated for cause by the Company, no unvested option held by such optionee may be exercised following the date of termination. If the optionee ceases to be a participant for any reasons other than as described above, the optionee may exercise any vested options for a period of 90 days following the date of such cessation, however, at the discretion of the Company, the exercise period of the options may be extended in certain circumstances for a maximum of the expiry date of the options or five years from the date of such cessation. In the event of a change of control, at the Board's discretion, all unexercised and unvested outstanding stock options shall immediately vest and be exercisable. In the event a bona fide offer ("**Offer**") is made for the shares of the Company, the Company will notify each optionee of the Offer and the full particulars thereof and such option may be exercised in whole or in part by the optionee so as to permit the optionee to tender the shares of the Company received upon exercise of its options (the "**Optioned Shares**") to the Offer. If the Offer is not completed, the Optioned Shares shall be returned by the optionee to the Company in exchange for the exercise price therefor and the options shall be reinstated on the same terms. If the Company amalgamates, consolidates or merges with or into another corporation, any shares of the Company receivable on the exercise of an option shall be converted into securities, property or cash the participant would have received had the option been exercised prior to such event and the option price shall be adjusted appropriately by the Board. In the event of any change in the shares of the Company through a consolidation, subdivision or reclassification of shares of the Company, or otherwise, the number of shares of the Company available under the Stock Option Plans, the shares of the Company subject to an option and the purchase price thereof shall be adjusted appropriately by the Board. Subject to the ABCA or any other laws applicable to the Company, the Board may at any time authorize the Company to loan money to any optionee on such terms and conditions (including without limiting the generality of the foregoing, terms and conditions respecting whether such loan shall be made with or without recourse and whether and at what rate interest shall be payable thereon) as the Board in its sole discretion may determine, to assist such optionee to exercise a stock option held by the optionee.

Each of the Stock Option Plans include a put right which allows an optionee, from time to time, to require the Company to purchase all or any part of the then vested options of the Optionee for an amount equal to the market price of the applicable class of shares of the Company less the option price of the Option Shares. Notwithstanding the foregoing, the Company may, at its sole discretion, decline to accept and, accordingly, has no obligations with respect to the exercise of such a put right at any time.

In order to comply with the withholding requirements pursuant to the Tax Act upon the exercise of stock options, the Stock Option Plans permit the Company to take all reasonable and necessary steps including the sale of any Optioned Shares issued upon the exercise of stock options, to satisfy any tax remittance obligations of the Company.

The Stock Option Plans provide an automatic extension of the expiry date of options issued pursuant to the Stock Option Plan where an optionee is subject to a restriction on trading in the securities of the Company as a result of the policies of the Company. If any stock options granted under a Stock Option Plan expire during any period in which such a restriction is in effect, then without any further action, the expiry date of such Option(s) shall be extended to the date that is ten (10) business days after the conclusion of that restriction period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options.

Each of the Stock Option Plans also provide that the Board may, in its sole discretion and without further approval of the shareholders of the Company, amend, suspend, terminate or discontinue any Stock Option Plan and may amend the terms and conditions of stock options granted under the Stock Option Plan, subject to any required approval of any applicable regulatory authority or the TSX (in the case of the Common Share Option Plan).

Under the Common Share Option Plan, disinterested shareholder approval will be required for any reduction in the exercise price, or the expiry date of stock options granted to insiders. The approval of the shareholders of the Company will be required for future amendments to the Common Share Option Plan which amend the number of Common Shares issuable pursuant to stock options issued thereunder or which change the class of participants which may broaden or increase participation by insiders of the Company.

5.6 Employees

The average number of employees employed by the Group in 2025, including members of the Management and contractors, was 211 (2024: 10); the number of full-time equivalents of these workers was 13 in 2025 (2024: 2).

	Average number of employees		Average number of full-time equivalents	
	2025	*2024*	*2025*	*2024*
Canada	11	10	7	2
Brazil	200	N/A	6	N/A
Total	**211**	**10**	**13**	**2**

5.7 Corporate governance

As a company incorporated in the Province of Alberta, Canada, the Company is subject to laws and regulations with respect to corporate governance, including the provisions of the ABCA. The Company is required to provide corporate governance disclosure under National Instrument 58-101 – Disclosure of Corporate Governance Practices (NI 58-101). While this instrument mandates transparency regarding governance practices on a 'comply or explain' basis, it does not mandate the adoption of specific governance structures or policies.

The Company is not subject to the Norwegian Code of Practice for Corporate Governance, neither on account of the Preferred Shares being listed on Euronext Growth Oslo, nor on account of the Common Shares being listed on Euronext Oslo Børs.

5.8 Committees

5.8.1 Audit Committee

The Audit Committee (the "**Audit Committee**") is the committee of the Board of Directors that is primarily responsible for overseeing financial reporting, internal risk management and control functions, the external and internal audit requirements, and for recommending the Group's internal and external auditor to the Board of Directors.

The responsibilities of the Audit Committee include, among other things, the following:

- recommending to the Board of Directors, (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and (b) the compensation of the external auditor;
- overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- pre-approving all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor;
- reviewing the Company's financial statements, MD&A and annual and interim profit or loss press releases before the Company publicly discloses this information; and

- obtaining satisfactory evidence that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public information referred to in the section above, and periodically assess the adequacy of those procedures; and
- establishing procedures for: (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matter.

The Audit Committee comprises Dennis F. Sykora as chair and Hans Jacob Holden and Bjørn Tønnessen as members, all of whom are considered to be independent and financially literate pursuant to National Instrument 52-110 - *Audit Committees*. An independent member of the audit committee is a member who has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of the member's independent judgment. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Company's financial statements.

5.8.2 Compensation, Nomination and Governance Committee

The Group's Compensation, Nomination and Governance Committee (the "**Governance Committee**") is responsible for monitoring the succession of Board members and for identifying suitable candidates for nomination at the Group's annual general meeting.

In addition, the Governance Committee is responsible for recommending governance policies for adoption by the Company, and to amend, administer and monitor compliance with corporate governance laws, regulations and policies.

The Governance Committee recommends the remuneration to be granted to the members of Management and Board Members on an annual basis. Compensation is determined in the context of the Group's goals, shareholder returns and other achievements, and in light of individual performance, achievements and responsibilities.

The Governance Committee currently comprises Jauvonne Kitto as chair and Bjørn Tønnessen as a member, both of whom are considered to be independent, with no direct or indirect material relationship with the Company.

5.8.3 Reserves Committee

The Group's Reserves Committee (the "**Reserves Committee**") is responsible for recommending an independent reserves evaluator, reviewing the reserves evaluator's work on an annual basis, reviewing the procedures for disclosure of the reserves evaluation, meeting independently with the reserves evaluator to review the scope of the annual review of reserves, discussing findings with Management, and approving the Group's annual reserve report and the Management's and reserve evaluator's consent forms.

The Reserves Committee comprises Hans Jacob Holden as chair and Dennis F. Sykora and Bjørn Tønnessen as members, all of whom are considered to be independent, with no direct or indirect material relationship with the Company.

5.8.4 Oversight Committee and Technical Committee

For governance purposes of the Québec Business, an oversight committee (the "**Oversight Committee**") has been established to supervise the management of the Québec Business, including that a settlement agreement of the Litigation is subject to written consent of the Oversight Committee. The Oversight Committee has, among other things, the power to nominate one candidate to the Board of Directors (the Preferred Director, as defined above). The Oversight Committee and the Preferred Director have limited powers to compel the Company to fund the Litigation or asset stewardship activities beyond those expressly agreed. The remedies available to the Oversight Committee or the Preferred Director in the event of a funding dispute with the Company are governed by Canadian corporate law and the terms of the Preferred Share conditions.

The Oversight Committee consists of 3 members, which are elected by the holders of the Preferred Shares. The Oversight Committee supervises the management of the Québec Business, among other things ensuring that any settlement agreement of the Litigation is subject to its written consent. The Oversight Committee shall have the right to appoint a

member to a technical committee (the "**Technical Committee**"), which shall advise the Board of Directors on technical and financial matters with respect to the Québec Business.

The Oversight Committee has the right to nominate one Director to the Board of Directors of the Company.

The remedies available to the Oversight Committee or the Preferred Director in the event of a funding dispute with the Company are governed by Canadian corporate law and the terms of the Preferred Share conditions, and may not provide adequate or timely redress for holders of Preferred Shares in the Norwegian market context.

5.8.5 Funding of the costs associated with the Litigation.

Under the Articles, the Company is obliged to pay legal fees and disbursements in respect of the Litigation up to a maximum aggregate amount of CAD 1,000,000, which the Company expects to exceed. Notwithstanding anything in the Articles, the Company has no obligation to fund such legal fees and disbursements beyond CAD 1,000,000 in respect of the Litigation. Above that amount, the Company may pay legal fees and disbursements in respect of the Litigation only where it believes the Litigation and the associated claims continue to be commercially viable. There is accordingly no obligation on the Company to advance funding beyond CAD 1,000,000, and if the Company does not consider the Litigation and the associated claims to be commercially viable, it may decline to fund the Litigation further. However, the Company covenants to remain party to the Litigation until its final conclusion and, throughout the duration of the Litigation, the Company shall not discontinue, abandon or withdraw the Litigation without the prior written consent of a designated representative acting on behalf of the Oversight Committee. Accordingly, a decision by the Company to cease discretionary funding above CAD 1,000,000 does not, in itself, entitle the Company to unilaterally discontinue or withdraw from the Litigation, and any such discontinuance without the requisite prior written consent of the designated representative of the Oversight Committee would constitute a breach of the Articles.

5.9 Disclosures about convictions and involvement in any bankruptcies etc.

During the five years preceding the date of this Information Document, no member of the Board of Directors or the members of the Management has, or had, as applicable:

i) any convictions in relation to indictable offences or convictions in relation to fraudulent offences;

ii) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

iii) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or manager of a company.

5.10 Disclosure of conflicts of interests etc.

There are potential conflicts of interest to which the directors and officers of the Group will be subject in connection with the operations of the Group. In particular, certain of the directors and officers of the Group are involved in managerial or director positions with other oil and gas companies whose operations may, from time to time, be in direct competition with those of the Group or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Group. See Section 5.2 "*The Board of Directors*" and Section 5.3 "*The Management*". Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

Other than as set out above, the Company is not aware of any actual or potential conflicts of interests between the Company and the private interests or other duties of the members of the Board of Directors or the Management. There are no family ties between any of the members of the Board of Directors and/or the members of the Management.

6 SELECTED FINANCIAL INFORMATION

6.1 Introduction

The following selected financial information has been extracted from the Financial Information, consisting of the Annual Financial Statements, incorporated by reference to this Information Document.

For more information about the Financial Information and the basis for preparation, please refer to Section 3.2.1 "*Financial information*" above.

6.2 Summary of accounting policies and principles

The Annual Financial Statements have been prepared in accordance with IFRS as issued by the IASB, and have been subject to audit review by EY. The Interim Financial statements have been prepared in accordance with IFRS and Canadian Generally Accepted Accounting Principles, and have not been subject to audit review.

For more information regarding accounting policies and the use of estimates and judgments, please refer to page 50 of the Annual Financial Statements.

6.3 Selected financial information

6.3.1 Consolidated income statement

The table below sets out selected data from the consolidated income statement as derived from the Financial Information.

(in thousands CAD)	*Year ended 31 December 2025*	*Year ended 31 December 2024*	*Three month period 31 March 2026*
Revenue	77,136	36,927	42,970
Operating costs including royalties	(53,749)	(17,933)	23,211
General and administrative costs	(9,029)	(5,530)	4,956
Depletion, depreciation, and impairment	(82,272)	(20,348)	14,889
Other income (expenses)	(13,162)	(445)	(141)
Net Loss before taxes	(81,076)	(7,329)	(12,440)

6.3.2 Consolidated statement of comprehensive income

The table below sets out selected data from the consolidated statement of comprehensive income as derived from the Financial Information.

(in thousands CAD)	*Year ended 31 December 2025*	*Year ended 31 December 2024*	*Three month period 31 March 2026*
Net Loss	(78,935)	(7,329)	(12,440)
Foreign currency translation	(3,526)	916	-
Total Comprehensive loss	(82,461)	(6,413)	(12,440)

6.3.3 *Consolidated statement of financial position*

The table below sets out selected data from the consolidated statement of financial position as derived from the Financial Information:

(in thousands CAD)	*As of 31 December 2025*	*As of 31 December 2024*	*As of 31 March 2026*
Current Assets	51,580	36,435	51,031
Property, plant and equipment	275,924	116,695	278,193
Exploration and Evaluation	5,599	13,106	5,599
Goodwill	45,961	-	49,164
Other assets	16,198	4,487	16,085
Current liabilities	103,551	13,400	100,659
Secured debt	100,755	-	115,925
Deferred tax liability	57,297	-	66,824
Other LT liabilities	57,000	18,694	56,158
Shareholder's Equity	76,659	138,629	61,800

6.3.4 *Consolidated statement of changes in equity*

The table below sets out selected data from the consolidated statement of changes in equity as derived from the Financial Information:

(in thousands CAD)	*Share Capital*	*Contributed surplus*	*AOCI*	*Deficit*	*Total equity*
Balance at 31 December 2024	429,878	29,283	896	(321,428)	138,629
Share Capital for Acquisition	5,346				5,346
Contingent consideration for business combination classified as equity		13,941			13,941
Other comprehensive income (loss)		1,203	(3,526)		(2,323)
Net profit (loss)				(78,935)	(78,935)
31 December 2025	435,224	44,427	(2,630)	(400,363)	76,658
31 March 2026	437,268	44,058	(1,331)	(418,195)	61,800

6.3.5 *Consolidated statement of cash flow*

The table below sets out selected data from the consolidated statement of cash flow as derived from the Financial Information:

(in thousands CAD)	*Year ended 31 December 2025*	*Year ended 31 December 2024*	*Three months ended 31 March 2026*
Operating Activities Net loss	(78,935)	(7,329)	(17,832)
Adjustments for: Depletion and depreciation	29,660	11,905	14,889
Accretion of asset retirement	2,817	580	568
Impairment	49,795	7,863	-
(Gain) loss on equity investment	(2,388)	474	-
Share based compensation	829	1,115	426
Net finance expense	12,878	(1,149)	8,580

(in thousands CAD)	*Year ended 31 December 2025*	*Year ended 31 December 2024*	*Three months ended 31 March 2026*
Deferred tax recovery	(2,141)	–	-
Other items not involving cash	1,773	–	2,913
Cash taxes paid	(473)	–	(630)
Cash interest (paid) received	(339)	1,149	(75)
Abandonment expenditures	(1,072)	(49)	(908)
Change in non-cash working capital	214	(890)	(10,987)
Net cash from operating activities	12,618	13,669	3,089
Investing Activities			(1,772)
Property, plant and equipment expenditures	(9,611)	(4,046)	
Exploration and evaluation expenditures	(16,008)	(16,594)	-
Settlement of preferred shares liability	–	–	(2,185)
Cash acquired from asset acquisition	10,792	–	–
Cash acquired through business combination	1,228	–	–
Payment made by subsidiary for contingent consideration	(2,160)	–	618
Restricted cash	177	–	–
Change in non-cash working capital	(3,266)	3,785	(744)
Financing Activities			(291)
Principal portion of lease payments	(243)	(65)	
Proceeds on option exercise	–	–	1,161
Repayment of loans and financing	–	–	(4,264)
Net cash used in financing activities	(243)	(65)	(3,394)
Effect of foreign exchange on cash and cash equivalents	101	–	150
Change in cash and cash equivalents	(6,473)	(3,251)	(5,624)
Cash and cash equivalents, beginning of year	31,791	35,038	25,419
Cash and cash equivalents, end of year	25,419	31,787	19,945

6.3.6 Segment reporting

The table below sets out selected data from the consolidated income statement as derived from the Financial Information. Key figures for the Québec Business is set out in the designated column.

(in thousands CAD)	Brazil	Western Canada	Québec	Corporate & other	Consolidated
Assets by operating segment					
Exploration and Evaluation		5,599	–		5,599
Property, Plant & Equipment	190,765	81,589	–	3,570	275,924
Other	35,004	51,456	–	27,278	113,739
Total Assets, December 31, 2025	225,770	138,644	–	30,848	395,262
Exploration and Evaluation		13,106	–	–	13,106
Property, Plant & Equipment	–	116,695	–	–	116,695
Other	–	4,644	7,551	28,727	40,922
Total Assets, December 31, 2024		134,445	7,551	28,727	170,723

(in thousands CAD)	Brazil	Western Canada	Québec	Corporate & other	Consolidated
Results by operating segment					
Revenues	31,673	45,463	–	–	77,136
Operating costs including royalties	(26,452)	(26,575)	(722)	–	(53,749)
General and administrative	(2,393)	(5,143)	(1,493)	–	(9,029)
Depletion, depreciation, impairment and accretion	(14,556)	(67,716)	–	–	(82,272)
Other income (expenses)	(11,128)	–	–	(2,034)	(13,162)
Loss before taxes	(22,856)	(53,971)	(2,215)	(2,034)	(81,076)
Deferred tax recovery					2,141
Net Loss, December 31, 2025					(78,935)
Revenues	–	36,927	–		36,927
Operating costs including royalties	–	(17,262)	(671)	–	(17,933)
General and administrative	–	(5,530)	–	–	(5,530)
Depletion, depreciation, impairment and accretion	–	(20,348)	–	–	(20,348)
Other income (expenses)	–	–	–	(445)	(445)
Loss before taxes		(6,213)	(671)	(445)	(7,329)
Deferred tax recovery					–
Net Loss, December 31, 2024					(7,329)

6.4 Operating and financial review

6.4.1 Introduction

This Section provides a fair review of the development and performance of the business and position of the Group for the periods covered by the Financial Information. For more information about the Financial Information and basis for preparation, please refer to Section 3.2.1 "*Financial information*" above.

6.4.2 Year ended 31 December 2025

During 2025, the Group's business changed materially from a Canadian-focused exploration and production business with technology interests into a broader operating platform with oil shale production, refining infrastructure and proprietary technology. The principal development was the PX Acquisition in Brazil in September 2025, which added integrated mining, processing and refining operations, fourth-quarter production of approximately 4,411 boe/d and proved plus probable reserves of 12.6 MMboe with a before-tax NPV-10% of CAD 372 million. The Group also consolidated ownership of Red Leaf, obtaining full control of the HCCO® oil shale technology, and completed the Reorganisation (as defined below).

Operationally, average production increased to 3,711 boe/d from 1,756 boe/d in 2024, driven by the tie-in of three 1.5 net Kakwa North wells and the inclusion of Brazil production after the PX Energy acquisition. Revenue increased to CAD 77.1 million from CAD 36.9 million, comprising CAD 45.5 million from Canada and CAD 31.7 million from Brazil; the volume increase and new Brazil contribution more than offset weaker Canadian oil prices, with the Canadian realised oil and liquids price declining to CAD 79.80/bbl from CAD 91.92/bbl. The improvement in scale did not translate into net earnings: the Group recorded a net loss of CAD 78.9 million, compared with a CAD 7.3 million loss in 2024, mainly because of a CAD 49.8 million impairment of Canadian PP&E following lower forward commodity prices, higher depletion and

depreciation, acquisition-related transaction costs, and finance expense and foreign exchange effects associated with the PX Energy debt structure. Adjusted funds flow from operations increased modestly to CAD 15.7 million from CAD 14.6 million, while net cash from operating activities declined to CAD 12.6 million from CAD 13.7 million.

The Group's financial position also changed materially. Total assets increased to CAD 395.3 million from CAD 170.7 million, principally from the PX Energy acquisition and related PP&E, goodwill and other acquired assets; however, shareholders' equity decreased to CAD 76.7 million from CAD 138.6 million as the annual loss and foreign currency translation losses outweighed share issuances and other equity additions. Working capital moved from a surplus of approximately CAD 23.0 million to a deficit of approximately CAD 52.0 million, reflecting the Brazil working capital deficit and assumed acquisition-related liabilities. Quarterly results show the scale of the change: fourth-quarter production increased to 7,046 boe/d and revenue to CAD 42.5 million, while the fourth-quarter net loss of CAD 75.1 million was dominated by the Canadian impairment charge and the first full-quarter effect of PX Energy operating costs.

6.4.3 Year ended 31 December 2024

During 2024, the Group's business remained primarily focused on Western Canadian production, protection of its Québec legal and strategic position, and advancement of oil shale technology through Red Leaf. In Western Canada, Questerre participated in six 2.25 net Kakwa wells: three 0.75 net Kakwa Central wells were drilled, completed and tied in during the year, and three 1.5 net Kakwa North wells were drilled and awaiting completion at year-end. The Group elected not to participate in a further Kakwa Central program because of concerns that the proposed inter-well spacing could adversely affect overall recoveries. In Québec, the Group continued to pursue a political and business solution for its natural gas discovery while protecting its rights under Bill 21, including filing an independent report estimating potential economic losses under different revocation scenarios.

Performance in 2024 weakened on revenue and cash flow but improved on reported loss compared with 2023. Average production declined by 5% to 1,756 boe/d as natural declines at Kakwa were only partly offset by the new Kakwa Central wells, while petroleum and natural gas revenue declined by 12% to CAD 36.9 million; management attributed just over 40% of that revenue decline to lower production volumes and the remainder to lower commodity prices, particularly natural gas. Royalties fell to 8% of revenue from 14%, mainly because of Alberta processing credits, and gross operating costs decreased just over 5%, principally from lower Saskatchewan and Manitoba workover costs. The Group reported a net loss of CAD 7.3 million, compared with CAD 23.7 million in 2023; the improved loss position was due to lower expenses and a materially lower impairment charge, notwithstanding the decline in revenue. Adjusted funds flow from operations decreased to CAD 14.6 million from CAD 15.9 million, and net cash from operating activities decreased to CAD 13.7 million from CAD 16.3 million.

The Group maintained a relatively strong balance sheet during 2024, with cash and cash equivalents of CAD 31.8 million, no material borrowings under its CAD 16 million credit facility and working capital surplus of approximately CAD 23.1 million at year-end, although this was lower than the CAD 29.9 million surplus at the end of 2023. Total assets were broadly stable at CAD 170.7 million compared with CAD 172.3 million, while shareholders' equity decreased to CAD 138.6 million from CAD 143.7 million, mainly reflecting the annual loss. Quarterly performance was relatively stable in revenue terms, with quarterly revenue ranging from CAD 8.8 million to CAD 9.6 million; the second quarter produced the strongest net result, while the fourth quarter loss of CAD 8.1 million was primarily attributable to the Jordan E&E impairment. Capital expenditures increased to CAD 20.6 million from CAD 10.1 million, mainly reflecting the Kakwa drilling and completion program.

6.4.4 Cash flow statements

Cash flow from operating activities

Cash flow from operating activities was CAD 3.1 million for the three month period ended 31 March 2026, compared to CAD 3.4 million for the three month period ended 31 March 2025. The variance is attributed to higher cash flow from operations, offset by a larger change in non-cash working capital in the current year.

Cash flow from operating activities was CAD 12.6 million for the year ended 31 December 2025, compared to CAD 13.7 million for the year ended 31 December 2024. The variance over the prior year is attributed to higher cash flow from operations offset by a smaller change in non-cash working capital.

Cash flow from investing activities

Consistent with higher capital spending, the cash used in investing activities increased to CAD 16.9 million for the financial year ended 31 December 2025, from CAD 10.8 million for the financial year ended 31 December 2024. Expenditures increased by CAD 10.5 million from 2024 to CAD 20.6 million in 2025, and the Company recorded an increase in non-cash working capital in 2025 compared to a decrease in 2024.

Cash flow from financing activities

For both current and prior years, cash used in financing activities relates to the principal portion of the lease payments related to office rent and related equipment.

6.5 Significant change in the financial position of the Group

There has been no significant change in the financial or trading position of the Group since 31 December 2025.

6.6 Material borrowings and financial commitments

Except as disclosed in the financial statements of the Company, as of the date of this Information Document, the Group has no material interest bearing debt.

The Group is not in the progress, nor has any firm commitments been made, in respect of any material investments.

6.7 Working capital statement

The working capital available to the Group is, in the Group's opinion, sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Information Document.

7 SHARE CAPITAL AND SHAREHOLDER MATTERS

This Section includes a summary of certain information relating to the Preferred Shares, Common Shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Information Document. The mentioned summary does not purport to be complete and is qualified in its entirety by the Articles and By-Laws.

7.1 Corporate information

The legal name of the Company is "Questerre Energy Corporation", and the Company does not have a commercial name. The Company was incorporated in Alberta, Canada on 25 October 1971, originally under the name "Westpro Equipment Ltd.". On 5 December 2000, the Company changed its name to "Questerre Energy Corporation". The Company is a public corporation existing under ABCA. The Company's legal entity identifier (LEI) code is 549300TM45EIWBPD7W54.

The Company's registered office is Suite 1650, 801 – 6th Avenue SW, Calgary, Alberta T2P 3W2, Canada, and its main telephone number at that address is +1 403 777 1185. The Group's website is www.questerre.com/. The content of www.questerre.com/ is not incorporated by reference into, and does not otherwise form part of, this Information Document.

7.2 The Common Shares and Preferred Shares

7.2.1 Authorised and issued share capital

As of the date of this Information Document, the Company's issued share capital comprises 452,213,454 Common Shares with no par value, and 45,221,345 Preferred Shares with no par value. All of the Company's issued and outstanding Common Shares and Preferred Shares have been created under the ABCA, and are fully paid and non-assessable. Pursuant to the Articles, and subject to regulatory constraints, the Board of Directors is authorised to issue an unlimited number of Common Shares, class B common shares, Preferred Shares and separate series of preferred shares.

Separate series of Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of Preferred Shares as may be determined by the Board of Directors who may also fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares. Unless the directors otherwise specify in the Articles designating a series of Preferred Shares, the holder of each series of Preferred Shares shall not, as such, be entitled to receive notice of or vote at any meeting of shareholders, except as otherwise specifically provided in the ABCA. The Preferred Shares of each series shall, with respect to payment of dividends and distributions of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, be entitled to preference over the Common Shares and Class B Shares and over any other shares of the Company ranking by their terms junior to the preferred shares of that series.

There are currently no class B common shares or other series of Preferred Shares in issue, and no such issuances have been proposed.

7.2.2 The Reorganisation and the corresponding changes made to the share capital

On 27 January 2026, the Company's shareholders received, in exchange for each of its previously issued Class A Common voting shares, one Common Share and one Preferred Share. The Preferred Shares were issued on 27 January 2026 under the ABCA and the laws of the Province of Alberta, Canada, with ISIN CA74836K3082, and were delivered to the Company's shareholders in the VPS on 28 January 2026. The previously issued Class A Common voting shares were subsequently cancelled in full (collectively, the "**Reorganisation**").

The purpose of the Reorganisation was to ringfence the legal outcome and financial performance of the Québec Business with the Preferred Shares. This will in effect make the Preferred Shares track the financial performance of the Québec Business, in terms of the legal outcome of the Litigation, and, provided a successful outcome of the Litigation, payment of any legal settlement with the holders of Preferred Shares or any future development of the Québec Business.

Following the Reorganisation the Company had two share classes, one with Common Shares and one with Preferred Shares, with each shareholder as of 28 January 2026 holding one Common Share and one Preferred Share. Following the listing of the Preferred Shares it is expected that the trading of both the listed Common Shares and the Preferred Shares will lead to different shareholding structures.

7.2.3 The Common Shares

Holders of Common Shares are entitled to attend and vote at all shareholder meetings of the Company, unless the meeting in question is reserved exclusively for shares of another class. All Common Shares carry one vote each and rank pari passu with one another.

Subject to the rights and conditions attached to other share classes (see Section 7.2.4 "*The Preferred Shares*"), holders of Common Shares (along with holders of all other common shares of the Company, if such have been issued at the relevant time) are entitled to receive the remaining property of the Company in the event of dissolution, liquidation or similar, and rank equal to holders of all other common shares of the Company, if such have been issued at the relevant time.

The Common Shares trade on the Toronto Stock Exchange and the main board of the Oslo Stock Exchange under the ticker code "QEC" with ISIN CA74836K1003.

For more information regarding dividend rights, please refer to Section 7.6 "*Dividends and dividend policy*".

7.2.4 The Preferred Shares

Subject to approval by the Board of Directors (including the approval of the Preferred Director), the Company may convert Preferred Shares into Common Shares if the Litigation concludes without reinstatement of the licences relating to the Québec Business or similar result, in accordance with a prescribed formula, which is further described in the Articles. Once converted, the Preferred Shares are cancelled, and holders will thereafter hold Common Shares carrying no preferential interest in the Québec Business or with respect to the outcome of the Litigation.

For the purposes of this Section 7, all terms capitalized and not defined herein shall carry the same meaning as has been assigned to them in the Articles.

In the event the Litigation produces any Litigation Proceeds, the shareholders holding Common Shares are entitled to receive an amount equal to 5% of the Litigation Proceeds. The remaining Litigation Proceeds following payment of the Expense Reimbursement and the Investment Return shall be held in the Segregated Account and applied towards the payment of the Series 2 Litigation Dividend Amount to the holders of the Preferred Shares. For the avoidance of doubt, the holders of Preferred Shares shall not be entitled upon the liquidation, dissolution or winding-up of the Company, or on the sale of the Core Business, to share in any proceeds received by the Company from such a sale.

In the event of any liquidation, dissolution or winding-up of the Company or Deemed Liquidation Event, the holders of the Preferred Shares then outstanding are entitled to be paid out of the assets of the Company available for distribution to its shareholders or out of the consideration payable to shareholders in such Deemed Liquidation Event, as applicable, before any payment is made to the shareholders of the Company by reason of their ownership of Common Shares, a pro rata an amount equal to:

- the Unpaid Series 2 Dividends as at the date of liquidation, dissolution or winding up of the Company or Deemed Liquidation Event; plus
- the amount to which they would be entitled as a Series 2 Operational Dividend Amount if the reference in the definition of Series 2 Operational Dividend Amount to "Québec Business Distributable Cash for the Relevant Year" were read to also include any Net Proceeds (without duplication of any amount included in the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount).

If upon any such liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, the assets of the Company available for distribution to its shareholders are insufficient to pay the holders of Preferred Shares the full amount of the Series 2 Liquidation Amount, the holders of Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, after the payment in full of all Series 2 Liquidation Amounts required to be paid to the holders of Preferred Shares, the remaining assets of the Company available for distribution to its shareholders or, in the case of a Deemed Liquidation Event, the remaining consideration, shall be distributed among the holders of the Company's Common voting shares in accordance with the share terms for such Common voting shares.

The holders of the Preferred Shares shall not, as such, be entitled, upon the liquidation, dissolution or winding-up of the Company or on the sale of the Core Business, to share in any proceeds received by the Company from the disposition of the Core Business.

The Company shall not have the power to effect a Deemed Liquidation Event unless the agreement or plan of arrangement for such transaction provides that the consideration payable to the shareholders of the Company in such Deemed Liquidation Event shall be allocated to the holders of shares of the Company in accordance with the foregoing.

Subject to applicable law and regulatory constraints, the Company may purchase for cancellation all or any Preferred Shares five years after issuance of the last Preferred Share (i.e. on 27 January 2031) if the Litigation concludes without reinstatement of the licences relating to the Québec Business. Upon such cancellation, the Preferred Shares shall be redeemed for no additional consideration. The Preferred Shares will be delisted in connection with such cancellation.

Holders of Preferred Shares are not obligated to contribute financing of any costs incurred in connection with Litigation, whether through new capital or otherwise.

The Preferred Shares do not carry pre-emptive rights.

Voting rights

The Preferred Shares carry specific voting rights and no general voting rights. The Oversight Committee has the right to nominate one Director to the Board of Directors of the Company. When at least 500,000 Preferred Shares are outstanding, these specific voting rights include the right to, inter alia, elect the members of the Oversight Committee, approve liquidation events, adverse amendments to the Preferred Shares and the issuance of new series of preferred shares having preferential or equal treatment to the Preferred Shares. In any such event, each Preferred Share carries one vote.

Notwithstanding the above, Section 176 of the ABCA requires that a class vote be given on a proposal to amend the articles to:

(a) increase or decrease the maximum number of authorized shares of that class,
(b) increase the maximum number of authorized shares of a class having rights or privileges equal or superior to the rights or privileges attached to the shares of that class,
(c) effect an exchange, reclassification or cancellation of all or part of the shares of that class,
(d) add, change or remove the rights, privileges, restrictions or conditions attached to the shares of that class and, without limiting the generality of the foregoing,

    (i) remove or change prejudicially rights to accrued dividends or rights to cumulative dividends,
    (ii) add, remove or change prejudicially redemption rights,
    (iii) reduce or remove a dividend preference or a liquidation preference, or

(iv) add, remove or change prejudicially conversion privileges, options, voting, transfer or pre-emptive rights, rights to acquire securities of a corporation or sinking fund provisions,

(e) increase the rights or privileges of any class of shares having rights or privileges equal or superior to the rights or privileges attached to the shares of that class,

(f) create a new class of shares having rights or privileges equal or superior to the rights or privileges attached to the shares of that class,

(g) make the rights or privileges of any class of shares having rights or privileges inferior to the rights or privileges of the shares of that class equal or superior to the rights or privileges of the shares of that class,

(h) effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of that class, or

(i) constrain the issue or transfer of the shares of that class or extend or remove that constraint.

Under the ABCA, holders of shares that are otherwise non-voting do not have a general right to vote on all corporate matters. However, voting rights may arise in connection with certain fundamental transactions, including amalgamations, continuances and dispositions of substantially all of the Company's assets, as described below.

Specifically, each Preferred Share carries the right to vote, whether or not the share otherwise has voting rights, in respect of:

- an amalgamation of the Company (section 183 of the ABCA);
- a continuance of the Company into another jurisdiction (section 189 of the ABCA); and
- a sale, lease or exchange of all or substantially all of the property of the Company other than in the ordinary course of business (section 190 of the ABCA).

In addition, holders of a class or series of shares are entitled to vote separately as a class or series in connection with an amalgamation or disposition of assets if the amalgamation agreement or transaction has the same effect as, or includes a provision that, if contained in a proposed amendment to the articles, would entitle those holders to vote separately as a class or series under section 176 of the ABCA.

For more information regarding dividend rights, please refer to Section 7.6 "*Dividends and dividend policy*" or the Articles included as Appendix A.

7.3 Share capital

7.3.1 Share capital history

The table below shows the development in the Company's share capital from 1 January 2024, up to and including the date of this Information Document.

Date of registration	Type of change	Share capital	Share class	Number of shares issued	Total number of issued shares
19 December 2025	Creation for acquisition of Red Leaf	CAD 5,347,000	Common Shares	17,247,618	445,763,454
23 January 2026	Creation for exercise of stock options	CAD 2,043,000	Common Shares	6,450,000	452,213,454
27 January 2026	Creation	CAD 4,522,000	Preferred Shares	452,213,454	452,213,454
27 January 2026	Cancellation	-	Class A Common voting shares[(1)]	452,213,454	452,213,454
23 June 2026	Reverse share split	CAD 4,522,000	Preferred Shares	45,221,345	45,221,345

(1) *For the avoidance of doubt, "Class A Common voting shares" refers to the Company's common voting shares which were in issue prior to the Reorganisation, and not to the Common Shares as defined herein.*

The Company issued the Common Shares and Preferred Shares as part of the Reorganisation. Pursuant to the Reorganisation, the Class A Common voting shares were cancelled in full. Further information is set out in Section 7.2.2 "*The Reorganisation and the corresponding changes made to the share capital*".

7.3.2 Transfer of Preferred Shares

Transfer of Preferred Shares admitted to trading on Euronext Growth Oslo is handled through the VPS and is governed by the rules applicable to the VPS. The Preferred Shares are not subject to resale restrictions.

However, the transfer of Preferred Shares may be subject to restrictions under applicable Canadian securities laws. Under the Securities Act (Alberta), a holder of Preferred Shares who qualifies as a 'control person' of the Company will be subject to prospectus requirements on any resale of those shares, unless an applicable exemption is available.

Generally under Canadian securities laws, a shareholder qualifies as a 'control person' if: (i) they individually hold sufficient voting rights in the Company to materially affect its control; or (ii) in combination with other persons or companies, they are acting in concert, whether under an agreement, arrangement, commitment or understanding, that collectively holds sufficient voting rights to do so. In either case, holding more than 20% of the Company's outstanding voting rights (whether individually or in concert) is deemed sufficient to be considered to materially affect control, unless there is evidence to the contrary.

A sale of previously issued shares from the holdings of a control person constitutes a 'distribution' under the Securities Act (Alberta) and is accordingly subject to prospectus requirements. Holders who consider that they may qualify as a control person should seek independent Canadian legal advice before trading in the Preferred Shares.

7.3.3 Other financial instruments issued by the Company

Other than the Common Shares, Preferred Shares, and stock options issued as part of the Stock Option Plans which may be exercised in exchange for Common Shares or Preferred Shares, as applicable, or as set forth below, the Company has not issued any other options, warrants, convertible loans, or other instruments that would entitle a holder of any such instrument to subscribe for any Preferred Shares or Common Shares in the Company that are currently outstanding.

7.3.4 Potential obligation to increase share capital

Other than in connection with the PX Acquisition described in Section 4.4.5 and the Company's Shareholder Rights Plan (the "**Shareholder Rights Plan**") described below, the Company is not subject to any obligation to increase the share capital. Subject to the terms of the PX Acquisition including the settlement of amounts outstanding under the purchase price adjustment, a total of 65 million Common Shares may be issued. The issuance of new shares is also subject to the Securities Act (Alberta) and the rules of the TSX. The Securities Act (Alberta) permits a distribution of any new shares pursuant to a prospectus or an applicable exemption (e.g. on a private placement basis). To ensure that these new shares will be listed on the TSX, the Company must also comply with the regulations of the TSX.

7.3.4.1 Shareholder Rights Plan

The Shareholder Rights Plan encourages a potential acquiror to proceed with their bid in accordance with Canadian takeover bid rules, which requires that the bid satisfy certain minimum standards intended to promote fairness, or have the approval of the Board, by: (a) protecting against "creeping bids" (the accumulation of more than 20% of the Common Shares through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of Shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders; and (b) preventing a potential acquiror from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for Permitted Lock-up Agreements (as defined below) as specified in the Shareholder Rights Plan.

By encouraging bids in accordance with Canadian take-over bid rules, the Board wants to allow all shareholders to benefit from the acquisition of a control position of 20% or more of the Common Shares, and allow the Board to have sufficient time to explore and develop all options for maximizing shareholder value in the event a person tries to acquire a control position in the Company. Under the Shareholder Rights Plan, potential acquirors are prevented from accumulating effective control of the Company or a blocking position against other bidders except by way of a Permitted Bid (as defined below).

The following is a summary of the key terms of the Shareholder Rights Plan.

7.3.4.2 Trading of rights

Until the Separation Time (as defined in Section 7.3.5 below), or earlier termination or expiration of the rights, the rights are evidenced by and transferred with the associated Common Shares and the surrender for transfer of any certificate representing Common Shares will also constitute the surrender for transfer of the rights associated with those Common Shares. The rights are not exercisable until the Separation Time. After the Separation Time, the rights will become exercisable and begin to trade separately from the associated Common Shares. Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder of the Company.

7.3.4.3 Permitted Bids

The Shareholder Rights Plan employs a permitted bid concept whereby a take-over bid will not trigger the rights if it meets certain conditions (a "**Permitted Bid**"). A Permitted Bid is defined as an offer to acquire Common Shares for cash or securities made by means of a take-over bid circular where the Common Shares subject to the offer, together with Common Shares beneficially owned by the offeror at the date of the offer (including its affiliates, associates and joint actors), constitute 20% or more of the outstanding Common Shares and also that complies with the following additional provisions:

(a) it is made to all holders of Common Shares of the Company (other than the offeror);

(b) it contains a condition that Common Shares may be deposited pursuant to the take-over bid, and any Common Shares deposited pursuant to the take-over bid may be withdrawn, and no Common Shares can be taken up and paid for before the close of business on a date not less than 105 days following the date the take-over bid circular is made to all shareholders or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of applicable Canadian securities laws) must remain open for deposits of securities thereunder; and

(c) it contains a condition that more than 50% of the Common Shares held by shareholders independent of the offeror must be tendered and not withdrawn, and if that condition is met, there will be a public announcement and the take-over bid will remain open for a further period of ten days.

A Permitted Bid that is made subsequent to a prior Permitted Bid (a "**Competing Permitted Bid**") is required to remain open until a date which is not earlier than the minimum number of days such take-over bid must be open for the deposit of securities pursuant to applicable Canadian securities laws.

7.3.4.4 Permitted Lock-up Agreement

The Shareholder Rights Plan also provides that the Shareholder Rights Plan will not be triggered by a permitted lock-up agreement (a "**Permitted Lock-up Agreement**"). A Permitted Lock-up Agreement means an agreement which is publicly available pursuant to which certain shareholders agree to deposit Common Shares to a take-over bid (the "**Lock-up Bid**"). In addition, a Permitted Lock-up Agreement must:

(a) permit a shareholder to terminate the agreement in the event a superior bid is made or other superior transaction is proposed; and

(b) provide for break fees or similar fees in an amount which do not exceed the greater of:

A. 2.5% of the consideration payable to locked shareholders under the Lock-up Bid, and

B. one-half of the difference between the consideration payable to locked shareholders under the Lock-up Bid and the consideration payable to locked shareholders under the superior bid or other transaction.

The lock-up agreement may specify that the termination rights in the event of a superior bid or transaction do not become effective unless the consideration offered under the superior bid or transaction exceeds the consideration payable under the Lock-up Bid by more than a specified percentage, provided that this specified percentage does not exceed 7%.

7.3.4.5 Separation Time

The rights will separate and trade separately from the Shares from and after the close of business on the tenth trading day after the earlier of the following dates (the "**Separation Time**"):

(a) the first date of public announcement by the Company or any person who is the beneficial owner of 20% or more of the outstanding Common Shares, subject to certain permitted exemptions, as set out in the Shareholder Rights Plan (an "**Acquiring Person**"), of facts indicating that a person has become an Acquiring Person;

(b) the date of the commencement of, or first public announcement of the intent of a person (other than the Company or a subsidiary of the Company) to commence, a take-over bid, other than a Permitted Bid, Competing Permitted Bid or a Permitted Lock-up Agreement; or

(c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such, or on such later date as the Board shall determine, provided that, if any take-over bid expires, or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such offer shall be deemed never to have been made.

7.3.4.6 When Rights Become Exercisable

Following a transaction which results in a person becoming an Acquiring Person (a "**Flip-in Event**"), the rights entitle the holders thereof to receive upon exercise, Common Shares with a market value equal to twice the then exercise price of the rights. In such event, however, the rights beneficially owned by an Acquiring Person (including affiliates, associates and joint actors), or the transferee of any such person, will be void. A Flip-in Event does not include acquisitions approved by the Board or acquisitions pursuant to a Permitted Bid, a Competing Permitted Bid or a Permitted Lock-up Agreement.

7.3.4.7 Protection against dilution

The exercise price of the rights, the number and nature of securities that may be purchased upon exercise of rights and the number of rights outstanding, are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares or other circumstances where adjustments are required to appropriately reflect the interest of the holders of rights.

7.3.4.8 Redemption and waiver

At any time prior to the occurrence of a Flip-in Event, the Board may (provided it has received the prior consent of shareholders by a majority vote) redeem all, but not less than all, of the then outstanding rights at a redemption price of CAD 0.000001 per right, subject to adjustment. The Board may waive the application of the Shareholder Rights Plan to any Flip-in Event if it determines that a person became an Acquiring Person by inadvertence, conditional upon such person having, within ten days after the determination by the Board, reduced its beneficial ownership of Common Shares such that it is no longer an Acquiring Person. The Board may also, until a Flip-in Event has occurred, waive the application of the Shareholder Rights Plan to any particular Flip-in Event which occurs as a result of a takeover bid circular sent to all shareholders but in that event, the Board must waive the application of the Shareholder Rights Plan to any Flip-in Event

occurring as a result of a takeover bid which has occurred previously to the initial waiver (and remains outstanding at the time of the initial waiver) or that occurs within 75 days after the initial waiver.

7.3.4.9 Amendments

The Board may amend the Shareholder Rights Plan to correct clerical or typographical errors or to maintain the validity of the Shareholder Rights Plan in light of legislative changes. Other amendments can only be made with the approval of the shareholders of the Company or, after the Separation Time, the holders of the rights. Any supplements or amendments to the Shareholder Rights Plan require the prior approval of the TSX and any other stock exchange on which the Common Shares are listed.

7.3.4.10 Term

The Shareholder Rights Plan will terminate upon the termination of the annual meeting of the Company held every third year following the annual general meeting of the Company held in the year 2019, unless at such meetings the Shareholder Rights Plan is reconfirmed by an ordinary resolution of the shareholders of the Company.

7.3.5 Ownership structure

As of the date of this Information Document, Michael Binnion, who is Director, President and Chief Executive Officer of the Company, holds in aggregate 5.3 % of the Company's issued Preferred Shares, and 5.3 % of the Company's issued Common Shares. His shareholdings are held personally and through the holding companies Rupert's Crossing, an investment corporation, Rupert's Crossing Ltd., and Rupert's Developments Inc.

Other than as set out above, and as far as the Company is aware, as of the date of this Information Document, there are no investors who, directly or indirectly, have an interest of 5% or more of the Group's share capital or voting rights, or of the Preferred Shares.

There are no specific measures in place regulating the exercise of the influence which follows from holding a majority of the Common Shares in the Company. Each Common Share carries one vote.

There are no arrangements known to the Company that may lead to a change of control in the Company.

7.4 Authorisation to acquire own Common Shares and Preferred Shares

Subject to the Articles, the Company may purchase or otherwise acquire Common Shares or Preferred Shares unless there are reasonable grounds for believing that: (a) the Company is, or would after the payment be, unable to pay the liabilities as they become due; or (b) the realizable value of the Group's assets would after the payment be less than the aggregate of the liabilities and stated capital of all classes. The Articles set forth certain terms and conditions applicable in the case that the Company determines to repurchase any of the Preferred Shares issuable in series.

The TSX Company Manual and applicable Canadian securities laws regulate the purchase or other acquisition by the Company of the Company's own shares. Subject to a limited number of exemptions, the Company must comply with a detailed body of rules with the intended purpose that all of the Company's shareholders are treated equally. As described in Section 7.2.4 "*The Preferred Shares*", the Company may purchase for cancellation all or any Preferred Shares five years after issuance of the last Preferred Share (i.e. on 27 January 2031) if the Litigation concludes without reinstatement of the licenses relating to the Québec Business. Upon such cancellation, the Preferred Shares shall be redeemed for no additional consideration. The Preferred Shares will be delisted in connection with such cancellation.

Such acquisitions may be completed either:

- by acquiring Preferred Shares through any stock exchange on which the Preferred Shares are listed;
- by invitation for tenders addressed to all recorded holders of Preferred Shares; and/or
- in any other manner.

Other than above, the Company is not currently authorized to acquire Preferred Shares or Common Shares.

As of the date of this Information Document, neither the Company nor any Group company holds Preferred Shares or Common Shares in treasury.

7.5 Reasons for the Admission

The Company believes that the Admission will:

- provide investors with direct exposure to the Québec Business and the potential upside of the Litigation;
- facilitate accurate and independent valuation of the Québec Business and the Core Business by enabling the market to assess each separately;
- permit the Québec Business and Core Business to pursue independent capital allocation strategies; and
- utilise the Company's existing investor base in Norway, given that the principal liquidity in the Common Shares is concentrated on Euronext Oslo Børs.

The Company is not aware of any lock-up arrangements that have been or will be entered into in relation to the Preferred Shares or Common Shares.

7.6 Dividends and dividend policy

7.6.1 Dividend policy

The Company has not paid a dividend to date.

The Board of Directors may from time to time by resolution declare and the Company may pay dividends on its issued shares, subject to the provisions (if any) of the Articles. The Board of Directors shall not declare and the Company shall not pay a dividend if there are reasonable grounds for believing that: (1) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (2) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

The Company may pay a dividend by issuing fully paid shares of the Company and, subject to Section 44 of the ABCA, the Company may pay a dividend in money or property.

7.6.1.1 Common Shares

Holders of Common Shares are not entitled to dividend payments, unless decided by the Board of Directors. Such decision by the Board of Directors is entirely discretionary and can be withheld even while dividends are distributed to other share classes. No dividends or distributions are expected to be paid on the Common Shares in the foreseeable future.

7.6.1.2 Preferred Shares

Subject to applicable law and to any required withholding tax deductions, holders of Preferred Shares are entitled to share pro rata dividends as follows: (1) subject to the conversion rights of the Company, if the Litigation results in proceeds, a cash dividend equal to the Litigation Dividend Amount (the Series 2 Litigation Dividend Amount); and (2) if the Litigation results in reinstatement or reissuance of the Québec Licenses and/or royalty interests on the lands covered by those licences, or a similar result, the Series 2 Operational Dividend Amount, which is based on the Québec Business Distributable Cash which is equal to 50% or 100% of Operating Revenue depending on whether ten test wells have been drilled and completed in accordance with the Articles (the Series 2 Operational Dividend Amount).

Holders of Preferred Shares are not entitled to any other dividends beyond the amounts described above. As a result, they shall not be entitled to any entitlements or dividends stemming from the Core Business, or any dividend if either the

licences relating to the Québec Business are never reinstated, or the Litigation fails or produces no proceeds in excess of relevant deductions.

The determination of both the Series 2 Litigation Dividend Amount and the Series 2 Operational Dividend Amount also take into consideration the rate of tax, expressed as a percentage, under Part VI.1 of the Tax Act that the Company determines will be applicable to that dividend or other distribution.

7.6.2 Manner of dividend payments

The Company's equity capital is denominated in CAD, and any dividends would therefore be declared in CAD. Any dividend and other payments distributed by the Company and attributable to the Preferred Shares traded on Euronext Growth Oslo will be distributed through DNB Bank ASA, Registrars Department, with registered address Dronning Eufemias gate 30, 0191 Oslo, Norway, acting as VPS Registrar (the "**VPS Registrar**").

For any payments in currencies other than NOK, the custodian or the VPS Registrar (as the case may be) will exchange the amount to NOK. Any future payments of dividends on the Preferred Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar. As such, investors may be affected by CAD to NOK exchange rate fluctuations, and investors whose reference currency is a currency other than NOK may be affected by currency fluctuations in the value of NOK relative to such investor's reference currency in connection with a dividend distribution by the Company. Shareholders residing in Norway who have not registered their bank account details on their VPS account would receive dividends by giro payment. Foreign shareholders registered in the VPS who have not provided the VPS Registrar with details of their bank account, would not receive payment of dividends unless they register their bank account details on their VPS account, and thereafter inform the VPS Registrar about said account. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date and time. Dividends will be credited automatically to the VPS-registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Preferred Shares.

7.7 Takeover bids and compulsory acquisitions

Takeover bids in Canada are governed by Canadian securities laws. The Company is subject to National Instrument 62-104 – *Take-Over Bids and Issuer Bids* ("**NI 62-104**"), which provides a harmonized Canadian regulatory framework for take-over bids and issuer bids. The takeover regulations set out in the Norwegian Securities Trading Act do not apply to the Company.

The following summary does not purport to be a complete description of applicable Canadian securities laws, and security holders and other interested parties should consult their own legal counsel regarding the application of such laws to their particular circumstances.

7.7.1 Take-Over Bids

A takeover bid is generally defined as an offer to acquire a class of outstanding voting or equity securities of an issuer made to any holder of such securities and resident in such province where the securities subject to the offer, together with securities held by the offeror and any person acting in concert with the offeror, constitute in aggregate 20% or more of the outstanding securities of that class at the date of the offer.

Pursuant to NI 62-104, a formal take-over bid must be outstanding for at least 105 days, subject to abridgement by the target company to 35 days. Where a mandatory 50% minimum tender condition has been achieved, and all other terms and conditions of the bid have been complied with or waived, the bid must be extended for an additional 10 days to permit other shareholders a further opportunity to tender to the bid.

Subject to limited exemptions, a takeover bid must be made to all holders of such class of securities who are in such province. The offeror must deliver to the holders of the securities a takeover bid circular which describes the terms of the

takeover bid and the directors of the target company must deliver to the holders of that target company a directors' circular within 15 days after the date of the bid: (i) making a recommendation to holders of the securities to accept or reject the bid; (ii) advising security holders that the board is unable to make, or is not making a recommendation; or (iii) advising security holders that the board is considering whether to make a recommendation to accept or reject the bid and may advise security holders that they should not deposit their securities under the bid until they receive further communication from the board of directors of the target company.

Under Section 195 of the ABCA, where an offer to acquire all of the shares of an issued class of a subject company has, within the time limit in a take-over bid for its acceptance or within 120 days after the offer, whichever is shorter, been accepted by holders of not less than 90% of the shares subject to that offer, other than shares held at the date of the offer by or on behalf of the offeror or an affiliate or an associate of the offeror, the offeror may give notice in the prescribed manner and within a prescribed period to any dissenting shareholder that it intends to acquire the remaining shares pursuant to Section 196 of the ABCA. If a notice is sent to a dissenting shareholder, the offeror is entitled and bound to acquire all of the shares of that dissenting shareholder that were involved in the offer for the same price and on the same terms contained in the acquisition offer unless the Court orders otherwise on an application made by that dissenting shareholder within 60 days after the date of the termination of the take-over bid and in any event within 180 days after the date of the take-over bid.

Within 20 days after sending the notice, the offeror shall pay or transfer to the Company the amount of money or other consideration that the offeror would have had to pay or transfer to the dissenting shareholder.

A dissenting shareholder is required to elect to transfer its shares to the offeror on the same terms as the offer or to demand payment of the fair value of the shares within 20 days after the offeror's notice has been received. If no notice is received, the dissenting shareholder is deemed to have elected to transfer its shares to the offeror on the same terms as the offer. If the dissenting shareholder has elected to demand payment of the fair value for the shares, then the offeror may within 20 days of deposit of the money or other consideration apply to the Court to fix the fair value of the shares. If the offeror fails to apply, the dissenting shareholder may apply for the same purpose within a further 20 day period. Where no application is made, the dissenting shareholder is deemed to have elected to transfer the shares on the same terms as the offer.

There are several exemptions from the requirement to make a formal offer to all shareholders. A significant exemption is the private agreement exemption. Pursuant to this exemption, an offeror could acquire shares from up to five persons where the value of the consideration paid does not exceed 115% of the market price of the securities, without having to make a formal bid to all security holders. This means that all the shares of a controlling shareholder could be acquired by an offeror without security holder approval or a formal bid being made to all security holders. NI 62-104 also includes exemptions for normal course purchases, foreign take-over bids, non-reporting issuers and de minimis transactions.

7.7.2 Insider trading

According to the Market Abuse Regulation ((EU) No. 596/2014, "**MAR**"), as implemented through the Norwegian Securities Trading Act, subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a Norwegian regulated market or a Norwegian Multilateral Trading Facility, or incitement to such dispositions, must not be undertaken by anyone who has inside information. Inside information is defined in Article 7(1)(a) of the MAR and refers to precise information about financial instruments issued by the Company admitted to trading, about the Company admitted trading itself or about other circumstances which are likely to have a noticeable effect on the price of financial instruments issued by the Company admitted to trading or related to financial instruments issued by the Company admitted to trading, and which is not publicly available or commonly known in the market. Information that is likely to have a noticeable effect on the price shall be understood to mean information that a rational investor would probably make use of as part of the basis for his investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

In addition, due to the Common Shares being listed on the Toronto Stock Exchange, Canadian laws and TSX rules and regulations with respect to insider trading apply to the Company.

Under Canadian securities laws, prohibitions on trading of securities by directors who have knowledge of a "Material Fact" or "Material Change" are found in the general prohibitions against insider trading as a director would be considered an insider of the issuer.

Section 147 of the Securities Act (Alberta) and National Policy 51-201, expressly prohibit any person in a "special relationship" with a reporting issuer from purchasing or selling securities of the reporting issuer with the knowledge of a "Material Fact" or a "Material Change" in regards to the reporting issuer where that fact or change has not been generally disclosed to the public. In addition, the prohibition under Section 147 of the Securities Act (Alberta), extends to prohibitions against persons in "special relationships" with the reporting issuer with knowledge of a "Material Fact" or "Material Change" that has not been generally disclosed to the public from recommending or encouraging another person or company to: (a) purchase or sell securities of a reporting issuer; or (b) enter into a transaction involving a security the value of which is derived from or varies materially with the market price or value of a security of the reporting issuer.

This prohibition applies to the "insiders" of the corporation, but it may also extend to other individuals or companies considered to be in a "special relationship" with the corporation. Persons who may be considered to be in a "special relationship" to an issuer include the employees, lawyers and auditors of the corporation; subsidiaries and affiliates of the corporation; persons or companies that engage in or propose to engage in any business or professional activity with or on behalf of the corporation; directors, officers and employees of the corporation, or of a company that is in a "special relationship" with the corporation; persons or companies that learned of a Material Fact or Material Change while being in "special relationship" with the corporation, or persons or companies that learned of the Material Fact or Material Change from a person or company in a "special relationship" with the corporation. The latter situation is often referred to as "tipping".

"Material Information" is broadly defined as a Material Fact and/or Material Change.

"Material Change" means: (a) a change in the business, operations or capital of the corporation that would reasonably be expected to have a significant effect on the market price or value of a security of the corporation; or (b) a decision to implement a change referred to in (a) made by the directors of the issuer, or by senior management of the corporation who believes that confirmation of the decision by the directors is probable.

"Material Fact" means: a fact that would reasonably be expected to have a significant effect on the market price or value of the securities of the corporation.

7.7.3 Disclosure obligations

Following the Admission, the Common Shares and the Preferred Shares will be listed on two separate Norwegian marketplaces, both owned and operated by Euronext Oslo Børs ASA, as the Common Shares are already admitted to trading on the main board of Euronext Oslo Børs, which is a regulated market, and as the Preferred Shares will be admitted to trading on Euronext Growth Oslo. As described in Section 7.2.2 "*The Reorganisation and the corresponding changes made to the share capital*", the two share classes are designed to track entirely separate economic interests: the Preferred Shares are designed to track the economic performance and value of the Québec Business, and will receive any net proceeds from the Litigation, while the Common Shares represent the economic interest in the Core Business.

As a consequence, information or events that constitute inside information in respect of one share class may not necessarily constitute inside information in respect of the other share class. Such circumstances may include, but are not limited to:

- Information relating exclusively to the Québec Business (including the Litigation) may constitute inside information with respect to the Preferred Shares, without necessarily being inside information with respect to the Common Shares.

- Information relating exclusively to the Core Business (including, without limitation, developments in the Group's operations in Brazil, Jordan or Canada, or other matters regarding the Core Business) may constitute inside information with respect to the Common Shares, but not necessarily with respect to the Preferred Shares.

Whether the information in question constitutes inside information relating to either or both share classes must be assessed on a case-by-case basis. The Company will be obligated, and intends to, apply this assessment consistently and to make disclosures in accordance with applicable obligations as they arise.

7.8 Certain aspects of the Articles and By-Laws

The Company's constitutional documents consist of the Articles and By-Laws, included as Appendix A. Set out below is a summary of certain provisions of the Articles and By-Laws of the Company.

7.8.1 Objective of the Company

The Company was incorporated under the Companies Act (Alberta) on 25 October 1971 under the name "Westpro Equipment Ltd." and continued under the ABCA on 13 December 1982. On 13 July 1990, the Company was continued under the Companies Act (British Columbia). On 5 December 2000, the Company was continued from British Columbia to Alberta under the ABCA and its name was changed to "Questerre Energy Corporation". On 26 June 2003, the issued common shares were subdivided into three new Class A common voting shares for each old common share. On 27 January 2026, each of the previously issued Class A Common voting shares was exchanged for one Common Share and one Preferred Share.

The Company does not have an objects clause in the Articles because an Alberta company is not required to have an objects clause. Pursuant to section 16 of the ABCA, the Company has the capacity and, subject to the ABCA, the rights, powers and privileges of a natural person.

7.8.2 Share structure

The authorized capital of the Company consists of an unlimited number of Common Shares, an unlimited number of Class B Shares and an unlimited number of preferred shares, issuable in one or more series. As at the date hereof, 452,213,454 Common Shares, 45,221,345 Preferred Shares and no Class B Shares were issued and outstanding. For a description of the classes of shares and their material attributes, please refer to Section 7.2 "*The Common Shares and Preferred Shares*".

7.8.3 Board of Directors

7.8.3.1 Number of directors

The Articles provide that the number of Directors of the Company will be a minimum of three directors and maximum of eleven Directors and the number of Directors is fixed by ordinary resolution. The incumbent Directors may, between annual meetings of shareholders, appoint one or more additional Directors up to a maximum of one-third of the Directors elected by the shareholders at the last meeting of shareholders at which an election of Directors took place. All Directors must be individuals. A Director is not required under the ABCA to hold Shares issued by the Company.

7.8.3.2 Directors' term of office

Unless a Director dies, resigns or is removed from office in accordance with the ABCA, the term of office of each of the incumbent Directors ends at the conclusion of the next annual meeting of the shareholders of the Company following his or her most recent election or appointment.

7.8.3.3 Election of Directors

At every annual general meeting, the shareholders entitled to vote at the annual general meeting for the election of Directors are entitled to elect a Board consisting of the number of Directors for the time being set under the Articles and all the Directors cease to hold office immediately before such election but are eligible for re-election.

If the Company fails to hold an annual general meeting on or before the date by which the annual general meeting is required to be held under the ABCA or the shareholders fail, at the annual general meeting, to elect or appoint any Directors then each Director then in office continues to hold office until the earlier of:

- the date on which his or her successor is elected or appointed; and
- the date on which he or she otherwise ceases to hold office under the ABCA or the Articles.

The Company's Bylaws include an Advance Notice Policy. The Company's Advance Notice Policy provides shareholders, directors and management of the Company with a clear framework for nominating Directors. The Advance Notice Policy fixes a deadline by which holders of record of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders. In the case of an annual general meeting of shareholders, notice to the Company must be made not less than 40 nor more than 75 days prior to the date of the annual general meeting; provided, however, that in the event that the annual general meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. The Board of Directors may, in its sole discretion, waive any requirement of the Advance Notice Policy.

7.8.3.4 Disclosure of Directors' interests

A Director or an officer of the Company who:

- is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Company; or
- is a Director or an officer of or has a material interest in any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Company,
- is required to disclose in writing to the Company or request to have entered in the minutes of meetings of Directors, the nature and extent of the Director's or officer's interest in the manner required by the ABCA.

The ABCA also prohibits Directors from voting on matters relating to such disclosed interests except in certain circumstances.

If a Director or officer fails to comply with the requirements to disclose their interests or abstain from voting as described above, subject to certain exemptions, a court of competent jurisdiction (a "**Court**"), on application of the Company or any of the shareholders, may set aside the material contract or material transaction on any terms that it thinks fit, or require the director or officer to account to the Company for any profit or gain realised on it, or both.

If a material contract or material transaction is made between the Company and one or more of the Directors or officers, or between the Company and another person of which the Director or officer is a director or officer or in which the Director or officer has a material interest, (a) the contract or transaction is neither void nor voidable by reason only of that relationship, or by reason only that a Director with an interest in the contract or transaction is present at or is counted to determine the presence of a quorum at the meeting of Directors or committee of Directors that authorized the contract or transaction, and (b) a Director or officer or former Director or officer of the Company to whom a profit accrues as a result of the making of the contract or transaction is not liable to account to the Company for that profit by reason only of holding office as a Director or officer, if the Director or officer disclosed the Director's or officer's interest in accordance with the

ABCA and the contract or transaction was approved by the Directors or the shareholders and it was reasonable and fair to the Company at the time it was approved.

Even if the above conditions are not met, a Director or officer acting honestly and in good faith is not accountable to the Company or to the shareholders for any profit realised from a material contract or material transaction for which disclosure is required and the material contract or material transaction is not void or voidable by reason only of the interest of the Director or officer in the material contract or material transaction if: (a) the material contract or material transaction was approved or confirmed by special resolution at a meeting of the shareholders; (b) disclosure of the interest was made to the shareholders in a manner sufficient to indicate its nature before the material contract or material transaction was approved or confirmed; and (c) the material contract or material transaction was reasonable and fair to the Company when it was approved or confirmed.

7.8.3.5 Restrictions on Directors' voting

A Director required to disclose interests as noted above shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is: (a) an arrangement by way of security for money lent to or obligations undertaken by the Director; or by a body corporate in which the Director has an interest, for the benefit of the Company or an affiliate; (b) a contract or transaction relating primarily to the Director's remuneration as a Director, officer, employee or agent of the Company or an affiliate; (c) a contract or transaction for indemnity or insurance permitted under the ABCA; or (d) a contract or transaction with an affiliate.

7.8.4 Restrictions on transfer of Shares

Subject to the provisions of the ABCA, the Company shall treat as absolute owner of any share, the person in whose name the Share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description on the Company's records or on the share certificate.

The transfer of Preferred Shares may be subject to restrictions in certain circumstances under applicable Canadian securities laws. Save where required or permitted by applicable law, the TSX Listing Rules or the TSX Company Manual, there are no restrictions on the transfer of Shares.

7.8.5 Shareholder meetings

Unless an annual general meeting is deferred or waived in accordance with the ABCA, the Company must hold an annual general meeting not more than 15 months after the date of the last annual general meeting at such time and place within or outside Canada as may be determined by the Directors.

In addition, the TSX requires that the Company hold the annual general meeting within six months from the end of the financial year, or such earlier time as is required by applicable legislation. The Directors may, whenever and wherever they think fit, call a meeting of shareholders. A special meeting of the shareholders may be summoned at any time by authority to the Board of Directors. Shareholders who hold in the aggregate at least 5% of the issued Shares of the Company that carry the right to vote at meetings of shareholders may requisition a meeting of shareholders. If the Directors do not, within 21 days after the date on which the requisition is received by the Company, send notice of a meeting, any registered or beneficial holder of Shares who signed the requisition may call the meeting.

All registered shareholders are entitled to attend shareholders' meetings and any other person may be admitted upon invitation of the chairman of the meeting. Notice of meetings must be given pursuant to the requirements of the ABCA.

7.8.6 Variation of Rights

In order to change the rights of the shareholders of the Company, a special meeting must be called and a two-thirds majority of shares voting at the meeting must be in favour of the resolution. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated in any way with the

sanction of a special resolution passed at a separate meeting of the holders of the shares of that class or a special resolution passed at the Company's annual general meeting.

The rights conferred on the holders of the shares of any class are deemed not to be varied by the creation or issue of further shares ranking equally with the first-mentioned shares unless otherwise:

- expressly provided by the terms of issue of the first-mentioned shares; or
- required or permitted by the ABCA.

There are no provisions within the Articles governing changes in share capital that are more restrictive to the shareholders than those set out in the ABCA.

7.8.7 Change of control

There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change in control of the Company beyond the applicable provisions of the ABCA, the TSX Company Manual and the take-over bid rules. The Company is not aware of any existing arrangements the operation of which may at a subsequent date result in a change in control of the Company.

7.8.8 Disclosure of shareholder ownership

The Articles and By-Laws do not have any provisions governing thresholds for disclosure of shareholdings in the Company.

7.9 Certain aspects of Canadian corporate law

7.9.1 General meetings

For a description of Canadian corporate law in relation to general meetings, please refer to Section 7.8.5 "*Shareholder meetings*".

7.9.2 Voting rights

Each shareholder entitled to vote may vote in person or by proxy, attorney or representative of a body corporate. On a show of hands every person present who is a shareholder or a proxy, attorney or representative of a shareholder holding a share carrying the right to vote has one vote and on a poll every person present who is a shareholder or proxy, attorney or representative of a shareholder shall in respect of each share carrying the right to vote held by the shareholder have one vote per share.

Pursuant to the By-Laws, any shareholder is entitled to require a vote by ballot. The ballot vote shall be taken in such manner as the chairman shall direct and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

7.9.3 Additional issuances and preferential rights

All of the shares have been and will be issued in accordance with the laws of Alberta as well as with the provisions of the Articles. There is generally no limit in the ABCA on the power of the directors to issue shares provided that no share may be issued unless and until it is fully paid for in money or in property or past service that is not less in value than the fair equivalent of the money that the Company would have received if the share had been issued for money. However, the TSX Company Manual requires that prior TSX approval be obtained by the Company for any proposed issuance of Common Shares, or any securities convertible into or exchangeable for, the Common Shares. Furthermore, Part 6 of the TSX Company Manual requires the approval of shareholders for any issuance of Common Shares, or any securities convertible into or exchangeable for, Common Shares if such issuance:

- materially affects control of the Company; or

- provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the Company and has not been negotiated at arm's length,

and, if such shareholder approval is required by the TSX, insiders participating in the transaction are not eligible to vote their securities in respect of such approval.

Additionally, the TSX will require that security holder approval be obtained for private placements:

- for an aggregate number of listed securities issuable greater than 25% of the number of securities of the Company which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or

- that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the Company which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period.

7.9.4 Minority rights

If, on an application by a complainant for an order for relief, the Court is satisfied that in respect of the Company or any of the Company's affiliates: (a) any act or omission of the Company or any of the Company's affiliates effects a result; (b) the business or affairs of the Company or any of the Company's affiliates are or have been carried on or conducted in a manner; or (c) the powers of the Directors of the Company or any of the Company's affiliates are or have been exercised in a manner that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, Director or officer, the Court may make an order to rectify the matters complained of.

A "complainant" means: (i) a registered holder or beneficial owner, or a former registered holder or beneficial owner, of a security of the Company or any of the Company's affiliates; (ii) a Director or an officer or a former Director or officer of the Company or of any of the Company's affiliates; (iii) a creditor (A) in respect of an application under section 240 of the ABCA, or (B) in respect of an application under section 242 of the ABCA, if the Court exercises its discretion under subclause (iv), or (iv) any other person who, in the discretion of the Court, is a proper person to make an application.

On application, the Court may make any interim or final order it considers fit.

7.9.5 Rights of redemption and repurchase of Shares

Subject to the Articles, the Company may purchase or otherwise acquire shares unless there are reasonable grounds for believing that: (a) the Company is, or would after the payment be, unable to pay the liabilities as they become due; or (b) the realizable value of the Company's assets would after the payment be less than the aggregate of the liabilities and stated capital of all classes. The Articles set forth certain terms and conditions applicable in the case that the Company determines to repurchase any of the Preferred Shares issuable in series.

The TSX Company Manual and applicable Canadian securities laws regulate the purchase or other acquisition by the Company of the Company's own shares. Subject to a limited number of exemptions, the Company must comply with a detailed body of rules with the intended purpose that all of the Company's shareholders are treated equally.

7.9.6 Shareholder vote on certain reorganisations

The ABCA governs arrangements and other fundamental corporate transactions involving the Company, the shareholders, creditors and other persons. The relevant provisions of the ABCA permit fundamental changes to take place with respect to the Company affecting shareholders, creditors and other persons if certain approvals are obtained from the affected shareholders, creditors and other persons. In the case of arrangements, the prior approval of a Court is also required.

Arrangements are typically used for numerous forms of acquisitions, going-private transactions, substitutions of new shares for arrears of dividends on existing shares, exchanges of shares for shares or other securities of the Company or

of another body corporate, exchanges of Shares or other securities for money and, in the case of creditors, debt reorganisations.

Under the ABCA, the Company may not sell, lease or otherwise dispose of all or substantially all of the Company's property unless it has been authorized to do so by special resolution. Otherwise, there are no specific restrictions under the ABCA on the power of the Directors to dispose of the Company's assets. Under the ABCA, in the exercise of those powers, the Directors must discharge their duties of care to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The ABCA provides that a resolution of the Company is a special resolution when it has been passed by a majority of at least two-thirds of the votes cast on the resolution.

The Company is subject to the provisions of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The intended purpose of MI 61-101 is to regulate business combinations, insider bids, issuer bids, and related party transactions in order to treat all security holders in a manner that is fair and that is perceived to be fair, by setting out formal valuation and minority approval requirements for these kinds of transactions in certain prescribed circumstances.

7.9.7 Liability of board members

In accordance with Section 122(1) of the ABCA, every director of a corporation in exercising the director's powers and discharging the director's duties shall: (a) act honestly and in good faith with a view to the best interests of the corporation (commonly referred to as the "fiduciary duty" or the "duty of loyalty"); and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the "duty of care").

In addition to the foregoing, Canadian federal and provincial legislation also impose personal liability on directors for various debts of the corporation.

7.9.7.1 Duty of care

The duty of care requires that directors, in exercising their powers and discharging their duties must use the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. This requires that directors seek competent advice, use care in gathering relevant information, act responsibly after due deliberation, and not act with undue haste. The duty of care is an objective standard, meaning that a director's conduct is measured against the standard of what a reasonably prudent person would do in comparable circumstances as opposed to what a professional director or a director with a specific skill set would do, and the duty is owed not only to the corporation but also to any stakeholders involved with the corporation, such as shareholders, creditors and employees.

7.9.7.2 Fiduciary duty

The fiduciary duty involves putting the interests of the corporation ahead of personal interests or other competing interests and involves such matters as avoiding conflicts of interest, not using the position to gain personal benefits, not disclosing confidential corporate information to third parties or using such information for personal benefit, serving the corporation selflessly, honestly and loyally and acting with a view to the best interests of the corporation and not for any collateral purpose. The fiduciary duty is owed solely to the corporation at all times. The interests of the corporation are not to be confused with the interests of the creditors or those of any other stakeholders. In exercising their fiduciary duty, directors are required to treat individual stakeholders affected by corporate actions equitably and fairly. The duty requires the directors to consider all of the reasonably available courses of action and to fully consider and understand the risks, opportunities, challenges and values associated with each of the alternatives under consideration, and to conclude that, in their view, the approved alternative is in the best interests of the corporation and is the best one reasonably available to the corporation.

7.9.7.3 Business judgment rule

In determining whether a board of directors has adequately discharged its duty of care and fiduciary duty, courts in Canada give deference to the directors on matters of business judgment when hindsight uncovers flaws in their decisions, provided that in taking the impugned action the directors honestly believed they were acting in the best interests of the corporation, had exercised an appropriate degree of prudence and diligence in reaching the decision, had reasonable grounds for so believing and did not have a conflict of interest. This principle is referred to as the business judgment rule. Accordingly, provided that the board of directors follows appropriate processes and arrives at a conclusion that is reasonable in the circumstances, the court should not interfere with their decision after the fact.

7.9.7.4 Indemnification of board members

The ABCA provides that except in respect of an action by or on behalf of the Company to procure a judgment in the Company's favor, the Company may indemnify a Director or officer of the Company, a former Director or officer of the Company or a person who acts or acted at the Company's request as a director or officer of a body corporate of which the Company is or was a shareholder or creditor, and the director's or officer's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the director or officer in respect of any civil, criminal or administrative action or proceeding to which the director or officer is made a party by reason of being or having been a director or officer of the Company or body corporate, if (a) the director or officer acted honestly and in good faith with a view to the best interests of the Company, and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer had reasonable grounds for believing that the director's or officer's conduct was lawful.

The Company may with the approval of a Court indemnify a person referred above in respect of an action by or on behalf of the Company or body corporate to procure a judgment in the favor, to which the person is made a party by reason of being or having been a director or an officer of the Company or body corporate, against all costs, charges and expenses reasonably incurred by the person in connection with the action if the person fulfils the conditions set out above.

A person referred to above is entitled to indemnity from the Company in respect of all costs, charges and expenses reasonably incurred by the person in connection with the defense of any civil, criminal or administrative action or proceeding to which the person is made a party by reason of being or having been a director or officer of the Company or body corporate, if the person seeking indemnity (a) was substantially successful on the merits in the person's defense of the action or proceeding, (b) fulfils the conditions set out above, and (c) is fairly and reasonably entitled to indemnity.

The By-Laws also provide that to the extent permitted by law, no Director or officer for the time being of the Company shall be liable for:

- the acts, receipts, neglects or defaults of any other Director or officer or employee;
- any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by the Company or for or on behalf of the Company;
- the insufficiency or deficiency of any security in or upon which any of the moneys of or belongings to the Company shall be invested;
- any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited;
- any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Company; or
- for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto,

unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Company and in connection therewith failure to exercise the care, diligence and skill that a reasonably prudent person

would exercise in comparable circumstances provided that nothing therein contained shall relieve a Director or officer from the duty to act in accordance with the ABCA or regulations made thereunder or relieve him from liability for a breach thereof. If any Director or officer of the Company shall be employed by, or shall perform services for, the Company, otherwise than as a Director or officer, or shall be a member of a firm, or shareholder, director or officer of a corporation that is employed by, or performs services for, the Company, the fact of his being a Director or officer shall not disentitle such Director or officer or such firm or corporation, as the case may be, from receiving proper remuneration for such services.

7.9.8 Distribution of assets on liquidation

The ABCA sets out the process by which the Company may be wound up, as the debts and liabilities are satisfied and any remaining assets are distributed to shareholders. The liquidation and dissolution process can be voluntary or under a court order. A voluntary liquidation is initiated by the shareholders. A Court may order liquidation on application of the Registrar of Corporations (the "**Registrar**") or any one of a number of "interested persons" as determined in accordance with the ABCA.

A voluntary liquidation begins when the shareholders pass a special resolution (or if the Company has issued more than one class of shares, by special resolution of the holders of each class of shares, whether or not they are otherwise entitled to vote) resolving to liquidate the Company. Upon receipt of a statement of intent to dissolve by the Company, the Registrar shall issue a certificate of intent to dissolve. Once a certificate of intent to dissolve is issued, the Company shall cease to carry on business except to the extent necessary for the liquidation, but the corporate existence continues until the Registrar issues a certificate of dissolution.

After issue of a certificate of intent to dissolve, the Company shall:

- immediately cause notice of the issue of the certificate to be sent or delivered to each known creditor of the Company;
- forthwith publish notice of the issue of the certificate;
  - in the Registrar's periodical or the Alberta Gazette; and
  - once in a newspaper published or distributed in the place where the Company has the registered office,

  and take reasonable steps to give notice of the issue of the certificate in every jurisdiction where the Company was carrying on business at the time it sent the statement of intent to dissolve to the Registrar;
- proceed to collect the property, to dispose of properties that are not to be distributed in kind to the shareholders, to discharge all the obligations and to do all other acts required to liquidate the business; and
- after giving the notice required and adequately providing for the payment or discharge of all the obligations, distribute the remaining property, either in money or in kind, among the shareholders according to their respective rights.

If the certificate of intent to dissolve has not been revoked and the Company has complied with the provisions noted above, the Company shall prepare articles of dissolution, which upon receipt thereof, the Registrar shall issue a certificate of dissolution.

8 TAXATION

*This Section includes a brief summary of certain Norwegian tax rules relevant to the acquisition, ownership and disposition of Preferred Shares by shareholders that are residents of Norway for purposes of Norwegian taxation ("**Norwegian shareholders**") and shareholders that are not residents of Norway for such purposes ("**non-Norwegian shareholders**" or **"Foreign shareholders**"). The statements only apply to shareholders that are beneficial owners of Preferred Shares.*

For Norwegian tax purposes, the Preferred Shares are, as a general rule, treated in the same manner as ordinary shares, and the tax consequences described below apply accordingly.

Potential investors should be aware that the tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Information Document. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any jurisdiction other than Norway.

The summary does not concern tax issues for the Group and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent or disregarded entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-Norwegian shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

8.1 Taxation of Norwegian shareholders

8.1.1 Norwegian Individual Shareholders

Individuals resident in Norway for tax purposes are effectively taxed at 37.84% on dividends and gains from disposing of shares, in each case to the extent the dividend/gain exceeds a basic tax free allowance. The effective tax rate is based on a calculation where the dividend/gain is grossed up with a factor of 1.72 and taxed at the ordinary tax rate of 22%. Any realised loss is increased by the same factor of 1.72 (to give loss a corresponding tax reducing effect).

The tax free allowance is computed for each individual share and corresponds to the cost price of that share multiplied by an annual risk-free interest rate based on the effective rate of interest on treasury bills (Nw. *statskasseveksler*) with three months maturity plus 0.5%, after tax. Any part of the annual allowance exceeding the dividend distributed on the share, known as unused allowance, may be set off against future dividends on (or gains upon disposal of) the same share. Unused allowance is added to the basis for computing future allowance for the same share. The unused allowance is calculated for each calendar year, and is allocated solely to the individual holding shares at the expiration of the relevant calendar year.

Taxable gain or loss from disposing shares (before gross up) equals the sales price of the relevant share minus transaction costs and minus the tax basis on that share. The tax basis is normally equal to the acquisition cost of the share. Unused allowance on a share may be deducted from a taxable gain on the same share, but may not lead to or increase a deductible loss. Unused allowance on one share may not be set off against gain on other shares. Shares acquired first will be deemed first sold when calculating taxable gain or loss.

Repayment of paid in capital is not considered as dividend subject to taxation for individual shareholders. Such repayment is considered as partial realisation of the share, and will reduce the cost price of the share. The paid in capital is a tax position which is related to each share, and not the shareholder. However, in listed companies it is accepted that the paid in capital is distributed equally on all shares. It is up to each shareholder to decide whether the distribution shall be treated

as repayment of paid in capital, provided there is sufficient paid in capital. The regulations regarding paid in capital are proposed to be amended from the 2027 income year.

Special rules apply for Norwegian individual shareholders who cease to be tax-resident in Norway.

8.1.2 Norwegian Corporate Shareholders

Under the Norwegian Participation Exemption (Nw. *Fritaksmetoden*), limited companies (and certain similar entities) owning shares are effectively taxed at 0.66% on dividends from shares of Norwegian companies. 3% of dividends are taxed at the ordinary tax rate of 22%, and the rate is increased to 25%, and thus 0.75% effectively, for Norwegian corporate shareholders that are considered financial institutions. Norwegian corporate shareholders are tax exempt on gain from disposing of such shares. Correspondingly, losses are not deductible. Costs incurred in connection with the purchase and realisation of such shares are not tax deductible. If the Norwegian Participation Exemption does not apply, the company in question is taxable on any gain and may claim for any loss, at a rate of 22%.

Repayment of paid in capital is not considered as dividend subject to taxation for corporate shareholders. Such repayment is considered as partial realisation of the share, and will reduce the cost price of the share. The paid in capital is a tax position which is related to each share, and not the shareholder. However, in listed companies it is accepted that the paid in capital is distributed equally on all shares. It is up to each shareholder to decide whether the distribution shall be treated as repayment of paid in capital, provided there is sufficient paid in capital. The regulations regarding paid in capital are proposed to be amended from the 2027 income year.

Special rules apply for Norwegian corporate shareholders who cease to be tax resident in Norway.

8.2 Wealth tax

Norwegian corporate shareholders are exempt from wealth tax, while Norwegian individual shareholders are subject to net wealth tax on the part of net wealth exceeding NOK 1.9 million (NOK 3.8 million jointly for spouses). The ordinary rate is 1% up to NOK 21.5 million and 1.1% on exceeding net wealth. Shares listed on Euronext Growth are included in net wealth at a value equal to 80% of the proportion of the net tax book value of the company's assets as at 1 January in the tax income year. The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 80%).

Foreign shareholders are not subject to Norwegian net wealth tax on shares, unless the shareholder is an individual holding the shares as part of business activities which take place in Norway.

8.3 VAT and transfer taxes

No transfer, VAT, stamp or similar duties are imposed in Norway on transfer or issuance of shares.

8.4 Inheritance and gift taxes

No inheritance or gift taxes are imposed in Norway on transfer or issuance of shares.

8.5 Certain Canadian Federal Income Tax Considerations

The following is a summary of certain Canadian federal income tax considerations generally applicable to Shareholders who, for purposes of the Tax Act and at all relevant times, hold their Common Shares and/or Preferred Shares as capital property, are not affiliated with the Company or its affiliates, deal at arm's length with the Company and its affiliates, and do not, either alone or together with persons with whom they do not deal at arm's length, control the Company or beneficially own shares of the Company having a fair market value of more than 50% of the fair market value of all the outstanding shares of the Company (for the purposes of this Section 8.5, a "**Holder**"). Common Shares and Preferred Shares will generally be considered to be capital property to a Holder thereof, unless such securities are held in the course of carrying on a business or were acquired in a transaction considered to be an adventure in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined for the purposes of the "mark-to-market property" rules in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) an interest in which is a "tax shelter investment" as defined in the Tax Act; (iv) that has acquired Common Shares or Preferred Shares upon the exercise of an employee stock option; (v) that has made or makes a "functional currency" reporting election under section 261 of the Tax Act; or (vi) that has entered into or enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Common Shares or Preferred Shares.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof and the publicly available administrative policies and assessing practices of the Canada Revenue Agency published prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in their current form. There can be no assurance that the Proposed Amendments will be enacted in their current form or at all. If the Proposed Amendments are not enacted as currently proposed, the Canadian federal income tax consequences may not be as described below. This summary does not otherwise take into account or anticipate any other changes in law or administrative policies or assessing practices, whether by legislative, governmental or judicial action or decision. There can be no assurance that such changes, if made, might not be retroactive. This summary also does not take into account provincial, territorial, or foreign income tax considerations, which may significantly differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations applicable to the Shares. No representation with respect to the Canadian federal income tax consequences to any particular Holder is made herein. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances including, where relevant, the application and effect of any applicable tax laws of any country, province, territory, state, local authority or other jurisdiction.

This portion of the summary is generally applicable to a Holder who, at all relevant times and for purposes of the Tax Act and any applicable income tax treaty, is not, and is not deemed to be, a resident of Canada, and does not, and is not deemed to, use or hold the Common Shares or Preferred Shares, in or in the course of, carrying on a business in Canada and is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere (a "**Non-Resident Holder**").

Taxation of Capital Gains and Capital Losses

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain arising on a disposition or deemed disposition of Common Shares or Preferred Shares, unless, at the time of disposition or deemed disposition, such shares constitute "taxable Canadian property" of the Non-Resident Holder within the meaning of the Tax Act and the Non-Resident Holder is not entitled to any relief under an applicable income tax treaty.

Generally, a Common Share or a Preferred Share will not be taxable Canadian property to a Non-Resident Holder at a particular time if such share is listed on a "designated stock exchange" as defined for purposes of the Tax Act (which currently includes the TSX and the Oslo Stock Exchange), unless, at any particular time during the 60-month period immediately preceding the disposition (i) 25% or more of the issued shares of any class of the capital stock of the Company was owned or belonged to one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length for purposes of the Tax Act, partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length for purposes of the Tax Act holds a membership interest, directly or indirectly, through one or more partnerships, and (ii) more than 50% of the fair market value of the particular share was derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, "Canadian resource property" as defined in the Tax Act, "timber resource property" as defined in the Tax Act, or options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares or Preferred Shares could be deemed to be taxable Canadian property to the Non-Resident Holder.

Even if a Common Share or Preferred Share is taxable Canadian property to a Non-Resident Holder, any capital gain realised on a disposition of such share may be exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty between Canada and the country in which such Non-Resident Holder is resident, subject to the application of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**") of which Canada is a signatory and which affects many of Canada's bilateral tax treaties (but not the Canada-U.S. Income Tax Convention (1980)), including the ability to claim benefits thereunder.

In the event a Common Share or Preferred Share is taxable Canadian property to a Non-Resident Holder at the time of disposition, and the capital gain realised on the disposition of such share is not exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty, including as a result of the application of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, then:

(a) the disposition or deemed disposition of Common Shares and/or Preferred Shares by a Non-Resident Holder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate adjusted cost base to the Non-Resident Holder of those shares immediately before the disposition less any reasonable costs of disposition; and

(b) generally, one-half of any capital gain (a "**Taxable Capital Gain**") realised by a Non-Resident Holder in a taxation year will be included in the Non-Resident Holder's income for that taxation year. One-half of any capital loss (an "**Allowable Capital Loss**") realised by a Non-Resident Holder in a taxation year will be required to be deducted against Taxable Capital Gains realised in that taxation year that are required to be included in computing the Non-Resident Holder's taxable income earned in Canada under the Tax Act. Any excess of Allowable Capital Losses over Taxable Capital Gains in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward in any subsequent taxation year against net Taxable Capital Gains in such years, to the extent and under the circumstances specified in the Tax Act.

Non-Resident Holders to whom these rules may be relevant should consult their own tax advisors with respect to the Canadian income tax consequences relating to the disposition or deemed disposition of such shares.

Dividends on Common Shares and Preferred Shares

Dividends paid or credited, or deemed to be paid or credited, to a Non-Resident Holder on Common Shares or Preferred Shares will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax treaty.

For example, where the Non-Resident Holder is resident in Norway for the purposes of the Canada–Norway Tax Treaty, is fully entitled to the benefits of that treaty and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 5% of the gross amount of the dividend where the beneficial owner is a corporation that directly holds at least 10% of the voting power of the corporation paying the dividend, and to 15% of the gross amount of the dividend in all other cases.

9 ADDITIONAL INFORMATION

9.1 Admission to trading on Euronext Growth Oslo

The Company applied for the Admission on Euronext Growth Oslo on or around 23 June 2026. The first day of trading on Euronext Growth Oslo will be on or around 30 June 2026. The Common Shares were admitted to trading on Euronext Oslo Børs on 17 June 2005, and on the Toronto Stock Exchange on 22 July 2003. The Company has not applied for listing of the Preferred Shares on any other stock exchange or regulated market, and, other than the Common Shares, the Company does not have any other securities listed on any stock exchange or regulated market.

There are currently no plans to list the Preferred Shares on the Toronto Stock Exchange.

9.2 Independent auditor

The Group's independent auditor is Ernst & Young LLP, Chartered Professional Accountants, with business registration number CA3019 and registered address 100 Adelaide Street West, Suite 3100, Toronto CAN M5H 0B3, Canada. Ernst & Young LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta. The partners of EY are members of Chartered Professional Accountants of Alberta (CPA Alberta). EY has been the Group's independent auditor since 2021. Other than the Annual Financial Statements, EY has not audited, reviewed or produced any report on any other information provided in this Information Document.

9.3 Advisors

SB1 Markets AS, with business registration number 992 999 101 and registered address Olav Vs gate 5, 0161 Oslo, Norway is acting as Euronext Growth Advisor. Neither the Manager, any beneficial owners, nor persons with managerial roles within the Manager hold financial instruments issued by the Company or any Group company, or otherwise an ownership interest in the Company or any Group company.

Wikborg Rein Advokatfirma AS, with business registration number 916 782 195 and registered address Dronning Mauds gate 11, 0250 Oslo, Norway, is acting as Norwegian legal counsel to the Company.

Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 – 3rd Ave S.W., Calgary, Alberta, Canada T2P 0R3, is acting as Canadian legal counsel to the Company.

Advokatfirmaet Arntzen AS, with business registration number 982 409 705 and registered address Ruseløkkveien 30, 0251 Oslo, Norway, is acting as Norwegian legal counsel to the Euronext Growth Advisor.

9.4 Incorporated by reference

The information incorporated by reference in this Information Document should be read in connection with the cross-reference table set out below. Except for this Section 9.4, no other information is incorporated by reference in this Information Document.

Reference in the Information Document	Refers to:
3.2.1, 6	Audited consolidated financial statements for Questerre Energy Corporation as of and for the financial years ended 31 December 2025, available at https://www.questerre.com/investor-centre/our-financial-reports/.

Reference in the Information Document	Refers to:
3.2.1, 6	Audited consolidated financial statements for Questerre Energy Corporation as of and for the financial years ended 31 December 2024, available at https://www.questerre.com/investor-centre/our-financial-reports/.
3.2.1, 6	Unaudited consolidated interim financial statements for Questerre Energy Corporation as of and for the three-month period ended 31 March 2026, available at https://www.questerre.com/investor-centre/our-financial-reports/.
3.3.3.2	The Annual Information Form for Questerre Energy Corporation as of and for the financial year ended 31 December 2020, available at www.sedarplus.ca.

10 DEFINITIONS AND GLOSSARY OF TERMS

ABCA	The Business Corporations Act (Alberta).
Acquiring Person	A person who is the beneficial owner of 20% or more of the outstanding Common Shares, subject to certain permitted exemptions.
Admission	The admission to trading of the Company's 45,221,345 Preferred Shares on Euronext Growth Oslo.
Allowable Capital Loss	One-half of a capital loss realised by a Non-Resident Holder in a taxation year.
Annual Financial Statements	The Company's audited consolidated financial statements for the financial years ended 31 December 2025 and 31 December 2024.
Appropriate Channels for Distribution	Distribution channels permitted by MiFID II.
Articles	The Company's articles of amendment.
Audit Committee	The committee of the Board of Directors that is primarily responsible for overseeing financial reporting, internal risk management and control functions, the external and internal audit requirements, and for recommending the Group's internal and external auditor to the Board of Directors.
BCA	The business combination agreement assumed by the Group's subsidiary in connection with the PX Acquisition.
Bill 21	An Act mainly to end petroleum exploration and production and the public financing of those activities
Bill 69	An Act to ensure the responsible governance of energy resources and to amend various legislative provisions.
Bill 106	An Act to implement the 2030 Energy Policy and amend various legislative provisions.
Board of Directors	The Company's board of directors.
By-Laws	The Company's by-laws.
CAD	Canadian Dollars, the lawful currency of Canada.
COGE Handbook	The Canadian Oil and Gas Evaluation Handbook Volume I.
Common Shares	The Company's Class A Common shares.
Common Share Option Plan	The Company's stock option plan pursuant to which options exercisable into Common Shares may be granted, as further described in Section 5.5.
Company	Questerre Energy Corporation.
Competing Permitted Bid	A Permitted Bid made subsequent to a prior Permitted Bid.
Contingent Resources	Quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies.
Core Business	All remaining assets other than the Québec Business, comprising (i) producing petroleum and natural gas assets in Western Canada and (ii) the portfolio of oil shale assets, including ownership in PX Energy, ownership of Red Leaf, and the oil shale project in Jordan.
Director	A member of the Company's board of directors.
EY	Ernst & Young LLP, Chartered Professional Accountants.
Euronext Growth Advisor	SB1 Markets AS in its role as the Company's advisor in connection with the Admission.
Euronext Growth Rule Book	The Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth Oslo.
The **Financial Information**	The Annual Financial Statements and the Interim Financial Statements.
Flip-in Event	A transaction that results in a person becoming an Acquiring Person, triggering the rights under the Shareholder Rights Plan, subject to stated exceptions.
FRBH	Forbes Resources Brazil Holding S.A.
GLJ	GLJ Ltd.
GLJ Report	The Reserve Assessment and Evaluation of Oil and Gas Properties dated March 2026, effective 31 December 2025, prepared by GLJ.
Governance Committee	The Group's Compensation, Nomination and Governance Committee, responsible for monitoring the succession of Board members and for identifying suitable candidates for nomination at the Group's annual general meeting.
The **Group**	The Company and its consolidated subsidiaries.
Holder	Means, for the purposes of the Canadian taxation section, a shareholder meeting specified conditions, including holding shares as capital property, not being affiliated with the Company, dealing at arm's length, not controlling the Company, and not owning shares exceeding the stated value threshold.

IFRS	International Financial Reporting Standards as issued by the IASB.
Information Document	This information document, prepared by the Company in connection with the Admission.
Interim Financial Statements	Questerre Energy Corporation's unaudited consolidated interim financial statements for the three-month period ended 31 March 2026.
Joint Venture	The contemplated 50/50 joint venture for ownership and management of PX Energy under the binding term sheet entered into concurrent with the PX Acquisition.
The **Litigation**	The Group's claim against the Government of Québec relating to the attempted revocation of licences for a significant natural gas discovery in Québec, following the enactment of Bill 21.
Lock-up Bid	The take-over bid to which shareholders party to a Permitted Lock-up Agreement have agreed to deposit their Common Shares.
MAR	The Market Abuse Regulation (EU) No. 596/2014, as implemented through the Norwegian Securities Trading Act.
Management	The members of the Company's senior management.
McDaniel	McDaniel & Associates Consultants Ltd.
McDaniel Report	The Evaluation of Oil & Gas Reserves dated 9 March 2026, effective 31 December 2025, prepared by McDaniel.
MiFID II Product Governance Requirements	The product governance requirements contained within (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593; and (c) local implementing measures.
MLI	The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.
Negative Target Market	Investors for whom an investment in the Preferred Shares is not compatible, including investors looking for full capital protection or full repayment of the amount invested, having no risk tolerance, or requiring a guaranteed income or fully predictable return profile.
NGLs	Natural gas liquids.
NI 62-104	National Instrument 62-104 – Take-Over Bids and Issuer Bids.
NOK	Norwegian Kroner, the lawful currency of Norway.
Non-Resident Holder	A Holder who is not (and is not deemed to be) resident in Canada, does not use or hold the shares in carrying on business in Canada, and is not an insurer carrying on (or deemed to carry on) an insurance business in Canada and elsewhere.
Norwegian shareholders	Shareholders resident in Norway for the purposes of Norwegian taxation.
Non-Norwegian shareholders or **Foreign shareholders**	Shareholders not resident in Norway for the purposes of Norwegian taxation.
OPEC	The Organization of the Petroleum Exporting Countries.
OPEC+	OPEC and its allies, collectively.
Optioned Shares	Shares of the Company received by an optionee upon the exercise of a stock option granted under either of the Stock Option Plans.
The **Oversight Committee**	The oversight committee established to supervise management of the Québec Business, including that any settlement agreement of the Litigation is subject to its written consent.
Partner	The prospective joint venture partner under the binding term sheet entered into concurrent with the PX Acquisition.
Permitted Bid	A take-over bid meeting the specified conditions described in the Shareholder Rights Plan.
Permitted Lock-up Agreement	A publicly available lock-up agreement meeting the conditions described in the Shareholder Rights Plan.
Positive Target Market	Has the meaning ascribed to such term on page 2 under "*Information to distributors*".
Preferred Director	The board candidate nominated by the Oversight Committee (if elected).
Preferred Shares	The Company's 45,221,345 Series 2 Preferred Shares.
Preferred Share Option Plan	The Company's stock option plan pursuant to which options exercisable into Preferred Shares may be granted, as further described in Section 5.5.
Proposed Amendments	Proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date of the Information Document.
Prospective Resources	Quantities of petroleum estimated, as of a given date, to be potentially recoverable from unknown accumulations by application of future development projects, and which have both an associated chance of discovery and a chance of development, as defined in the COGE Handbook.
The **PX Acquisition**	The Company's acquisition of 100% of the common shares of PX Energy, closed on 26 September 2025.
Québec Business	The Company's petroleum and natural gas exploration licences in the province of Québec, Eastern Canada.

Québec Recovery	Economic value, proceeds, or benefit realised in connection with the Québec Business, whether received through the Litigation or otherwise
Québec Resource Assessment	The independent resource assessment prepared by GLJ of the Company's Québec acreage in the St. Lawrence Lowlands (effective date 31 December 2020), prepared in accordance with NI 51-101 and the COGE Handbook.
Red Leaf	Red Leaf Resources Inc.
Registrar	The Registrar of Corporations, for the purposes of the ABCA liquidation and dissolution process.
Regulations	The regulations enacted pursuant to the Petroleum Resources Act (Québec) that include restrictions on oil and gas activities, including the prohibition of hydraulic fracturing of shale and increased minimum setbacks.
Reorganisation	The exchange on 27 January 2026 under which shareholders received, for each previously issued Class A Common voting share, one Common Share and one Preferred Share, and the prior Class A Common voting shares were cancelled.
Repsol	Repsol Oil & Gas Canada Inc. (formerly Talisman Energy Inc.).
Reserves Committee	The Group's Reserves Committee, responsible for recommending an independent reserves evaluator, reviewing the reserves evaluator's work on an annual basis, reviewing the procedures for disclosure of the reserves evaluation, meeting independently with the reserves evaluator to review the scope of the annual review of reserves, discussing findings with Management, and approving the Group's annual reserve report and the Management's and reserve evaluator's consent forms.
Separation Time	The time at which rights under the Shareholder Rights Plan separate and begin trading separately from the Common Shares, as defined by the timing mechanics described in the plan.
Shareholder Rights Plan	The Company's shareholder rights plan, as further described in Section 7.3.4.1.
SPAC	The special purpose acquisition company referred to in connection with the BCA.
Stock Option Plan	The Common Share Option Plan and Preferred Share Option Plan, collectively.
Target Market Assessment	Has the meaning ascribed to such term on Page 2 under "*Information to distributors*".
The **Tax Act**	The Income Tax Act (Canada).
Taxable Capital Gain	One-half of a capital gain realised by a Non-Resident Holder in a taxation year that is included in income for that year.
Technical Committee	The committee tasked with advising the Board of Directors on technical and financial matters with respect to the Québec business.
TPIIP	Total petroleum initially in place.
United States or the **U.S.**	The United States of America.
The **VPS**	Euronext Securities Oslo, the Norwegian Central Securities Depository.
VPS Registrar	DNB Bank ASA, Registrars Department, with registered address Dronning Eufemias gate 30, 0191 Oslo, Norway.

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APPENDIX A - ARTICLES AND BY-LAWS OF THE COMPANY

Articles Of Amendment

Business Corporations Act
Section 29 or 177

1. Name of Corporation	2. Corporate Access Number
Questerre Energy Corporation	**2014879056**

3. Item number see below **of the Articles of the above named corporation are amended in accordance**

with Section see below **of the Business Corporations Act.**

A) Pursuant to subsection 173(1)(f) of the ABCA, to exchange the current issued and outstanding shares in the capital of the Corporation as follows and as set out in the Schedule: Share Exchange attached hereto:

Each ten (10) Preferred Shares, Series 2 into One (1) Preferred Shares, Series 2

B) Pursuant to subsection 29(1)(a) of the ABCA, to fix the number of shares in each series and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of each series as set out in the Schedule: Amendment to Shares in Series

Authorized Signature *(applicable for societies only)*	Jason D'Silva Name of Person Authorizing *(please print)*	June 22, 2026 Date

Identification *(not applicable for societies)*	Officer Title *(please print)*

This information is being collected for the purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for Alberta Registries, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427- 7013.

REG 3054 (2003/05)

SCHEDULE: SHARE EXCHANGE

Pursuant to subsection 173(1)(f) of the *Business Corporations Act* (Alberta), to exchange the current issued and outstanding shares in the capital of the Corporation as follows:

Each ten (10) Preferred Shares, Series 2 into One (1) Preferred Shares, Series 2

SCHEDULE: SHARES IN SERIES AMENDMENT

RIGHTS, RESTRICTIONS, PRIVILEGES AND CONDITIONS ATTACHING TO THE 60% CUMULATIVE REDEEMABLE CONVERTIBLE PREFERRED SHARES, SERIES 1

The first series of the Preferred Shares shall consist of a maximum of 4,500,000 shares which shall be designated as 6% Cumulative Redeemable Convertible Preferred Shares, Series 1 (the "Preferred Shares, Series 1"), and which in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, shall have attached thereto the rights, privileges, restrictions and conditions as hereinafter set forth.

1. DEFINITIONS

For the purposes of these shape conditions the following definitions shall apply:

1.1 "accrued and unpaid dividends" means an amount computed at the rate of dividend from time to time attaching to the Preferred Shares, Series I as though dividends on such shares had been declared every Calendar Quarter and were accruing on a day to day basis from the date of issue to the date to which the computation of accrued dividends is to be made, after deducting all dividend payments made on such

shares, as adjusted by Section 2.5;

1.2 "Calendar Quarter" means each of the three month periods ended March 31, June 30, September 30 and December 31 in each year;

1.3 "Common Shares" means only class "A" common shares of the Corporation as constituted on December 7, 2000 or as subsequently consolidated or subdivided and any other shares resulting from reclassification or change of such common shares or amalgamation, consolidation, merger or sale, all as referred to in Section 5.5;

1.4 "Conversion Basis" means the number of Common Shares into which each Preferred Share, Series 1 is convertible, which number is equal to the result obtained (expressed to the nearest thousandth of a Common Share) by dividing (a) the sum of $1.00 plus all accrued and unpaid dividends by (b) the Conversion Price;

1.5 "Conversion Price" means the price equal to 90% of the Current Market Price at the time of conversion, subject to adjustments as provided in Section 5.5;

1.6 "Current Market Price" as at any date when the Current Market Price is to be determined, means the volume weighted average price at which board lots of the Common Shares of the Corporation have been traded on The Toronto Stock Exchange during the 20 consecutive trading days commencing 30 trading days before such date. In the event the Common Shares are not listed on The Toronto Stock Exchange but are listed on another stock exchange or stock exchanges in Canada, the United States or Europe any references to The Toronto Stock Exchange shall be deemed to be references to such other stock exchange, or, if more than one, to such one on which the greatest volume of trading of Common Shares occurred during such 20 consecutive trading days. In the event Common Shares are not so traded on any stock exchange in Canada, the United States or Europe, the Current Market Price thereof shall be determined by the Board of Directors of the Corporation, which determination shall be conclusive;

1.7 "Dividend Commencement Date" means January 1, 2001;

1.8 "Dividend Payment Date" means the 10th day of January, April, July and October in each year with the first such date to be April 10, 2001; and

1.9 "Market Price" means the volume weighted average price at which board lots of the Common Shares of the Corporation have been traded on The Toronto Stock Exchange during the Calendar Quarter. In the event the Common Shares are not listed on The Toronto Stock Exchange but are listed on another stock exchange or stock exchange in Canada, the United States or Europe, any reference to The Toronto Stock Exchange shall be deemed to be references to such other stock exchange, or, if more than one, to such one on which the greatest volume of trading of Common Shares occurred during such Calendar Quarter. In the event Common Shares are not so traded on any stock exchange in Canada, the United States or Europe, the Market Price thereof shall be determined by the Board of Directors of the Corporation, which determination shall be conclusive.

2. DIVIDENDS

2.1 The holders of Preferred Shares, Series 1 shall be entitled to receive, and the Corporation shall pay, preferential cumulative dividends, as and when declared by the Board of Directors of the Corporation, out of the assets of the Corporation properly applicable to the payment of dividends, at an 6% dividend rate per annum on the issue price of the Preferred Shares, Series 1. Such dividends shall accrue and be cumulative from the Dividend Commencement Date. Such dividends shall be payable on the Dividend Payment Dates to shareholders of record on the immediately preceding Calendar Quarter end date. The rate of any dividend declared and paid for a portion of a Calendar Quarter shall be prorated accordingly. The Board of Directors of the Corporation has unfettered discretion as to the declaration and payment of dividends.

2.2 If on any Dividend Payment Date the dividend payable on such date is not declared and paid in full on all of the Preferred Shares, Series 1 then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by the Board of Directors of the Corporation on which the Corporation shall have sufficient monies property applicable to the payment of the same. When any such dividend is not paid in full, the Preferred Shares, Series 1 shall participate rateably with the preferred shares of other series and all other shares, if any, which rank on a parity with the Preferred Shares, Series 1 with respect to the payment of dividends, in respect of such dividends, including accumulations, if any, in accordance with the sums which would be payable on the Preferred Shares, Series 1 and such other shares if all such dividends were declared and paid in full in accordance with their terms. The holders of Preferred Shares, Series 1 shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

2.3 If, on any Dividend Payment Date after January 10, 2006, the dividend payable on such date is not declared and paid in full on all of the Preferred Shares, Series I then issued and outstanding, and until all such delinquent dividend payments are paid in full, the Preferred Shares, Series I shall be entitled to receive notice of, and to attend and vote at any meeting of the holders of Common Shares of the Corporation with the attendant rights and privileges of, and subject to the restrictions and conditions imposed on, holders of Common Shams as contained in the Articles or By-Laws of the Corporation.

2.4 The Board of Directors of the Corporation is entitled at its discretion to determine with respect to any dividend on Preferred Shares, Series I that all holders of Preferred Shares, Series 1 receive such dividend in the form of a stock dividend payable in Common Shares. In the event the Corporation elects to pay a dividend by issuing Common Shares to the holders of Preferred Shares, Series 1 the issue price of the Common Shares shall be calculated to be 90% of the volume weighted average price at which board lots of the Common Shares have been traded on The Toronto Stock Exchange during the 20 consecutive trading days preceding the end of the Calendar Quarter for which such stock dividend is to be paid. In the event the Common Shares are not listed on The Toronto Stock Exchange but are listed on another stock exchange or

stock exchange in Canada, the United States or Europe, any reference to The Toronto Stock Exchange shall be deemed to be references to such other stock exchange, or, if more than one, to such one on which the greatest volume of trading of Common Shares occurred during such 20 consecutive trading days. In the event Common Share are not so traded on any stock exchange in Canada, the United States or Europe, the Market Price thereof shall be determined by the Board of Directors of the Corporation, which determination shall be conclusive.

2.5 Subject to Section 2.4, dividends (less any tax required to be withheld by the Corporation) on the Preferred Shares, Series I shall be paid by electronic funds transfer or by cheque payable in lawful money of Canada, at any branch in Canada of the Corporation's bankers, The mailing of such cheque from the Corporation's head office on or before the date on which such dividend is to be pad to a holder of Preferred Shares, Series I shall be deemed to be payment of the dividends represented thereby and payable on such date unless the cheque is not paid upon presentation.

2.6 Notwithstanding the provisions of Section 2.1 but subject to Section 2.9, at all times prior to January 1, 2006 the Corporation shall declare and pay a dividend on the Preferred Shares, Series 1 in respect of a Calendar Quarter ending in a particular fiscal year of the Corporation only to the extent that the Corporation has sufficient taxable income for that fiscal year for purposes of Pant I of the Income Tax Act (Canada) (the "Tax Act") to enable the amount of any tax that would, if such dividend were paid, be payable under Part V1.1 of the Tax Act to be fully recovered by means of the deduction under paragraph 110(1)(k) of the Tax Act for that fiscal year. On each dividend payment date, the Corporation shall estimate the amount of its taxable income for the fiscal year which includes such Dividend Payment Date and shall compute the amount of the dividend which it is obliged to declare and pay accordingly. Once the actual amount of taxable income for such fiscal year is established by means of the filing of the relevant tax return, or if a previous estimate thereof has been revised by a subsequent estimate thereof made by the Corporation, such adjustment as is appropriate to achieve the result expressed herein shall be made to the amount of the dividend required to be declared and paid on the next Dividend Payment Date, whether that date falls within the same or a subsequent fiscal year. The Corporation shall deliver to the holders of the Preferred Shares, Series 1, on such Dividend Payment Date, a calculation in writing showing the amount of the Corporation's taxable income for its fiscal year that includes that Dividend Payment Date as so estimated or as finally determined by the Corporation, as well as the dividend that such holders are entitled to receive on that Dividend Payment Date having regard to such estimated or actual taxable income, as the case may be.

2.7 The Corporation shall have full flexibility in planning its tax affairs so as to reduce its taxable income for a particular fiscal year as it sees fit, including the claiming of all discretionary deductions, notwithstanding that this will have the effect of reducing the amount of the dividends to actually be declared and paid to the holders of the Preferred Shares, Series I in that fiscal year, by virtue of the operation of Section 2.6.

2.8 Notwithstanding Section 2.6, the Corporation may, in its sole discretion, on any Dividend Payment Date, declare and pay dividends, up to the amount of the then accrued and unpaid dividends, without regard to the limitation imposed under Section 2.6.

3. LIQUIDATION

3.1 In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs, the holders of Preferred Shares, Series 1, shall be entitled to receive the amount paid up on such shares together with an amount equal to all accrued and unpaid dividends thereon, which amounts shall be calculated as if such dividend were accruing for the period from the expiration of the last Calendar Quarter for which the dividends thereon have been paid in full up to the date of such event, the

whole before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Preferred Shares, Series 1 in any respect. If such amounts are not paid in full, the Preferred Shares, Series 1 shall participate rateably with all preferred shares and all other shares, if any, which rank on a parity with the preferred shares with respect to the return of capital or any other distribution of the assets of the Corporation, in respect of any return of capital in accordance with the sums which would be payable on the preferred shares and such other shares on such return of capital, if all sums so payable were paid in full in accordance with their terms. After payment to the holders of the Preferred Shares, Series I of the amounts so payable to them they shall not be entitled to share in any other distribution of the property or assets of the Corporation.

3.2 Notwithstanding anything to the contrary herein contained, no dividends, redemptions, share purchases, capital reductions or other payments or distributions of assets or property of the Corporation shall be made or paid on or with respect to shares of the Corporation which rank subordinate to the Preferred Shares, Series 2, on a liquidation, dissolution or winding up, if the payment in respect thereof would result in the fair market value of the Corporation's assets, net of liabilities owed by the Corporation and the stated capital of all shares of the Corporation (except for the stated capital of the Preferred Shares, Series 1), being less than the aggregate of the redemption price plus accrued and unpaid dividends for all of the Preferred Shares, Series 1 then outstanding.

4. REDEMPTION

4.1 Until the earlier of:

(a) December 7, 2005; and

(b) (b) 90 days after the date upon which:

(i) independent engineers retained by the Corporation have confirmed in a report to the Corporation that 200 billion cubic feet or greater of proved reserves (as defined in National Policy Statement 2-B or an successor policy) exist net to the Corporation; and

(ii) the Corporation's consolidated balance sheet indicates net current assets in excess of $10 million, and subject to the Business Corporations Act (Alberta), the Corporation may at any time redeem the whole or any part of the Preferred Shares, Series 1 for $1.00 per Preferred Share, Series 1.

4.2 On or after the earlier of the two events discussed in Section 4.1, and subject to the Business Corporations Act (Alberta), the Corporation may at any time redeem the whole or any part of the Preferred Shares, Series 1 for $1.00 per Preferred Share, Series 1, together with an amount equal to all accrued and unpaid dividends to the date fixed for redemption.

4.3 In case a part only of the then outstanding Preferred Shares, Series I is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board of Directors in its discretion shall decide or, if the Board of Directors so determines, may be redeemed pro rata, disregarding fractions, and the Board of Directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares.

4.4 On any redemption of Preferred Shares, Series 1, the Corporation shall give in the manner provided in Section 11 at least 30 days prior notice to each person who, at the date of giving such notice, is the holder of Preferred Shares, Series 1 to be redeemed, of the intention of the Corporation to redeem such shares. Such notice shall set out the redemption price and the date on which the redemption is to take place and,

unless all the Preferred Shares, Series 1 held by the holder to whom it is addressed are to be redeemed, shall also set out the number of such shares so held which are to be redeemed. On and after the date so specified for redemption the Corporation shall pay, or cause to be paid to the holders of such Preferred Shares, Series I to be redeemed, the redemption price on presentation and surrender at the head office of the Corporation or at any other place or places within Canada designated by such notice, of the certificate or certificates for such Preferred Shares, Series 1 so called for redemption. Such payment shall be made by cheque payable at par at any branch in Canada of the Corporation's bankers. If a part only of the Preferred Shares, Series 1 represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Preferred Shares, Series 1 called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be duly made by the Corporation. On or after the date specified for redemption of Preferred Shares by the Corporation, the Corporation shall have the right to deposit the redemption price of any or all Preferred Shares, Series 1 called for redemption with any chartered bank or banks or with any trust company or trust companies in Canada named for such purpose in the notice of redemption to the credit of a special account or accounts in trust for the respective holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be deemed to be redeemed and the rights of the holders of such shares shall be limited to receiving the proportion of the amounts so deposited applicable to their respective shares without interest. Any interest allowed on such deposit or deposits shall belong to the Corporation.

4.5 Preferred Shares, Series 1 which are redeemed or deemed to be redeemed in accordance with this Section 4 shall be and be deemed to be cancelled and shall not be reissued.

5. CONVERSION PRIVILEGE

5.1 A holder of Preferred Shares, Series 1 has the right, at the holder's option, to convert, subject to the terms and provisions hereof, such Preferred Shares, Series I into fully paid and non-assessable Common Shares at the Conversion Basis; except that, in the case of Preferred Shares, Series I which shall have been called for redemption pursuant to Section 4, such right shall terminate with respect thereto at the close of business on the third business day prior to the date fixed for such redemption. K payment of the redemption price of Preferred Shares, Series 1 which have been called for redemption is not paid on due surrender of the certificate for such Preferred Shams, Series 1 the right of conversion shall revive and continue from the time of the failure to pay as if such Preferred Shares, Series 1 had not been called for redemption.

5.2 In the event the Preferred Shares, Series 1 are to be converted by a holder, the Corporation may satisfy its conversion obligations pursuant to this Section 5 by the payment of cash to the holder in the amount calculated by determining the number of Common Shares that would be issuable in accordance with the Conversion Basis and multiplying this number by the Current Market Price. Such payment shall be made by cheque payable at par at any branch in Canada of the Corporation's bankers.

5.3 The conversion of Preferred Shares, Series 1 may be effected by the surrender of the certificate or certificates representing the same at any time during usual business hours at the option of the holder at the head office of the Corporation accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in Section 5.10; and (2) a written instrument of surrender in form satisfactory to the Corporation duly executed by the registered holder, or the holder's attorney duly authorized in writing, in which instrument such holder may also elect to convert part only of:

5.3.1 the Preferred Shares, Series 1 represented by such certificate or certificates not theretofore called for redemption, in which event such holder shall be entitled to receive, at the expense of the Corporation, a

new certificate representing the Preferred Shares, Series 1 represented by such certificate or certificates which have not yet been converted;

5.3.2 the Preferred Shares, Series 1, or part thereof, represented by such certificate or certificates, theretofore called for redemption, in which event on the date specified for the redemption of such Preferred Shares, Series 1 such holder, shall be entitled to payment of the redemption price of the Preferred Shares, Series 1 represented by such certificate or certificates which have been called for redemption and which have not been converted, and to receive, at the expense of the Corporation, a certificate representing Preferred Shares, Series 1 represented by such certificate or certificates which have been neither converted nor redeemed. As promptly as practicable after the surrender of any Preferred Shares, Series 1 for conversion, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the holder of the Preferred Shares, Series 1 so surrendered, a certificate or certificates issued in the name of, or in such name or names as may be directed by, such holder representing the number of Common Shares to which such holder is entitled together with a payment by cheque in respect of any fraction of a Common Share issuable on such conversion as provided in Section 5.9. Such conversion shall be deemed to have been made at the close of business on the date such Preferred Shares, Series 1 shall have been surrendered for conversion, so that the rights of the holder of such Preferred Shares, Series 1 as the holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time and such conversion shall be on the Conversion Basis as at such time, provided that no such surrender on any date when the Corporation's registers of transfers of Common Shares shall be properly closed shall be effective to constitute the person or persons entitled to receive Common Shares upon such conversion as the holder or holders of record of such Common Shares on such date, but such surrender shall be effective to constitute the person or persons entitled to receive such Common Shares as the holder or holders of record thereof for all purposes at, and such conversion shall be on the Conversion Basis as at, the close of business on the next succeeding day on which such registers of transfers are open. In no event shall the Corporation's registers of transfers of Common Shares be closed at any time during normal business hours during the 30 days immediately preceding any conversion or redemption date. The date of surrender of any Preferred Shares, Series 1 for conversion shall be deemed to be the date when the certificate representing such Preferred Shares, Series 1 is received by the Corporation.

5.4 The registered holder of any Preferred Share, Series 1 on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted after such record date and before the payment date of such dividend. The registered holder of any Common Share resulting from any conversion shall be entitled to rank equally with the registered holders of all other Common Shares in respect of all dividends declared payable to holders of Common Shares of record on any date after the date of conversion. Subject as aforesaid and subject to the provisions hereof, upon the conversion of any Preferred Shares, Series 1 the Corporation shall make no payment or adjustment on account of any dividends on the Preferred Shares, Series 1 so converted or on account of the dividends on the Common Shares issuable upon such conversion.

5.5 The Conversion Price shall be subject to adjustment from time to time as follows:

5.5.1 In case the Corporation shall

(a) subdivide its outstanding Common Shares into a greater number of shares,

(b) combine or consolidate its outstanding Common Shares into a smaller number of shares, or

(c) issue Common Shares (or securities convertible into Common Shares) to the holders of any of its outstanding Common Shares by way of a stock dividend (other than an issue to shareholders pursuant to

their exercise of options to receive dividends in the form of Common Shares (or securities convertible into Common Shares), in lieu of cash dividends declared payable by the Corporation on such shares); the Conversion Price in effect on the effective date of such subdivision or combination or consolidation or on the record date of such issuance of Common Shares (or securities convertible into Common Shares) by way of a stock dividend, as the case may be, shall, in the case of events referred to in Sections 5.5(a) and 5.5(c) be decreased in proportion to the increase in the number of outstanding Common Shares resulting from such subdivision or such dividend (including, in the case where securities convertible into Common Shares are issued, the number of Common Shares that would be outstanding had such securities been converted into Common Shares on such record date), or, in the case of Section 5.5(b) shall be increased in proportion to the decrease in the number of outstanding Common Shares resulting from the combination or consolidation. Such adjustment will be made successively whenever any event referred to in this Section 5.5 shall occur Any such issue of Common Shares (or securities convertible into Common Shares) by may of lock dividend shall be deemed to have been made on the record date of the stock dividend for the purpose of calculating the number of outstanding Common Shares under this Section 5.5(a).

5.5.2. In case the Corporation shall fix a record date subsequent to the date hereof for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price per share (or having a conversion price per share) less than 90% of the Current Market Price on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal a price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion price of the convertible securities so offered) by the Current Market Price of a Common Share, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. If all such rights, options or warrants are not so issued or if all such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed, and the Conversion Price shall be further adjusted based upon the number of Common Shares (or securities convertible into Common Shares) actually delivered upon the exercise of such rights, options or warrants, as the case may be.

5.5.3 In case the Corporation shall fix a record date for the making of a distribution (including a distribution by way of a stock dividend) to all or substantially all the holders of its outstanding Common Shares of

(a) shares of any class other than Common Shares (excluding shares convertible into Common Shares

referred to in Section 5.5(a)), or

(b) rights, options or warrants (excluding those referred to in Section 5.5(b)), or

(c) evidence of its indebtedness (excluding indebtedness convertible into Common Shares referred to in Section 5.5(a)), or

(d) assets (excluding Common Shares issued by way of a stock dividend and cash dividends paid in the ordinary course), then in such case the Conversion Price shall be adjusted immediately after such record date so that it shall equal the rate determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share on such record date, less the fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of such shares or rights, options or warrants or evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed, to the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect based upon such shares or rights, options or warrants or evidences of indebtedness or assets actually distributed.

5.6 No adjustments of the Conversion Price shall be made pursuant to subsection 5.5(b) or 5.5(c) if the holders of the Preferred Shares, Series 1 were permitted to participate in the issue of such rights, options or warrants or such distribution, as the case may be, as though and to the same effect as if they had converted their Preferred Shares, Series I into Common Shares prior to the issue of such rights, options or warrants or such distribution as the case may be.

5.7 No adjustment of the Conversion Price shall be made

(i) in respect of the issue of Common Shares pursuant to the conversion of the Preferred Shares, Series 1, or

(ii) in any case in which the resulting increase or decrease in the Conversion Price would be less than I % of the then Conversion Price, but in such case any adjustment that would otherwise have been required then to be made shall be carried forward and made at the time of and together with, the next subsequent adjustment to the Conversion Price which, together with any and all such adjustments so carried forward, shall result in an increase or decrease in the Conversion Price by not less than 1 %.

5.8 The Corporation shall give notice of any adjustment of the Conversion Price and the resulting adjustment of the Conversion Basis to the holders of Preferred Shares, Series 1 in the manner provided in Section 11. The Corporation may retain a firm of independent chartered accountants (who may be the auditors of the Corporation) to make any computation required under Section 5.5, and any computation so made shall be final and binding on the Corporation and the holders of the Preferred Shares, Series 1. Such firm of independent chartered accountants may, as to questions of law, request and rely upon an opinion of counsel (who may be counsel for the Corporation).

5.9 Upon the surrender of any Preferred Shares, Series 1 for conversion, the number of full Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of such Preferred Shares, Series 1 to be converted. In any case where a fraction of a Common Share is involved the Corporation shall adjust such fractional interest by payment by cheque of an amount equal to the then value of such fractional interest computed on the basis of the Current Market Price for the Common Shares.

5.10 The issuance of certificates for Common Shares upon the conversion of Preferred Shares, Series 1 shall be made without charge to the holders of the Preferred Shares, Series 1 so converted for any fee or tax imposed on the Corporation in respect of the issuance of such certificates for the Common Shares represented thereby; provided that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of

such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in a name or names other than that of the holder of the Preferred Shares, Series 1 converted, and the Corporation shall not be required to issue or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

5.11 In case of any reclassification or change (other than a change resulting only from consolidation or subdivision) of the Common Shares, or in the case of any consolidation, amalgamation or merger of the Corporation with or into any other corporation, or in the case of any sale of the properties and assets of the Corporation as, or substantially as, an entirety to any other corporation, each Preferred Shares, Series 1 shall, after such reclassification, change, consolidation, amalgamation, merger or sale, be convertible into the number of shares or other securities or property of the Corporation, or such continuing, successor or purchasing corporation, as the case may be, to which a holder of the number of Common Shares as would have been issued if such Preferred Shares, Series 1 had been converted immediately prior to such reclassification, change, consolidation, amalgamation, merger or sale would have been entitled upon such reclassification, change, consolidation, amalgamation, merger or sale. The Board of Directors of the Corporation may accept the certificate of any firm of independent chartered accountants (who may be the auditors of the Corporation) as to the foregoing calculation, and the Board of Directors may determine such entitlement on the basis of such certificate. Any such determination shall be conclusive and binding on the Corporation and the holders of the Preferred Shares, Series 1.

No such reclassification, change, consolidation, amalgamation, merger or sale shall be carried into effect unless, in the opinion of the Board of Directors, all necessary steps shall have been taken to ensure that the holders of the Preferred Shares, Series 1 shall thereafter be entitled to receive such number of shares or other securities or property of the Corporation, or such continuing, successor or purchasing corporation, as the case my be, subject to adjustment thereafter in accordance with provisions similar, as nearly as may be, to those contained in this Section 5.

5.12 If in the opinion of the Board of Directors of the Corporation the provisions of this Section 5 are not strictly applicable or if strictly applicable would not fairly protect the rights of the holders of the Preferred Shares, Series 1 or the Corporation in accordance with the intent and purposes hereof, the Board of Directors shall make any adjustment in such provisions as the Board of Directors deems appropriate.

5.13 If the Corporation intends to take any action which would require an adjustment of the Conversion Price pursuant to Sections 5.5(a), 5.5(b), or 5.5(c) hereof (other than the subdivision or consolidation of the outstanding Common Shares of the Corporation), the Corporation shall, at least 14 days prior to the earlier of any record date fixed for any action or the effective date for such action notify the holders of Preferred Shares, Series 1 by written notice setting forth the particulars of such action to the extent that such particulars have been determined at the time of giving the notice.

6. PRE-EMPTIVE RIGHTS

6.1 Holders of Preferred Shares, Series 1 shall not be entitled as of right to subscribe for or purchase or receive any shares, bonds, debentures, or other securities of the Corporation now or hereafter authorized, other than shares receivable upon the exercise of the right of conversion as provided herein.

7. RESTRICTIONS

7.1 So long as any Preferred Shares, Series 1 are outstanding, the Corporation shall not, without the approval of the holders of the Preferred Shares, Series 1 given in the same manner as provided under Section 11;

7.1.1 issue any shares ranking in priority to or pari passu with the Preferred Shares, Section 2 as to the payment of dividends or the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs;

7.1.2 pay any dividends on the Common Shares or on any other shares of the Corporation which by their terms rank junior to the Preferred Shares, Series 1;

7.1.3 redeem or purchase or make any capital distribution in respect of the Common Shares or any other shares of the Corporation ranking junior to the Preferred Shares, Series I (except out of net cash proceeds of a substantially concurrent issue of shares of the Corporation which by their terms rank junior to the Preferred Shares, Series 1);

7.1.4 redeem or purchase any other shares of the Corporation ranking pari passu with the Preferred Shares, Series 1;

7.1.5 set aside any money or make any payments for any sinking fund or other retirement fund applicable to any shares of the Corporation ranking junior to the Preferred Shares, Series 1; unless all dividends up to, and including, the Dividend Payment Date for the last completed Calendar Quarter for which dividends shall be payable shall have been declared and paid or set apart for payment in respect of the Preferred Shares, Series 1 and all other shares ranking on a parity with or in priority to the Preferred Shares, Series 1.

7.2 Nothing in Section 7.1 shall apply to, hinder or prevent, and authorization is hereby given for, any of the actions referred to in such Section if consented to, or approved, by the holders of the Preferred Shares, Series 1 in the manner hereinafter specified or if all the outstanding Preferred Shares, Series 1 have been duly called for redemption and adequate provision has been made assuring that they will be redeemed or deemed to be redeemed on or before the date specified for redemption.

8. VOTING RIGHTS

8.1 Subject to Section 2.3 and the provisions of the Business Corporations Act (Alberta), the holders of the Preferred Shares, Series 1 shall not be entitled as such to any voting rights or to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting (but shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertakings or a substantial part thereof).

9. AMENDMENTS

9.1 The rights, privileges, restrictions and conditions attached to the Preferred Shares, Series 1 may not be amended, modified, suspended, altered or repealed unless consented to, or approved by, the holders of the Preferred Shares, Series 1 in the manner set out in Section 11 and in accordance with any requirements of the Business Corporations Act (Alberta), or any Act enacted in substitution therefor or in addition thereto applicable to the Corporation, and any amendments thereto from time to time.

10. APPROVAL BY HOLDERS OF PREFERRED SHARES, SERIES 1

10.1 Any consent or approval required or permitted to be given by the holders of Preferred Shares, Series I shall be deemed to have been sufficiently given if it shall have been given in writing by the holders of all of the outstanding Preferred Shares, Series 1.

11. NOTICES

11.1 Any notice required to be given under the provisions attaching to the Preferred Shares, Series 1 to the holders thereof shall be glen by posting same in a postage paid envelope addressed to each holder at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, then to the address of such holder last known to the Corporation; provided that accidental failure or omission to give any notice as aforesaid to one or more of such holders shall no invalidate any action or proceeding founded thereon.

12. TAX ELECTION

12.1 The Corporation shall elect, in the manner and within the time provided under Section 191.2 of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and to take all other necessary action under such Act, such that no holder of Preferred Shares, Series 1 will be required to pay tax on dividends received or deemed to be received on Preferred Shares, Series 1 under Section 187.2 of Part IV. 1 of such Act or any successor or replacement provisions of similar effect.

RIGHTS, RESTRICTIONS, PRIVILEGES AND CONDITIONS ATTACHING TO THE PREFERRED SHARES, SERIES 2

The second series of Preferred Shares shall consist of an aggregate of 60,000,000 shares designated as "Preferred Shares, Series 2" (the "**Series 2 Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares shall be as follows:

(a) **Definitions.** For the purpose of these Series 2 Preferred Shares, the following terms shall have the following meanings:

(i) "**2015 CAPL Operating Procedure**" means the 2015 Canadian Association of Petroleum Landmen Operating Procedure, as amended, supplemented or modified by written agreement of the Oversight Committee and the Corporation;

(ii) "**Accounting Procedure**" means the standard form 1996 PASC Accounting Procedure, the elections and revisions of which are attached as Exhibit "B" to these Articles;

(iii) "**Authorized Action**" has the meaning ascribed thereto in Section 1(o)(iv);

(iv) "**Board**" means the board of directors of the Corporation;

(v) "**Business Day**" means any day other than Saturday, Sunday or a statutory holiday in Alberta;

(vi) "**Cap**" means the installation of such casing, plugs and equipment as are necessary to enable a well prospective of production of Petroleum Substances in Paying Quantities to be Completed at a later date and "**Capping**" has a corresponding meaning;

(vii) **"Carbon Sequestration Well**" means a Class VI well specifically designed for the injection of carbon dioxide (CO_2) into deep rock formations for long-term storage;

(viii) "**Claims**" means any legal claims, causes of action, disputes, or rights to relief pursued, asserted, or defended by the Corporation in connection with the Litigation, including but not limited to claims for damages, enforcement of rights, equitable relief, or any other remedies available at law or in equity, as specified in these Articles;

(ix) "**Core Business**" means the operations of the Corporation excluding the Quebec Business;

(x) "**Corporation**" means Questerre Energy Corporation;

(xi) "**Court**" means the Québec Superior Court;

(xii) "**Deemed Liquidation Event**" means each of the following events unless the holders of Series 2 Preferred Shares have approved to elect otherwise by written notice sent to the Corporation prior to the effective date of any such event:

(A) an amalgamation, arrangement, consolidation, merger, reorganization or similar transaction in which:

(1) the Corporation is a constituent party; or

(2) a subsidiary of the Corporation is a constituent party and the Corporation issues shares pursuant to such amalgamation or consolidation,

except any amalgamation, arrangement, consolidation, merger, reorganization or similar transaction involving the Corporation or a subsidiary in which the shares of the Corporation outstanding immediately before such amalgamation or consolidation continue to represent, or are converted into or exchanged for shares that represent, immediately following the amalgamation or consolidation, at least a majority, by voting power, of the shares of (x) the surviving or resulting corporation; or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following the amalgamation or consolidation, the parent corporation of such surviving or resulting corporation; or

(B) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole; or (2) the sale or disposition (whether by amalgamation, consolidation or otherwise and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where the sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation; or

(C) the sale, lease, transfer, exclusive license or other disposition, in a single or series of related transactions, by the Corporation, of the Quebec Business other than to a subsidiary of the Corporation;

(xiii) "**Defendant**" means Le Procureur Général du Québec, Le Gouvernement du Québec and Le Ministre de l'Énergie et des Ressources du Québec and any other individual, corporation, partnership, government entity, organization, or other legal or natural person against whom the Corporation is engaged in legal proceedings, disputes, or any other adversarial context that is the subject of with respect to the Claims or the Litigation;

(xiv) "**Disbursements**" means the reasonable out-of-pocket costs and expenses, including of the Lawyers, relating to the Claims and Litigation including, for certainty, the costs of experts and consultants' fees in respect of the foregoing;

(xv) "**Earliest Redemption Date**" means the day that is one Business Day after the date that is five (5) years after the date of issuance of the last issued Series 2 Preferred Share;

(xvi) "**Earn-In Date**" has the meaning ascribed thereto in Section 1(p)(v);

(xvii) "**Expended Funding Amount**" means the actual amounts paid by the Corporation pursuant to these Articles in respect of the Litigation Funding Amount;

(xviii) "**Expense Reimbursement**" has the meaning ascribed thereto in Section 1(k)(i)(A)(1);

(xix) "**Farmout Lands**" means the lands associated with the Petroleum and Natural Gas Exploration Licenses described in Exhibit "C" to these Articles, including but not limited to the related Royalty Interests;

(xx) "**Farmout Operations**" means those operations and activities carried out or to be carried out by the Corporation pursuant to these Articles and includes any drilling, deepening, sidetracking, Completion, Recompletion, Reworking, Equipping, tieing-in, Abandonment or other activity provided for or conducted hereunder with respect to the exploration, appraisal, pre-development, development, production or CO_2 injectivity operations on the Farmout Lands, including: (i) the recovery of Petroleum Substances from wells; (ii) the conduct of any geological, geophysical, seismic, environmental, biophysical or engineering program or study respecting the Farmout Lands and any other lands within the scope of that approved program or study; and (iii) the capture, transmission, injection and storage of CO_2 into a reservoir within the Farmout Lands;

(xxi) "**Final Resolution**" means a resolution of the Litigation which concludes the Litigation pursuant to:

(A) a legal and valid judgment of the Court for which the appeal period has elapsed or expired and no appeal has been commenced;

(B) a final, non-appealable, legal and valid judgment of a court of competent jurisdiction;

(C) a Settlement between the Corporation and the Defendant; or

(D) a discontinuance or permanent stay of the Litigation;

(xxii) "**Fiscal Year**" shall be the twelve (12) month period commencing on January 1 of each year and ending on December 31 of the same calendar year;

(xxiii) "**GAAP**" means International Financial Reporting Standards as adopted by the Chartered Professional Accountants of Canada;

(xxiv) "**Interim Monthly Dividends**" has the meaning ascribed thereto in Section 1(c)(ii);

(xxv) "**Investment Return**" has the meaning ascribed thereto in Section 1(k)(i)(A);

(xxvi) "**Lawyers**" means any lawyers (including any substitute or additional lawyers) engaged by the Corporation with respect to the Claims or the Litigation or any lawyers (including any substitute or additional lawyers) engaged in connection with any class-action support arrangement entered into by the Corporation with respect to any legal proceeding or claim against the Defendants related to the curtailment of operations on the Farmout Lands;

(xxvii) "**Legal Fees**" means the legal fees to be incurred that are payable to the Lawyers for legal services provided to the Corporation in relation to the Claims and Litigation or in connection with any class-action support arrangement entered into by the Corporation with respect to any legal proceeding or claim against the Defendants related to the curtailment of operations on the Farmout Lands;

(xxviii) "**Lessor Royalty**" means the lessor royalty under a Title Document, described in Exhibit "C" to these Articles, and as may be amended from time to time;

(xxix) "**Litigation**" the legal proceedings and any and all claims, actions and/or proceedings relating to or arising from the case captioned Questerre Energy Corporation v. Le Procureur Général du Québec, Le Gouvernement du Québec and Le Ministre de l'Énergie et des Ressources du Québec (now Le Ministre de l'Éconmie, de L'Innovation et de l'Énergie), in the Québec Superior Court, civil division, file number 200-17-033326-224, including the judgement of the Court, and any appeal or remand therefrom or proceedings in connection therewith and any new proceedings that may arise from the Claims;

(xxx) "**Litigation Funding Amount**" has the meaning ascribed thereto in Section 1(i)(i);

(xxxi) "**Litigation Proceeds**" means any and all amounts paid or to be paid directly or indirectly to or for the benefit of the Corporation, or received directly or indirectly by or for the benefit of the Corporation, in connection with or as a result of the Claims and the Litigation, whether before or after any proceedings have been commenced and whether by judgment, settlement or otherwise, including but not limited to any costs awards;

(xxxii) "**Litigation Proceeds Payment Date**" means the date that is ten (10) Business Days from the determination of the Series 2 Litigation Dividend Amount;

(xxxiii) "**Litigation Term**" means the period beginning on the date of issuance of the first Series 2 Preferred Shares and ending on the earlier of:

(A) the Final Resolution;

(B) the date all Litigation Proceeds (if applicable) have been fully disbursed or otherwise utilized by the Corporation in accordance with these Articles; and

(C) subject to Section 1(m)(ii)(C), the date the Corporation discontinues, abandons or withdraws the Litigation or the Claims, if, acting reasonably, it believes the Litigation and the Claims are no longer commercially viable;

(xxxiv) "**Net Proceeds**" means the aggregate of all consideration received from the sale or liquidation (or partial sale or liquidation) of the Quebec Business directly, or indirectly by way of a liquidation of the entire Corporation (including any amounts paid at closing and any amounts committed to be paid in the future as part of the transaction), less

(A) any Expense Reimbursement (to the extent not otherwise paid to the Corporation pursuant to Section 1(k)(i)(A)(1)); and

(B) all costs and expenses incurred by the Corporation to complete the transaction;

(xxxv) "**Operating Income**" means all revenues derived from the production of Petroleum Substances produced from wells or from the capturing, transmission, injection and storage of CO_2 on the Farmout Lands; less

(A) any Expense Reimbursement (to the extent not otherwise paid to the Corporation pursuant to Section 1(k)(i)(A)(1));

(B) Operating Costs, inclusive of Drilling Costs, Completion Costs, Equipping Costs and Facility Fees, Abandonment and reclamation costs, marketing fees, Lessor Royalties, Crown royalties (and other direct third party costs) derived from the production of Petroleum Substances produced from wells or from CO_2 injection wells on the Farmout Lands;

(xxxvi) "**Ordinary Combined Tax Rate**" means the combined Federal and Provincial general corporate tax rate, expressed as a percentage, on active business income earned in the Province of Quebec at the time that the relevant revenue is generated by the Corporation (which, for greater certainty, shall be computed as the Tax rate applicable under Part I of the Tax Act plus the equivalent Provincial tax rate in Quebec, which as of the date of creation of the Series 2 Preferred Shares are 15% and 11.5% respectively for a total Ordinary Combined Tax Rate of 26.5%);

(xxxvii) "**Oversight Committee**" means the oversight committee elected by the holders of Series 2 Preferred Shares pursuant to Section 1(b)(iv)(A);

(xxxviii) "**Oversight Committee Agreement**" means the oversight committee agreement entered into by the Corporation and the members of the Oversight Committee on the date of issuance of the first Series 2 Preferred Shares, as such agreement may be amended from time to time;

(xxxix) "**Oversight Committee Expenses**" has the meaning ascribed thereto in Section 1(o)(viii);

(xl) "**Part VI.1 Tax Multiplier**" means the multiplier referenced in paragraph 110(1)(k) of the Tax Act that the Corporation determines will be applicable with respect to Part VI.1 Tax on the applicable dividend or other distribution contemplated by the

Corporation (which, for greater certainty, would be 3.5 if the dividend or other distribution were paid on the date of creation of the Series 2 Preferred Shares);

(xli) "**Part VI.1 Tax Rate**" in respect of a dividend or other distribution contemplated by the Corporation means the rate of tax, expressed as a percentage, under Part VI.1 of the Tax Act that the Corporation determines will be applicable to that dividend or other distribution;

(xlii) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, a syndicate, an unincorporated organization, a governmental authority, an executor or administrator or other legal or personal representative, or any other juridical entity;

(xliii) "**Potsdam Group**" means all geologic formations and structures from the surface to the base of the Upper Cambriam Group and as otherwise defined by or as otherwise amended from time to time by Le Ministre de l'Éconmie, de L'Innovation et de l'Énergie (Quebec);

(xliv) "**Preferred Director**" has the meaning ascribed thereto in Section 1(b)(iii);

(xlv) "**Quarterly Reports**" has the meaning ascribed thereto in Section 1(q)(iii);

(xlvi) "**Quebec Business**" means the operations of the Corporation related to the Corporation's right to explore for and produce Petroleum Substances on the Farmout Lands as well as its Royalty Interests in the Farmout Lands;

(xlvii) "**Quebec Business Distributable Cash**" provided the Reinstatement Date has occurred:

(1) prior to the Earn-In Date, shall mean 100% of the Operating Income for any given Fiscal Year; and

(2) on and after the Earn-In Date, shall mean 50% of the Operating Income for any given Fiscal Year.

In the event that the Quebec Business Distributable Cash amount from the prior Fiscal Year is a negative amount, that negative amount shall be deducted in full from the Quebec Business Distributable Cash for the next following Fiscal Year;

(xlviii) "**Reinstatement Date**" means the date of the Final Resolution if the Final Resolution includes the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result;

(xlix) "**Required Litigation Funding Amount**" means an aggregate total amount of up to $1,000,000.00;

(l) "**Royalty Interests**" means the Corporations as the recipient of royalty interests described in Exhibit "C" to these Articles;

(li) "**Segregated Account**" means a separate bank account established by the Corporation which funds in such segregated account shall not be permitted to be commingled with any other funds that are not Litigation Proceeds;

(lii) "**Series 2 Litigation Dividend Amount**" means the amount calculated as follows:

(A) on the first $280,000,000 of Series 2 Litigation Proceeds Amount (the amount of such portion of the Series 2 Litigation Proceeds Amount being the "**First Tranche Litigation Amount**"), an amount determined by the following formula:

A / (1 + B)

where

"**A**" is the First Tranche Litigation Amount; and

"**B**" is the Part VI.1 Tax Rate;

(B) plus, on the remainder, if any, of the Series 2 Litigation Proceeds Amount (such amount being the "**Second Tranche Litigation Amount**"), an amount determined by the formula:

C – E – I

where

"**C**" is the Second Tranche Litigation Amount, if any;

"**D**" is the Ordinary Combined Tax Rate;

"**E**" is equal to C multiplied by D;

"**F**" is equal to C minus E;

"**G**" is equal to B multiplied by F;

"**H**" is equal to D multiplied by G multiplied by the Part VI.1 Tax Multiplier;

"**I**" is equal to G minus H;

(liii) "**Series 2 Litigation Proceeds Amount**" has the meaning ascribed thereto in Section 1(k)(i)(B);

(liv) "**Series 2 Liquidation Amount**" has the meaning ascribed thereto in Section 1(e);

(lv) "**Series 2 Operational Dividend Amount**" for the immediately preceding Fiscal Year (the "**Relevant Year**") means:

(A) up to the Series 2 Operational Dividend Threshold Amount in the aggregate for the Relevant Year and all preceding Fiscal Years, the amount of Quebec Business Distributable Cash for the Relevant Year (such amount being the "**First Tranche Operational Amount**") determined by the following formula:

A / (1 + B)

where

"**A**" is the First Tranche Operational Amount for the Relevant Year, if any; and

"**B**" is the Part VI.1 Tax Rate;

(B) plus, on the remainder, if any, of Quebec Business Distributable Cash for the Relevant Year (such amount being the "**Second Tranche Operational Amount**" for the Relevant Year), an amount determined by the formula:

C – E – I

where

"**C**" is the Second Tranche Operational Amount for the Relevant Year;

"**D**" is the Ordinary Combined Tax Rate;

"**E**" is equal to C multiplied by D;

"**F**" is equal to C minus E;

"**G**" is equal to B multiplied by F;

"**H**" is equal to D multiplied by G multiplied by the Part VI.1 Tax Multiplier;

"**I**" is equal to G minus H;

(lvi) "**Series 2 Operational Dividend Threshold Amount**" means:

(A) (1) prior to the Earn-In Date, shall mean the first $280,000,000 of Quebec Business Distributable Cash; and (2) on and after the Earn-In Date, shall mean the first $140,000,000 of Quebec Business Distributable Cash; less

(B) an amount equal to the First Tranche Litigation Amount;

(lvii) "**Series 2 Penalty Dividends**" has the meaning ascribed thereto in Section 1(c)(iv);

(lviii) "**Settlement**" means any compromise, discontinuance, waiver, payment (including any *ex gratia* payment), release or other form of settlement whatsoever where value passes (or it is agreed will pass in the future) from or on behalf of the Defendant to or for the benefit of the Corporation in circumstances in which the Litigation does not commence or continue as a result of or in connection with the passing of that value; and "**Settle**", "**Settles**" and "**Settled**" have corresponding meanings;

(lix) "**Settlement Offer**" means an offer received by the Corporation for Settlement of the Claims;

(lx) "**Shareholder Representative**" has the meaning ascribed thereto in Section 1(o)(i)(B);

(lxi) "**Shareholder Technical Representative**" has the meaning ascribed thereto in Section 1(r)(i);

(lxii) "**Tax Act"** means the *Income Tax Act* (Canada), as may be amended from time to time;

(lxiii) "**Taxes**" means any and all applicable taxes, duties, charges or levies of any nature imposed by any taxing or other governmental or regulatory authority, including, without limitation, income, gains, capital gains, surtax, capital, franchise, capital stock, value-added taxes, taxes required to be deducted or withheld from payments made by the payer and accounted for to any tax authority, employees' income withholding, back-up withholding, withholding on payments to foreign Persons, social security, unemployment, worker's compensation, payroll, disability, real property, personal property, sales, use, goods and services or other commodity taxes, business, occupancy, excise, customs and import duties, transfer, stamp, and other taxes (including interest, penalties or additions to tax in respect of the foregoing), and includes all taxes payable pursuant to any provision of local, provincial, federal, or foreign law;

(lxiv) "**Technical Committee**" has the meaning ascribed thereto in Section 1(r)(i);

(lxv) "**Technical Representative**" has the meaning ascribed thereto in Section 1(r)(i);

(lxvi) "**Test Wells**" has the meaning ascribed thereto in Section 1(p)(i);

(lxvii) "**Title Documents**" means the title documents (or any of them), described in Exhibit "C" to these Articles, through which the Corporation holds its interest in the Farmout Lands, and any documents issued or derived directly therefrom, including all amendments, renewals, extensions, continuations or replacements thereof (whether by operation of the applicable document, the Regulations, or other agreement of the Corporation);

(lxviii) "**Unpaid Series 2 Dividends**" means as at the relevant time, an amount equal to the amount of any accrued but unpaid Series 2 Litigation Dividend Amount or Series 2 Operational Dividend Amount (including any dividends declared on the Series 2 Preferred Shares but unpaid as at the date of liquidation, dissolution or winding-up), plus an amount equal to any accrued but unpaid Series 2 Penalty Dividends;

(lxix) **Utica Group**" means all geologic formations and structures from the surface to the base of the Utica Shale and as otherwise defined by or as otherwise amended from time to time by Le Ministre de l'Éconmie, de L'Innovation et de l'Énergie (Quebec);

(lxx) "**Vertical Contract Depth**" means a minimum depth sufficient to penetrate the Utica Group, within the Farmout Lands, in the case of a Petroleum Substances Test Well; or otherwise, in the case of a Carbon Sequestration Test Well, means a minimum depth sufficient to penetrate the Potsdam Group within the Farmout Lands; and

(lxxi) "**Work Program and Budget**" means the annual work program and budget approved by the Board that outlines the Farmout Operations proposed to be with respect to the Farmout Lands and the anticipated costs associated with such Farmout Operations.

(lxxii) In these Articles, unless specified otherwise, each accounting term has the meaning assigned to it under the Accounting Procedures.

(lxxiii) In these Articles, unless specified otherwise, operational, technical and technical practices, cost allocation, joint-operation concepts and Operator duties and shall have the meaning assigned to it under the 2015 CAPL Operating Procedure and shall not provide for any working interest, ownership, co-ownership, or right to claim property of any kind upon any holder of Series 2 Preferred Shares. In the event of any inconsistency between the 2015 CAPL Operating Procedure and these Articles, these Articles shall govern. Unless otherwise expressly provided herein, the terms set forth in Exhibit "A" to these Articles shall be interpreted consistently with the 2015 CAPL Operating Procedure and in accordance with generally accepted Canadian oil and gas industry practice. The provisions of the 2015 CAPL Operating Procedure set forth in Exhibit "A" to these Articles are incorporated herein by reference, mutatis mutandis, as may be modified by written agreement of the Oversight Committee and the Corporation.

(b) **Voting Rights.**

(i) General. Subject to Sections 1(b)(iii) and 1(b)(iv), the holders of Series 2 Preferred Shares shall have no right to receive notice of or to be present at or vote either in person or by proxy, at any meeting of the shareholders of the Corporation by virtue of or in respect of their holding of Series 2 Preferred Shares. Where applicable, the holders of Series 2 Preferred Shares entitled to receive notice of, attend at and vote at meetings of holders of Series 2 Preferred Shares, shall be entitled to one (1) vote for each Series 2 Preferred Share held.

(ii) Approval Threshold. The approval of the holders of the Series 2 Preferred Shares with respect to any and all matters referred to in these Articles may be given in writing by the holders of not less than a majority of the Series 2 Preferred Shares outstanding or by resolution duly passed and carried by not less than a majority of the votes cast on a poll at a meeting of the holders of the Series 2 Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than five percent (5%) of all Series 2 Preferred Shares then outstanding are present in person or represented by proxy; provided, however, that if at any such meeting, when originally held, the holders of at least ten percent (10%) of all Series 2 Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series 2 Preferred Shares present in person or so represented by proxy, whether or not they hold ten percent (10%) of all Series 2 Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than a majority of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series 2 Preferred Shares. Notice of any such original meeting of the holders of the Series 2 Preferred Shares shall be given not less than 21 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of

Series 2 Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series 2 Preferred Shares held by such holder.

(iii) Preferred Director. The Oversight Committee shall be entitled to nominate one (1) director of the Corporation (the "**Preferred Director**") The rights of the holders of the Series 2 Preferred Shares under the first sentence of this Section1(b)(iii) shall terminate on the first date following the date the first Series 2 Preferred Share was issued on which there are no longer any Series 2 Preferred Shares issued and outstanding.

(iv) Special Shareholder Decisions. Notwithstanding any other approval requirements under these Articles, at any time when at least 5,000,000 Series 2 Preferred Shares are outstanding, the following decisions of the Corporation must be approved by the holders of Series 2 Preferred Shares:

(A) at each meeting of the shareholders of the Corporation at which directors of the Corporation are to be elected, the election of the members of the Oversight Committee; provided, however, for administrative convenience, the initial members of the Oversight Committee may also be appointed by the Board in connection with the initial issuance of Series 2 Preferred Shares without a separate action by the holders of Preferred Shares;

(B) liquidating, dissolving or winding-up the business and affairs of the Corporation, effect any amalgamation or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

(C) amending, altering or repealing any provision of the Articles or the By-laws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series 2 Preferred Shares; and

(D) creating or issuing any shares in the capital of the Corporation having preferential or equal treatment as to dividends, returns of capital or sharing of assets in respect of the Quebec Business on a liquidation as the existing issued and outstanding Series 2 Preferred Shares.

(c) **Dividend Rights.**

(i) Dividend Right. Subject to applicable law and to any deductions required under Section 1(h), the holders of the Series 2 Preferred Shares shall be entitled to share pro rata:

(A) subject to Section 1(d), on the Litigation Proceeds Payment Date, a cash dividend on the Series 2 Preferred Shares equal to the Series 2 Litigation Dividend Amount. If no Litigation Proceeds are obtained from the Litigation, then the Series 2 Preferred Shares will not be entitled to the Series 2 Litigation Dividend Amount; and

(B) provided the Reinstatement Date has occurred, in an annual cumulative cash dividend on the Series 2 Preferred Shares equal to the Series 2 Operational Dividend Amount for the immediately preceding Fiscal Year, which shall be paid in accordance with Section 1(c)(iii); and

The holders of the Series 2 Preferred Shares shall not be entitled to any dividend other than, or in excess of, the dividends provided for above.

(ii) No Entitlement to Core Business. Subject to applicable law, the Corporation shall be entitled to pay a cash dividend to the holders of Common voting shares from the cash comprising the Core Business plus the portion of the Operating Income that is not the Quebec Business Distributable Cash, and such other amounts available to the Corporation for the payment of dividends.

(iii) Interim Monthly Dividends. Subject to applicable law, the Board shall declare and pay within each Fiscal Year in which the Operating Income is a positive amount, a cumulative monthly cash dividend on the Series 2 Preferred Shares, on or prior to the last business date of each month, in an aggregate amount determined by the Board as representing $1/12^{th}$ of the aggregate Series 2 Operational Dividend Amount payable in respect of the prior Fiscal Year pursuant to Section 1(c)(i)(B), to be shared pro rata by the holders of the Series 2 Preferred Shares (the "**Interim Monthly Dividends**").

(iv) Failure to Pay Dividends. In the event that the Corporation fails to pay any Interim Monthly Dividends payable under and within the time required under Section 1(c)(iii), then the holders of the Series 2 Preferred Shares shall be entitled to receive and the Corporation shall pay thereon, a fixed cumulative preferential dividend at the rate equal to 12% per annum on the aggregate outstanding amount of such Interim Monthly Dividends, compounded monthly, from the date that such outstanding Interim Monthly Dividends were payable under Section 1(c)(iii), and until paid in full to the holders of the Series 2 Preferred Shares, to be shared pro rata by the holders of the Series 2 Preferred Shares (the "**Series 2 Penalty Dividends**").

(v) Series 2 Preferential Dividends. So long as any of the Series 2 Preferred Shares are outstanding, the Corporation shall not declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series 2 Preferred Shares) on the Common voting shares or any other shares of the Corporation ranking junior to the Series 2 Preferred Shares with respect to payment of dividends from the cash comprising the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount.

(d) **Conversion by the Corporation**

(i) Option to Convert. Provided the Final Resolution does not include the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result, at the option of the Corporation (upon approval by the Board, including the approval of the Preferred Director) and subject to the approval of the Toronto Stock Exchange and the policies of the Oslo Stock Exchange, or such other stock exchange(s) as the Class "A" Common voting shares are then trading, on the Litigation Proceeds Payment Date but prior to and in lieu of the payment of the Series 2 Litigation Dividend Amount, the Series 2 Preferred Shares shall be convertible into such number of fully paid and non-assessable Class "A" Common voting shares as is determined by dividing:

(A) on the first $280,000,000 of Series 2 Litigation Proceeds Amount, the lesser of (1) $280,000,000; and (2) the Series 2 Litigation Proceeds Amount; and

(B) on the balance, if any, of the Series 2 Litigation Proceeds Amount, the amount determined by the formula:

$$A \times (1 - B)$$

where

"**A**" is the balance, if any, Series 2 Litigation Proceeds Amount; and

"**B**" is the Ordinary Combined Tax Rate;

by the by the ninety (90) day volume weighted trading price of the Class "A" Common voting shares on the principal exchange on which they are traded on the last business day preceding the Litigation Proceeds Payment Date (or such other lower price as may be required by the principle exchange on which the Class "A" Common voting shares are traded).

(ii) Fractional Shares. No fractional Class "A" Common voting shares shall be issued upon conversion of the Series 2 Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the number of Class "A" Common voting shares to be issued upon conversion of the Series 2 Preferred Shares shall be rounded down to the nearest whole share.

(iii) Procedural Requirements.

(A) On or prior to the Litigation Proceeds Payment Date, all holders of record of Series 2 Preferred Shares shall be sent written notice of the Corporation's election to convert and the place designated for conversion of all Series 2 Preferred Shares under this Section 1(d). Upon receipt of such notice, each holder of Series 2 Preferred Shares in certificated form shall surrender his, her or its certificate or certificates for all Series 2 Preferred Shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in the notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly signed by the registered holder or by his, her or its attorney duly authorized in writing.

(B) All rights with respect to the Series 2 Preferred Shares converted under this Section 1(d), including the rights, if any, to receive notices and vote (other than as a holder of Class "A" Common voting shares), will terminate at the Litigation Proceeds Payment Date (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or before such time), except only the rights of the holders of Series 2 Preferred Shares, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the Class "A" Common voting shares to which they are entitled to under this Section 1(d).

(C) As soon as practicable after the Litigation Proceeds Payment Date and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series 2 Preferred Shares, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full Class "A" Common voting shares

issuable upon such conversion in accordance with these provisions. The converted Series 2 Preferred Shares shall be retired and cancelled and may not be reissued as shares of such class, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of Series 2 Preferred Shares accordingly.

(e) **Liquidation Rights.**

(i) Preferential Payments to Holders of Series 2 Preferred Shares. In the event of any liquidation, dissolution or winding-up of the Corporation or Deemed Liquidation Event, the holders of the Series 2 Preferred Shares then outstanding are entitled to be paid out of the assets of the Corporation available for distribution to its shareholders or out of the consideration payable to shareholders in such Deemed Liquidation Event, as applicable, before any payment is made to the holders of Common voting shares by reason of their ownership thereof, a pro rata an amount equal to:

(A) the Unpaid Series 2 Dividends as at the date of liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event; plus

(B) the amount to which they would be entitled as a Series 2 Operational Dividend Amount if the reference in the definition of Series 2 Operational Dividend Amount to "Quebec Business Distributable Cash for the Relevant Year" were read to also include any Net Proceeds (without duplication of any amount included in the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount),

(the "**Series 2 Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its shareholders are insufficient to pay the holders of Series 2 Preferred Shares the full amount of the Series 2 Liquidation Amount, the holders of Series 2 Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the Series 2 Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(ii) Payments to Holders of Common Voting Shares.

(A) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Series 2 Liquidation Amounts required to be paid to the holders of Series 2 Preferred Shares, the remaining assets of the Corporation available for distribution to its shareholders or, in the case of a Deemed Liquidation Event, the remaining consideration, shall be distributed among the holders of Common voting shares in accordance with the share terms for the Common voting shares.

(B) The holders of the Series 2 Preferred Shares shall not, as such, be entitled, upon the liquidation, dissolution or winding-up of the Corporation or on the sale of the Core Business, to share in any proceeds received by the Corporation from the disposition of the Core Business.

(iii) Effecting a Deemed Liquidation Event. The Corporation shall not have the power to effect a Deemed Liquidation Event unless the agreement or plan of arrangement for such transaction (in this Section 1(e), the "**Definitive Agreement**") provides that the consideration payable to the shareholders of the Corporation in such Deemed Liquidation Event shall be allocated to the holders of shares of the Corporation in accordance with Sections 1(e)(i) and if applicable, 1(e)(ii).

(iv) Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the shareholders of the Corporation upon any such amalgamation, arrangement, consolidation, merger, reorganization, sale, lease, transfer, exclusive license or other disposition in this Section 1(e) shall be the cash or the fair market value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The fair market value of such property, rights or securities shall be determined in good faith by the Board (including the approval of the Preferred Director).

(v) Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event under Section 1(a)(xii)(A)(1), if any portion of the consideration payable to the shareholders of the Corporation is payable only upon satisfaction of contingencies (in this Section 1(e), the "**Additional Consideration**"), the Definitive Agreement shall provide that: (A) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the shareholders of the Corporation in accordance with Sections 1(e)(i) and 1(e)(ii) as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (B) any Additional Consideration which becomes payable to the shareholders of the Corporation upon satisfaction of such contingencies shall be allocated among the shareholders of the Corporation in accordance with Sections 1(e)(i) and 1(e)(ii) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 1(e), consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

(f) **Purchase for Cancellation.** Subject to applicable law and any requisite regulatory approvals, from and after the Earliest Redemption Date, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any number of the Series 2 Preferred Shares outstanding from time to time:

(i) through the facilities of any stock exchange on which the Series 2 Preferred Shares are listed;

(ii) by invitation for tenders addressed to all the holders of record of the Series 2 Preferred Shares outstanding; or

(iii) in any other manner,

at the lowest price or prices at which, in the opinion of the Board, such shares are obtainable. If upon any invitation for tenders under the provisions of this Section 1(f) more Series 2 Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the

Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series 2 Preferred Shares so tendered by each of the holders of Series 2 Preferred Shares who submit tenders at that price. From and after the date of purchase by the Corporation of any Series 2 Preferred Shares under the provisions of this Section 1(f), the shares so purchased shall be restored to the status of authorized but unissued shares.

(g) **No Section 191.2 Tax Election**. The Corporation shall not make any election under section 191.2 of the Tax Act or any successor or replacement provision of similar effect, with respect to the Series 2 Preferred Shares, unless otherwise determined by the Corporation in its sole and absolute discretion. For greater certainty, the Series 2 Preferred Shares are "taxable preferred shares" for the purposes of the Tax Act, and certain holders of Series 2 Preferred Shares may be subject to, and shall be fully responsible for all, Part IV.1 Tax on dividends or other distributions paid on the Series 2 Preferred Shares.

(h) **Withholding Taxes.** Notwithstanding any other provision of these Articles, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made to holders of Series 2 Preferred Shares pursuant to these Articles any amounts permitted or required by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made to holders of Series 2 Preferred Shares pursuant to these Articles is less than the amount that the Corporation is so required to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made to holders of Series 2 Preferred Shares pursuant to these Articles any amounts permitted or required by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. For greater certainty, the Corporation shall be permitted to withhold any additional amounts as it deems necessary to satisfy its withholding and remittance obligations, including such additional amount as the Corporation determines in its absolute discretion may be required to mitigate any possible fluctuation in the value of shares or other property in the event that such shares or other property must be sold in order to satisfy the Tax obligation of a holder of Series 2 Preferred Shares. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series 2 Preferred Shares pursuant to these Articles shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this Section 1(h). Holders of Series 2 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act, or any successor replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these Articles and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these Articles.

(i) **Funding of Litigation**

(i) Litigation Funding Commitment. The Corporation:

(A) will pay Legal Fees and Disbursements in respect of the Litigation up to a maximum of the Required Litigation Funding Amount; and

(B) provided the Corporation believes the Litigation and the Claims continue to be commercially viable, may pay Legal Fees and Disbursements in respect of the Litigation above the Required Litigation Funding Amount,

(the "**Litigation Funding Amount**"), subject to the terms and conditions set forth in these Articles. Funding is provided on a non-recourse basis, meaning that if no Litigation Proceeds are recovered, no holder of a Series 2 Preferred Share is obligated to pay any portion of the Expended Funding Amount by the Corporation.

(ii) Limitation of Funding Obligation. Notwithstanding anything in these Articles, in no event shall the Corporation's obligation to fund the Legal Fees and Disbursements exceed the Required Litigation Funding Amount in respect of the Litigation.

(iii) No Affirmative Liability. Except for payment of the Litigation Funding Amount, under no circumstances will the Corporation have any obligation to pay any liabilities of a holder of Series 2 Preferred Share, including fees, costs, expenses, counterclaim, crossclaim awards or third-party awards, nor will the Corporation be otherwise liable for any obligation of a holder of a Series 2 Preferred Share whatsoever by virtue of being a holder of Series 2 Preferred Shares, except as expressly provided for in these Articles.

(j) **Receipt of Litigation Proceeds**

(i) Monetary Form. The Corporation and the Lawyers, at the Corporation's instruction, shall use all reasonable endeavours to ensure that any Litigation Proceeds are received in monetary form.

(ii) Corporation's Receipt of Litigation Proceeds. If the Corporation directly or indirectly receives any Litigation Proceeds, such Litigation Proceeds will be held by the Corporation in the Segregated Account for the benefit of the party that is intended to be the ultimate recipient thereof under these Articles, and the Corporation shall pay forthwith the Litigation Proceeds in accordance with these Articles.

(k) **Application of Litigation Proceeds**

(i) Payment Waterfall. In the event the Corporation receives any Litigation Proceeds, such Litigation Proceeds shall be deposited into the Segregated Account;

(A) the Corporation shall be entitled to

(1) an amount equal to the sum of:

1. the Expended Funding Amount;

2. the estimated asset-retirement obligations related to the Quebec Business as determined by the Corporation acting reasonably;

3. all costs and expenses reasonably incurred by the Technical Committee in connection with the performance or observance of its duties under these Articles; plus

4. the Oversight Committee Expenses paid or payable to the Oversight Committee pursuant to the Oversight Committee Agreement;

(collectively, the "**Expense Reimbursement**"); and

(2) an amount equal to the sum of 5% of the Litigation Proceeds,

(the "**Investment Return**"), and for greater certainty, may transfer an amount equal to the Investment Returns from the Segregated Account to any non-Segregated Account of the Corporation;

(B) the remaining Litigation Proceeds (the "**Series 2 Litigation Proceeds Amount**") shall be held in the Segregated Account until payment of the Series 2 Litigation Dividend Amount to the holders of the Series 2 Preferred Shares, after which any balance may be used by the Corporation to pay its Taxes or for such other purposes as it may determine.

(l) **Conduct of Litigation and Settlement Rights.** Subject to the provisions of this Section 1(l), the Corporation will have the sole and exclusive right to direct the conduct of the Litigation. However, the Corporation will have no right to enter into a settlement agreement with respect to the Litigation unless, subject to the terms of the Oversight Committee Agreement:

(i) the Corporation immediately notifies the Oversight Committee in writing when settlement discussions commence or when the Corporation receives any Settlement Offer (but in any event no later than three (3) Business Day after receipt), and within that same three (3) Business Day period, the Corporation must also communicate in writing the amount and terms of such Settlement Offer, and all settlement proposals the Corporation intends to make in response to the Settlement Offer or proposal;

(ii) the Corporation and the Oversight Committee consult in good faith as to the appropriate course of action in connection with all Settlement Offers, proposals or discussions, including whether any Settlement Offer or proposal should be made, accepted or rejected or whether any counterproposal should be made and, if so, the terms thereof;

(iii) the Oversight Committee has at minimum seven (7) Business Days to assess the potential impact of the proposed settlement on the holders of Series 2 Preferred Shares, and if after this assessment the Oversight Committee determines that the proposed settlement may negatively affect the holders of Series 2 Preferred Shares, the Oversight Committee may withhold its consent to the settlement. Any settlement reached without the consent of Oversight Committee will be considered a breach of these Articles; and

(iv) the Corporation obtains the written consent of the Oversight Committee, before agreeing to any Settlement Offer.

(m) **Covenants of the Corporation**

(i) Co-Operation of Corporation. At all times during the Litigation Term, the Corporation shall:

(A) conduct the Litigation efficiently and effectively, and in a manner that avoids unnecessary costs and delay and shall provide full, honest and timely instructions to the Lawyers;

(B) co-operate with the Lawyers in all material matters pertaining to the Litigation and shall devote sufficient time and attention as is reasonably necessary to conclude the Litigation successfully;

(C) follow all reasonable legal advice given by the Lawyers in relation to the Litigation and the Claims;

(D) co-operate with the Oversight Committee including by being reasonably available to the Oversight Committee's reasonable request to discuss the Claim or the Litigation (to the extent permitted by law), by phone, email or in person;

(E) comply with all orders of the Court and all statutory provisions, regulations, rules and directions that apply to the Corporation in relation to the Claims and the Litigation;

(F) authorize and instruct the Lawyers to comply with their obligations, recognizing that the Lawyers must at all times comply with their professional duties to act independently and in the best interests of the Corporation and in accordance with their other professional duties;

(G) remain party to the Litigation until Final Resolution;

(H) subject to the terms of these Articles, remain responsible for all liability, costs and expenses related thereto, including all litigation costs, consisting of but not limited to Legal Fees and Disbursements relating to the Claims and the Litigation;

(I) use commercially reasonable best efforts to prevail in the Litigation and to collect the Litigation Proceeds as soon as practicable;

(J) immediately inform the Lawyers and the Oversight Committee of any information, circumstance or change in circumstances reasonably likely to affect the Claims, or any issue in the Litigation relating to the recoverability of the Litigation Proceeds; and

(K) together with the Lawyers, cause any Litigation Proceeds to be received or recovered as quickly as reasonably possible, promptly enter, enforce and execute on any judgment obtained in the Litigation and pursue the Litigation in all appropriate jurisdictions.

(ii) Negative Covenants of the Corporation. At all times during the Litigation Term, the Corporation shall not:

(A) take any steps or execute any documents which would materially or adversely affect the Claims or the recoverability of the Litigation Proceeds;

(B) engage in any acts or conduct or make any material omissions, agreements or arrangements that may jeopardize the Corporation's right to receive any Litigation Proceeds;

(C) discontinue, abandon or withdraw the Litigation or the Claims without the prior written consent of the Shareholder Representative, on behalf of the Oversight Committee;

(D) settle or reject an offer to Settle the Litigation or the Claims unless the Corporation does so in accordance with Section 1(l); or

(E) materially amend the Claims, including by pleading any new cause of action in the Litigation, without the prior written consent of the Oversight Committee.

(iii) Direction by the Corporation. The Corporation hereby irrevocably agrees to instruct the Lawyers for the duration of this Agreement to:

(A) comply with all orders of the Court and all statutory provisions, regulations, rules and directions which apply to the Corporation in relation to the Claims and the Litigation;

(B) keep the Oversight Committee fully informed of all material developments in the Litigation and in relation to the Claims, including immediately informing the Oversight Committee if, in the Lawyers' opinion, the Corporation's prospects of achieving success in the Litigation or the Defendant's capacity to pay any judgment is or is likely to be impaired;

(C) provide the Oversight Committee with a copy of all material documents given by the Lawyers or counsel to the Corporation in relation to the Litigation and the Claims and, if requested to do so by the Oversight Committee, a copy of all documents obtained from, or provided to the Defendant;

(D) immediately inform the Oversight Committee of all Settlement Offers or offers to engage in any alternative dispute resolution process received from the Defendant and allow the Shareholder Representative, on behalf of the Oversight Committee, the opportunity to attend any such alternative dispute resolution process agreed to with the Defendant; and

(E) sign any document and take any steps necessary to give full effect to and to enforce any Settlement reached in accordance with the terms of these Articles and approved by the court (if applicable).

(n) **Financial Statements and Inspection.** The Corporation shall maintain accurate and complete books and records reflecting its financial transactions and business in relation to the Claim and the subject matter thereof as applicable and will make them available for the Oversight Committee inspection upon reasonable notice.

(o) **Oversight Committee and Shareholder Representative.**

(i) Oversight Committee.

(A) The number of members of the Oversight Committee shall be fixed at three (3).

(B) The Oversight Committee shall choose amongst themselves one (1) member of the Oversight Committee who shall act as the shareholder representative (the "**Shareholder Representative**"), on behalf of the Oversight Committee.

(C) On the date of issuance of the first Series 2 Preferred Shares, the initial members of the Oversight Committee shall consist of the members set out in the Oversight Committee Agreement and the initial Shareholder Representative shall be such member of the Oversight Committee as set forth

as the initial Shareholder Representative in the Oversight Committee Agreement.

(D) For the purposes of these Articles, the provisions of Section 120 of the *Business Corporations Act* (Alberta) regarding disclosure by directors and officers in relation to contracts shall apply to the Oversight Committee, with each reference to "director" deemed to refer to a "member of the Oversight Committee".

(ii) Approval Threshold. The approval of the holders of the Oversight Committee with respect to any and all matters Authorized Actions may be given in writing by the holders of not less than a majority of the member of the Oversight Committee or by resolution duly passed and carried by not less than a majority of the members of the Oversight Committee at a meeting duly called and held for the purpose of considering the subject matter of such resolution and a majority of the members of the Oversight Committee are present in person; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of the members of the Oversight Committee are not present in person within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than forty-eight (48) hours later, and to such time and place as may be fixed by the Shareholder Representative, and at such adjourned meeting the members of the Oversight Committee, whether or not they represent a majority of the members of the Oversight Committee, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than a majority of the votes cast on a poll at such adjourned meeting shall constitute the approval of the members of the Oversight Committee. Notice of any such original meeting of the members of the Oversight Committee shall be given not less than forty-eight (48) hours prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than forty-eight (48) hours prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of directors. On every poll taken at any such original meeting or adjourned meeting, each member of the Oversight Committee present in person shall be entitled to one vote.

(iii) Oversight Committee Actions. The Oversight Committee, on behalf of the holders of Series 2 Preferred Shares, shall have the full power and authority to:

(A) agree to any amendment, supplement or modification of the 2015 CAPL Operating Procedure pursuant to Section 1(a)(i);

(B) direct the Corporation pursuant to Sections 1(l) and 1(m);

(C) provide written approval pursuant to Sections 1(a)(lxxiii), 1(l) and 1(m);

(D) receive all notices, information and other deliverables pursuant to Sections, 1(l), 1(m), 1(n), 1(q) and 1(r); and

(E) appoint a Shareholder Technical Representative pursuant to Section 1(r).

(iv) Authorized Actions. The Corporation shall be entitled to rely on any action taken by the Shareholder Representative, on behalf of the Oversight Committee, acting on behalf of the holders of Series 2 Preferred Shares, in accordance with this Section 1(o) (each, an "**Authorized Action**"), and each Authorized Action shall be binding on each holder of Series 2 Preferred Shares as fully as if such Person had taken such Authorized Action.

(v) Shareholder Representative as Exclusive Authorized Representative. The Corporation shall be entitled to deal exclusively with the Shareholder Representative on all matters relating to an Authorized Action and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Series 2 Preferred Shares by the Shareholder Representative, and on any other action taken or purported to be taken on behalf of any Series 2 Preferred Shares by the Shareholder Representative, as being fully binding upon such Person. Any decision or action by the Shareholder Representative hereunder, including any agreement between the Shareholder Representative and Corporation relating to the defense, payment or settlement of any Claims or Litigation hereunder, shall constitute a decision or action of all holders of Series 2 Preferred Shares and shall be final, binding and conclusive upon each such Person. No holder of Series 2 Preferred Shares shall have the right to object to, dissent from, protest or otherwise contest the same.

(vi) Appointment of Shareholder Representative. The Person that is the Shareholder Representative as of the date of these Articles shall be deemed for all purposes hereunder to be the Shareholder Representative unless and until the earlier of:

(A) the Corporation's receipt of written notice of approval of the Oversight Committee in accordance with these Articles of the appointment of a new Shareholder Representative, subject to such new Shareholder Representative executing a joinder to the Oversight Committee Agreement. For certainty, to the extent until such written notice has been received, the Corporation shall be entitled to continue to treat the then-current Person appointed as Shareholder Representative as the Shareholder Representative for all purposes hereunder; and

(B) the date of resignation in the written notice of resignation received by the Corporation from the Shareholder Representative. If a successor Shareholder Representative has not been appointed by the members of the Oversight Committee in accordance with these Articles within thirty (30) days from the date of resignation, the ceasing Shareholder Representative shall be entitled to designate a successor Shareholder Representative until a new Shareholder Representative has been appointed by the Oversight Committee in accordance with these Articles.

(vii) No Fiduciary Duties. Under no circumstances shall the members of the Oversight Committee be construed as acting as agent or in any fiduciary or similar capacity for the holders of the Series 2 Preferred Shares in connection with these Articles.

(viii) Oversight Committee Expenses. The Oversight Committee is under no obligation to expend its own funds in the execution of its duties as the Oversight Committee. The Corporation shall fund all costs and expenses reasonably incurred by the Oversight Committee in connection with the performance or observance of its duties under these

Articles in accordance with the terms of the Oversight Committee Agreement (the "**Oversight Committee Expenses**").

(p) **Quebec Business Drilling Commitment and Earn-In**

(i) Drilling Commitment.

(A) Upon the Reinstatement Date and in accordance with the Work Program and Budget prepared by the Technical Committee and approved by Board, the Corporation may, at the Corporation's sole cost and expense, elect to Drill to either Vertical Contract Depths at the location(s) as determined by the Corporation in consultation with the Technical Committee on the Farmout Lands, commence the construction of one or more locations for Well Pads and Spud ten (10) vertical wells to the desired Vertical Contract Depth in any combination and Drill, case Complete and/or Abandon such well(s) (the "**Test Wells**"). All right, title and interest in the Farmout Lands, wells, facilities and associated assets shall at all times remain with the Corporation. For greater certainty, the holders of the Series 2 Preferred Shares shall only have an indirect economic interest in the Quebec Business by way of the Series 2 Operational Dividend Amount payable pursuant to Section 1(c)(i)(B), and not any legal or beneficial title to the Farmout Lands or wells.

(B) Nothing herein shall prevent the Corporation from drilling deeper or longer than a Vertical Contract Depth as chosen, at its own discretion.

(C) The Corporation is hereby named Operator pursuant to the 2015 CAPL Operating Procedure.

(D) The obligation to Spud a Test Well(s) is subject to:

(1) availability of a rig and the related supplies and services, surface access and receipt of all; licences, approvals and similar authorizations required under the Regulations, provided that the Corporation has diligently been using reasonable efforts to obtain them; and

(2) the application of the provisions hereof pertaining to Force Majeure.

(ii) Corporation's Obligations to Drill and Evaluate the Test Well. The Corporation will, for a Test Well:

(A) diligently and continuously drill it to the desired Vertical Contract Depth using a well design that would allow that Test Well to be Completed in due course;

(B) evaluate it to the reasonable satisfaction of the Corporation in the applicable formations of the Farmout Lands and any obligation to conduct one or more production tests injectivity tests thereunder as part of the Completion of that Test Well;

(C) Complete, Cap or Abandon it; and

(D) in the case to Abandonment of the Test Well, it shall be Abandoned by the Corporation at its sole discretion.

(iii) Corporations Obligations for Evaluation of a Test Well. If the Corporation has drilled a Test Well to a Vertical Contract Depth, and Petroleum Substances or injectivity capabilities are not reasonably anticipated to be present in Paying Quantities or meet reasonable economic thresholds in that well from any formation included in the Farmout Lands after the review of the drilling information or after a Completion that is not successful in the relevant formation(s), the Corporation will Abandon the well.

(iv) Earn-In. If the Corporation has fulfilled its obligations to Drill, test, produce or inject, as the case may be, or Abandon, any and all of the ten (10) Test Wells and the Corporation has tied-in and produced/injected at least one Test Well, the Corporation will earn a fifty percent (50%) interests in the Farmout Lands and Test Wells, effective as of the drilling rig release date for the tenth (10^{th}) Test Well and will be entitled to a portion of the Operating Income in accordance with Section 1(p)(v).

(v) Entitlement to Operating Income. Upon completion of the Test Wells in accordance with Section 1(p)(i) (the "**Earn-In Date**"), the Corporation shall be entitled to attribute the remainder of the Operating Income for the relevant Fiscal Year to the Core Business after deducting the Series 2 Operational Dividend Amount for the relevant Fiscal Year payable to the holders of Series 2 Preferred Shares pursuant to Section 1(c)(i)(B).

(vi) Incomplete Fulfillment of Test Wells. If the Corporation does not complete its Test Well obligations in accordance with Section 1(p)(i) or elects to not pursue the remaining Drilling of Test Wells then it shall not be entitled to attribute any portion of Operating Income to the Core Business that is payable to the holders of Series 2 Preferred Shares pursuant to Section 1(c)(i)(B) and 100% of Operating Income shall continue to be attributed to the Quebec Business for the benefit of the holders of the Series 2 Preferred Shares effective at that time, in accordance with Section 1(c)(i)(B).

(q) **Right to Information.** From and after the Reinstatement Date, at the request of the Oversight Committee, and subject to the terms of the Oversight Committee Agreement, the Corporation shall provide the Oversight Committee with:

(i) monthly exploration reports updating the status of the Work Program and Budget including, but not limited, reasonable access to the Corporation's scientific and technical data, work plans and programs, permitting information and results of operations. The Corporation shall not be obligated to provide a monthly exploration report if one has not been prepared for internal use;

(ii) monthly financial reports related to the Quebec Business, including unaudited monthly balance sheet, income statements and cash flow statements of the Quebec Business, all prepared in accordance with GAAP along with the Corporation's calculations of Operating Income and the Quebec Business Distributable Cash;

(iii) a quarterly report that includes a complete written statement of charges and expenditures or other supporting documentation, if any, available for Farmout Operations to be rendered in accordance with an approved Work Program and Budget or portion thereof ("**Quarterly Reports**"); and

(iv) such other information relating to the operational condition, financial condition, business or corporate affairs related to the Quebec Business as the Oversight Committee may from time to time reasonably request.

Following the delivery of each report the Corporation shall use commercially reasonable efforts to respond to reasonable questions and inquiries from the Oversight Committee with respect to the report and the contents thereof.

(r) **Technical Committee**

(i) Technical Committee Formation. From and after the Reinstatement Date, in order to facilitate communication between the Corporation and the Oversight Committee with respect to technical, operating, exploration, sustainability and external relations matters, the Corporation shall form an advisory committee (the "**Technical Committee**"). The Technical Committee shall be composed of up to **three (3)** members (each member, a "**Technical Representative**"). The Oversight Committee shall have the right (but not the obligation) to appoint one Technical Representative (a "**Shareholder Technical Representative**") whose mandate shall be to advise the Board with respect to the overall supervision and direction of the Farmout Operations. The Corporation shall appoint the remaining members of the Technical Committee. Each of the Shareholder Representative and the Corporation may appoint or remove its respective Technical Representative by written notice to the other.

(ii) Alternate Technical Representative. Any Technical Representative may designate an alternate to attend a meeting of the Technical Committee in their place, and such alternate shall be deemed to be a Technical Representative for that meeting. Each of the Corporation and the Shareholder Representative may also designate one or more observers to attend Technical Committee meetings, subject to the prior consent of the other (not to be unreasonably withheld). Observers shall be identified by prior written notice, and the designating party shall be responsible for distributing meeting materials to its observers.

(iii) Role of the Technical Committee. The role of the Technical Committee shall be to advise the Board on technical and financial matters, with respect to the Quebec Business, including but not limited to Farmout Operations that are necessary or desirable to properly explore, appraise, develop, produce from and otherwise exploit the Farmout Lands in a manner appropriate in the circumstances. Without limiting the generality of the foregoing, the Technical Committee shall:

(A) provide for the planning, design, engineering and implementation of Work Programs and Budgets;

(B) prepare, review, discuss and present the Work Programs and Budgets to be considered by the Board;

(C) prepare and deliver to the Oversight Committee all Quarterly Reports, as required;

(D) update the Board and the Oversight Committee, as requested, on the status of Farmout Operations on a technical basis;

(E) review and analyze the most recently available data produced from Farmout Operations;

(F) make recommendations concerning any matters and/or revise Work Programs and Budgets as directed by the Board;

(G) have day to day decision-making authority to determine the content of the Work Programs and Budgets, with ultimate authority being reserved exclusively to the Board; and

(H) have no final decision-making authority, that authority being reserved exclusively to the Board.

(iv) Meetings of the Technical Committee. From and after the Reinstatement Date, unless otherwise agreed upon by the Technical Representatives, the Technical Committee shall hold regular meetings at least quarterly and otherwise on 15 days' notice delivered to the Technical Representatives by either the Corporation or the Oversight Committee. Meetings may be held in person at the offices of the Corporation, telephonically or at other mutually agreed places. Subject to the Corporation's obligations and restrictions under applicable law, at each meeting of the Technical Committee, the Corporation shall report to the Technical Representatives on all matters relevant to the Corporation's exploration and operations, in such form and with such detail as is requested by the Technical Committee. Notwithstanding anything to the contrary, the Shareholder Technical Representatives shall have no obligation to attend any Technical Committee meeting. In lieu of meetings in person, the Technical Committee may conduct meetings by telephone or video conference or by other means of electronic communication by which all persons participating in the meeting are able to hear the entire meeting and be heard by all other persons attending the meeting, in each case as the Technical Committee determines.

(v) Access to Information. Subject to the Oversight Committee Agreement and applicable law, the Corporation shall provide each Technical Representative with access to all technical, resource, exploration, sustainability, and operational information relating to the Quebec Business, which, for greater certainty, shall include internal reports in addition to the data and conclusions produced therefrom.

(s) **Payment Procedure.** Notwithstanding any other right, privilege, restriction or condition attaching to the Series 2 Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series 2 Preferred Shares by way of cheque, a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series 2 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series 2 Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series 2 Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or

accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

(t) **Cancellation of Series 2 Preferred Shares.** From and after the Earliest Redemption Date, if the Final Resolution does not include the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result:

(i) if there are Litigation Proceeds upon the Final Resolution, the Series 2 Preferred Shares shall be deemed to have been redeemed by the Corporation for no additional consideration on the later of:

(A) the Business Day after the Litigation Proceeds Payment Date; and

(B) the Earliest Redemption Date,

and such redeemed Series 2 Preferred Shares shall be cancelled. From and after the date of cancellation, the holders of the Series 2 Preferred Shares are not entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Series 2 Litigation Dividend Amount is not made to the holders of the Series 2 Preferred Shares in accordance with Section 1(c)(i)(A), in which case the rights of the holders thereof remain unaffected until payment of such amounts is made; and

(ii) if there are no Litigation Proceeds upon the Final Resolution, the Series 2 Preferred Shares shall be deemed to have been redeemed by the Corporation for no additional consideration on the later of:

(A) the Business Day after the date of the Final Resolution; and

(B) the Earliest Redemption Date,

and such redeemed Series 2 Preferred Shares shall be cancelled. From and after the date of cancellation, the holders of the Series 2 Preferred Shares are not entitled to exercise any of the rights of shareholders in respect thereof.

EXHIBIT “A”

2015 CAPL OPERATING PROCEDURE

The following provisions of the standard form 2015 CAPL Operating Procedure are incorporated herein by reference, mutatis mutandis, as may be modified more specifically below:

1.01 "Abandonment";
" Accounting Procedure", and refers to the standard form 1996 PASC Accounting Procedure as part of a Schedule (*), if cost classifications in the 2015 CAPL Operating Procedure and the 1996 PASC Accounting Procedure conflict, the Accounting Procedure shall govern financial accounting, and the Operating Procedure shall govern operational classification;
"Affiliate";
"Business Day";
"Commenced";
"Completion";
"Completion Costs";
"Deepen";
"Drilling Costs", which will also include any of those costs associated with the initial well if a well is drilled as a substitute well under Clause 3.02 to hold an interest Farmout Lands that include the location of that initial well;
"Environmental Liabilities";
"Equipping";
"Equipping Costs";
"Facility Fees", with "Clause 15.01" replacing "Article 21.00" in the second last line;
"Facility Usage", with "Farmee's" replacing "Party's" in the first line and "from a Royalty Well" replacing "of a Non-Taking Party under Article 6.00 or those produced from an Independent Well" in the second and third lines;
"First Point of Measurement";
"Force Majeure";
"Gross Negligence or Wilful Misconduct";
"HSE";
"Losses and Liabilities";
"Market Price", in which the optional sentence therein will_/will not X (Specify) be selected to apply;
"Operating Costs";
"Operation";
"Operator";
"Paying Quantities";
"Petroleum Substances";
"Recompletion";
"Regulations";
"Reworking";
"Schedule";
"Sidetracking";
"Spud",
"Title Administrator";
"Vertical Stratigraphic Wellbore"; and
"Working Interest", in which the phrase "a Production Facility; or" is deleted;

1.02 "References And Interpretation";

1.04 "Conflicts", with "Article 11 .00" replacing the phrase "Article 4.00" in the ninth line of Subclause 1.04A;

1.06 "Governing Law";

1.07 "Extension Under Alberta Limitations Act",

1.08 "Time Of Essence";

1.09 "No Amendment Except In Writing";
1.10 "Waiver";
1.14 "Term";
3.04 "Proper Practices In Joint Operations",
3.05 "Health, Safety And The Environment",
3.06 "Protection From Liens",
3.07 "Records And Accounts";
3.09 "Surface Rights And Regulatory Licences";
3.10 "Maintenance Of Title Documents",
3.11 "Insurance" - Alternate A (Specify (a) or (b)) in Subclause 3.11 C;
3.14 "Measurement";
15.01 "Responsibility For Additional Encumbrances";
15.02 "Certain Encumbrances Continue To Apply To Working Interest";
16.01 "Suspension Of Obligations Due To Force Majeure";
16.02 "Obligation To Remedy Force Majeure";
17.01 "Sharing Of Certain Incentives And Benefits", with the addition of the following at the end of Subclause 17.01A: "All royalty incentives accruing to an Test Well under the Regulations due to the Farmee's activities under this Head Agreement will accrue to the benefit of the Parties in proportion to their respective Working Interests in the applicable Test Well at the relevant time(s). Insofar as the royalties payable under the Title Documents to the grantor thereof are a function of a Party's capital base, costs incurred under this Farmout & Royalty Procedure with respect to any Test Well will be regarded as having been incurred by the Parties in proportion to their respective Working Interests therein at the relevant time(s)";
18.01 "Confidentiality Requirement";
18.02 "Proprietary Information Disclosed By A Party";
18.04 "Interpretive Data";
18.05 "Confidentiality Requirement To Continue";
18.06 "Warranty Disclaimer Respecting Information Disclosures";
19.01 "Parties To Discuss Public Announcements";
22.01 "Service Of Notice", with the deletion of the last sentence of Subclause 22.01A;
22.02 "Addresses For Service"-The Parties' addresses for service will be as set forth in the 2015 CAPL Operating Procedure or in the Head Agreement, as applicable;
25.01 "Parties To Supply Further Assurances";
25.03 "Enurement";
25.06 "Waiver Of Relief'; and
25.07 "Conflict Of Interest".

In those incorporated provisions, "Joint Lands" will be read as "Farmout Lands", "Joint Operations" will be read as "Operations" or Farmout Operations", , "Operator" will be read as "Corporation", as applicable, Nothing in any of those incorporated provisions requires the Preferred Shareholders to assume any cost, risk or expense associated with an Operation conducted hereunder unless otherwise provided herein.

EXHIBIT "B"

1996 PASC ACCOUNTING PROCEDURE ELECTIONS

The following clauses of the 1996 PASC Accounting Procedure are modified to include the indicated election, alternate, option or value:

Clause 105 Operating Fund **10%**

Clause 110 Approvals Clause **7**; from **2** or more Owners having interests in the Joint Property totaling **60%** or more

Clause 112 Expenditure Limitations (a) not in excess of **$50,000**
(c) not in excess of **$50,000**

Clause 202 Employee Benefits (b) not to exceed **25%**

Clause 213 Camp and Housing (b) shall _____ / shall not **x**

Clause 216 Warehouse Handling the last sentence should read "on a percentage assessment basis of 2.5% of the cost of tubular goods in excess of $5.000 and 5% of the cost of all other Material.

Clause 221 Allocation Options Deleted – N/A

Clause 302 Overhead Rates

(a) Exploration Project
- (1) **5%** of the first **$50,000**; plus
- (2) **3%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(b) Drilling of a well
- (1) **3%** of the first **$50,000**; plus
- (2) **2%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(c) Initial Construction
- (1) **5%** of the first **$50,000**; plus
- (2) **3%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(d) Subsequent Construction Project
- (1) **3%** of the first **$50,000**; plus
- (2) **2%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(e) Operation and Maintenance:
- (1) _____% of cost; and/or
- (2) **$500** per Producing Well per month; or
- (3) Flat rate of _____ dollars per month

Subclause 302(e)(2) and 302(e)(3) hereof shall _____ / shall not **X** be adjusted

Clause 406 Dispositions **$50,000**

EXHIBIT "C"

FARMOUT LANDS

#	Petroleum and Natural Gas Licenses	Working Interest	Royalty Interests	AREA/Wells
1.	2008PG959 PNG Permit dated May 6, 2008 All PNG – M01174	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
2.	2008PG960 PNG Permit dated May 6, 2008 All PNG – M01175	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
3.	2008PG961 PNG Permit dated May 6, 2008 All PNG – M01176	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
4.	2008PG962 PNG Permit dated May 6, 2008 All PNG – M01177	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Saint-Edouard No. 1 Saint-Edouard HZ No. 1a
5.	2008PG963 PNG Permit dated May 6, 2008 All PNG – M01178	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 82.353% Terrenex Ventures Ltd. 17.647%	Lowlands
6.	2008PG964 PNG Permit dated May 6, 2008 All PNG – M01179	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Fortierville HZ No. 1
7.	2008PG965 PNG Permit dated May 6, 2008 All PNG – M01180	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
8.	2006PG907 PNG Permit dated May 6, 2006 All PNG – M00147	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Sainte-Gertrude HZ No. 1 Gentilly No. 1 Gentilly HZ No. 2
9.	2008PG966 PNG Permit dated May 6, 2008 All PNG – M01181	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
10.	2008PG967 PNG Permit dated May 6, 2008 All PNG – M01182	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
11.	2008PG968 PNG Permit dated May 6, 2008 All PNG – M01183	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands

#	Petroleum and Natural Gas Licenses	Working Interest	Royalty Interests	AREA/Wells
12.	2008PG969 PNG Permit dated May 6, 2008 All PNG – M01184	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
13.	2008PG970 PNG Permit dated May 6, 2008 All PNG – M01185	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
14.	2008PG971 PNG Permit dated May 6, 2008 All PNG – M01186	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands La Visitation No. 1
15.	2008PG972 PNG Permit dated May 6, 2008 All PNG – M01187	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Saint David No. 1
16.	2008PG973 PNG Permit dated May 6, 2008 All PNG – M01188	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
17.	2002PG625 PNG Permit dated March 19, 2002 All PNG – M01541	100%	Crown LOR 15% NC GORR on 100% production Paid by: QEC 100% Paid to: Altai Resources Inc. 53.5% Petro St-Pierre Inc. 46.5%	Lowlands Saint-Francois-du-Lac No. 1
18.	2008PG974 PNG Permit dated February 21, 2008 All PNG & Gas Storage Rights – M01537	80% PNG 20% Gas Storage	Crown LOR	Lowlands Leclercville No. 1 Leclercville HZ No. 1a
19.	2005PG794 PNG Permit dated December 12, 2005 All PNG – M01538	100%	Crown LOR	Lowlands
20.	2005PG795 PNG Permit dated December 12, 2005 All PNG – M01539	100%	Crown LOR	Lowlands
21.	2005PG796 PNG Permit dated December 12, 2005 All PNG – M01540	100%	Crown LOR	Lowlands
22.	2005PG773 PNG Permit dated March 1, 2005 All PNG – M00156	100%	Crown LOR	Saint Jean Saint Jean Sur Richelieu No. 1
23.	2006RS150 Underground Reservoir PNG Permit dated July 14, 2006 All PNG – M00133	20% - ALL PNG TBO Utica Shale 100% - ALL PNG BBO Utica Shale	Crown LOR	Yamaska Saint Francois Du Lac No. 1; HZ No. 1 A253, A260
24.	2006RS151 Underground Reservoir PNG Permit dated July 14, 2006 All PNG – M00134	20% - ALL PNG TBO Utica Shale 100% - ALL PNG BBO Utica Shale	Crown LOR	Yamaska Saint Louis De Richelieu No. 1; HZ No.1, A254, A254-R1

#	Petroleum and Natural Gas Licenses	Working Interest	Royalty Interests	AREA/Wells
25.	2009PG496 PNG Permit dated April 28, 2009 ALL PNG – M01203	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
26.	2009PG497 PNG Permit dated April 28, 2009 ALL PNG – M01204	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Bourque No. 1 Bourque No. 2
27.	2009PG498 PNG Permit dated April 28, 2009 ALL PNG – M01205	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
28.	2009PG499 PNG Permit dated April 28, 2009 ALL PNG – M01206	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
29.	2009PG502 PNG Permit dated April 28, 2009 ALL PNG – M01212	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
30.	2009PG503 PNG Permit dated April 28, 2009 ALL PNG – M01213	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
31.	2009PG504 PNG Permit dated April 28, 2009 ALL PNG – M01214	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
32.	2005RS111 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01215	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
33.	2005RS112 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01216	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
34.	2009PG505 PNG Permit dated April 28, 2009 ALL PNG – M01217	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Le Ber No. 1
35.	2005RS120 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01218	Royalty Interest Only	5% NC GORR on 100% production Paid by: Cuda Oil 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Wakeham No. 1
36.	2005RS122 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01219	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Petrolia Haldimand Well No. 1; Petrolia Haldimand Well No. 2; Petrolia Haldimand Well No. 3; Petrolia Haldimand Well No. 4
37.	2005RS123 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01242	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Petrolia Haldimand Well No. 1

Name/Structure Change Alberta Corporation - Registration Statement

Alberta Amendment Date: 2026/06/23

Service Request Number: 47499079
Corporate Access Number: 2014879056
Business Number: 105651996
Legal Entity Name: QUESTERRE ENERGY CORPORATION
French Equivalent Name:
Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
New Legal Entity Name: QUESTERRE ENERGY CORPORATION
New French Equivalent Name:
Nuans Number:
Nuans Date:
French Nuans Number:
French Nuans Date:
Share Structure: SHARE STRUCTURE SCHEDULE ATTACHED
Share Transfers Restrictions: NONE
Number of Directors:
Min Number Of Directors: 3
Max Number Of Directors: 11
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: OTHER PROVISIONS SCHEDULE ATTACHED
BCA Section/Subsection: 173(1)(F), 29(1)(A)
Professional Endorsement Provided:
Future Dating Required:
Amendment Date: 2026/06/23

Annual Return

File Year	Date Filed
2025	2025/08/11
2024	2024/08/12
2023	2023/11/01

The corporation representative has confirmed that there are no shareholders.

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2009/09/01

Other Rules or Provisions	ELECTRONIC	2009/09/01
Statutory Declaration	10000306102405936	2009/09/01
Shares in Series	ELECTRONIC	2026/01/27
Share Structure	ELECTRONIC	2026/01/27
Consolidation, Split, Exchange	ELECTRONIC	2026/01/27
Amendment to a Series of Shares	ELECTRONIC	2026/06/23
Consolidation, Split, Exchange	ELECTRONIC	2026/06/23

Registration Authorized By: JASON D'SILVA
OFFICER

The Registrar of Corporations certifies that the information contained in this statement is an accurate reproduction of the data contained in the specified service request in the official public records of Corporate Registry.

SCHEDULE: SHARE EXCHANGE

Pursuant to subsection 173(1)(f) of the Business Corporations Act (Alberta), to exchange the current issued and outstanding shares in the capital of the Corporation as follows:

Each ten (10) Preferred Shares, Series 2 into One (1) Preferred Shares, Series 2

SCHEDULE: SHARES IN SERIES AMENDMENT

RIGHTS, RESTRICTIONS, PRIVILEGES AND
CONDITIONS ATTACHING TO THE 60%
CUMULATIVE REDEEMABLE CONVERTIBLE
PREFERRED SHARES, SERIES 1

The first series of the Preferred Shares shall consist of a maximum of 4,500,000 shares which shall be designated as 6% Cumulative Redeemable Convertible Preferred Shares, Series 1 (the "Preferred Shares, Series 1"), and which in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, shall have attached thereto the rights, privileges, restrictions and conditions as hereinafter set forth.

1. DEFINITIONS

For the purposes of these shape conditions the following definitions shall apply:

1.1 "accrued and unpaid dividends" means an amount computed at the rate of dividend from time to time attaching to the Preferred Shares, Series I as though dividends on such shares had been declared every Calendar Quarter and were accruing on a day to day basis from the date of issue to the date to which the computation of accrued dividends is to be made, after deducting all dividend payments made on such shares, as adjusted by Section 2.5;

1.2 "Calendar Quarter" means each of the three month periods ended March 31, June 30, September 30 and December 31 in each year;

1.3 "Common Shares" means only class "A" common shares of the Corporation as constituted on December 7, 2000 or as subsequently consolidated or subdivided and any other shares resulting from reclassification or change of such common shares or amalgamation, consolidation, merger or sale, all as referred to in Section 5.5;

1.4 "Conversion Basis" means the number of Common Shares into which each Preferred Share, Series 1 is convertible, which number is equal to the result obtained (expressed to the nearest thousandth of a Common Share) by dividing (a) the sum of $1.00 plus all accrued and unpaid dividends by (b) the Conversion Price;

1.5 "Conversion Price" means the price equal to 90% of the Current Market Price at the time of conversion, subject to adjustments as provided in Section 5.5;

1.6 "Current Market Price" as at any date when the Current Market Price is to be determined, means the volume weighted average price at which board lots of the Common Shares of the Corporation have been traded on The Toronto Stock Exchange during the 20 consecutive trading days commencing 30 trading days before such date. In the event the Common Shares are not listed on The Toronto Stock Exchange but are listed on another stock exchange or stock exchanges in Canada, the United States or Europe any references to The Toronto Stock Exchange shall be deemed to be references to such other stock exchange, or, if more than one, to such one on which

the greatest volume of trading of Common Shares occurred during such 20 consecutive trading days. In the event Common Shares are not so traded on any stock exchange in Canada, the United States or Europe, the Current Market Price thereof shall be determined by the Board of Directors of the Corporation, which determination shall be conclusive;

1.7 "Dividend Commencement Date" means January 1, 2001;

1.8 "Dividend Payment Date" means the 10th day of January, April, July and October in each year with the first such date to be April 10, 2001; and

1.9 "Market Price" means the volume weighted average price at which board lots of the Common Shares of the Corporation have been traded on The Toronto Stock Exchange during the Calendar Quarter. In the event the Common Shares are not listed on The Toronto Stock Exchange but are listed on another stock exchange or stock exchange in Canada, the United States or Europe, any reference to The Toronto Stock Exchange shall be deemed to be references to such other stock exchange, or, if more than one, to such one on which the greatest volume of trading of Common Shares occurred during such Calendar Quarter. In the event Common Shares are not so traded on any stock exchange in Canada, the United States or Europe, the Market Price thereof shall be determined by the Board of Directors of the Corporation, which determination shall be conclusive.

2. DIVIDENDS

2.1 The holders of Preferred Shares, Series 1 shall be entitled to receive, and the Corporation shall pay, preferential cumulative dividends, as and when declared by the Board of Directors of the Corporation, out of the assets of the Corporation properly applicable to the payment of dividends, at an 6% dividend rate per annum on the issue price of the Preferred Shares, Series 1.
Such dividends shall accrue and be cumulative from the Dividend Commencement Date. Such dividends shall be payable on the Dividend Payment Dates to shareholders of record on the immediately preceding Calendar Quarter end date. The rate of any dividend declared and paid for a portion of a Calendar Quarter shall be prorated accordingly. The Board of Directors of the Corporation has unfettered discretion as to the declaration and payment of dividends.

2.2 If on any Dividend Payment Date the dividend payable on such date is not declared and paid in full on all of the Preferred Shares, Series 1 then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by the Board of Directors of the Corporation on which the Corporation shall have sufficient monies property applicable to the payment of the same. When any such dividend is not paid in full, the Preferred Shares, Series 1 shall participate rateably with the preferred shares of other series and all other shares, if any, which rank on a parity with the Preferred Shares, Series 1 with respect to the

payment of dividends, in respect of such dividends, including accumulations, if any, in accordance with the sums which would be payable on the Preferred Shares, Series 1 and such other shares if all such dividends were declared and paid in full in accordance with their terms. The holders of Preferred Shares, Series 1 shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided for.

2.3 If, on any Dividend Payment Date after January 10, 2006, the dividend payable on such date is not declared and paid in full on all of the Preferred Shares, Series I then issued and outstanding, and until all such delinquent dividend payments are paid in full, the Preferred Shares, Series I shall be entitled to receive notice of, and to attend and vote at any meeting of the holders of Common Shares of the Corporation with the attendant rights and privileges of, and subject to the restrictions and conditions imposed on, holders of Common Shams as contained in the Articles or By-Laws of the Corporation.

2.4 The Board of Directors of the Corporation is entitled at its discretion to determine with respect to any dividend on Preferred Shares, Series I that all holders of Preferred Shares, Series 1 receive such dividend in the form of a stock dividend payable in Common Shares. In the event the Corporation elects to pay a dividend by issuing Common Shares to the holders of Preferred Shares, Series 1 the issue price of the Common Shares shall be calculated to be 90% of the volume weighted average price at which board lots of the Common Shares have been traded on The Toronto Stock Exchange during the 20 consecutive trading days preceding the end of the Calendar Quarter for which such stock dividend is to be paid. In the event the Common Shares are not listed on The Toronto Stock Exchange but are listed on another stock exchange or stock exchange in Canada, the United States or Europe, any reference to The Toronto Stock Exchange shall be deemed to be references to such other stock exchange, or, if more than one, to such one on which the greatest volume of trading of Common Shares occurred during such 20 consecutive trading days. In the event Common Shares are not so traded on any stock exchange in Canada, the United States or Europe, the Market Price thereof shall be determined by the Board of Directors of the Corporation, which determination shall be conclusive.

2.5 Subject to Section 2.4, dividends (less any tax required to be withheld by the Corporation) on the Preferred Shares, Series I shall be paid by electronic funds transfer or by cheque payable in lawful money of Canada, at any branch in Canada of the Corporation's bankers, The mailing of such cheque from the Corporation's head office on or before the date on which such dividend is to be pad to a holder of Preferred Shares, Series I shall be deemed to be payment of the dividends represented thereby and payable on such date unless the cheque is not paid upon presentation.

2.6 Notwithstanding the provisions of Section 2.1 but subject to Section 2.9, at all times prior to January 1, 2006 the Corporation shall declare and pay a

dividend on the Preferred Shares, Series 1 in respect of a Calendar Quarter ending in a particular fiscal year of the Corporation only to the extent that the Corporation has sufficient taxable income for that fiscal year for purposes of Pant I of the Income Tax Act (Canada) (the "Tax Act") to enable the amount of any tax that would, if such dividend were paid, be payable under Part V1.1 of the Tax Act to be fully recovered by means of the deduction under paragraph 110(1)(k) of the Tax Act for that fiscal year. On each dividend payment date, the Corporation shall estimate the amount of its taxable income for the fiscal year which includes such Dividend Payment Date and shall compute the amount of the dividend which it is obliged to declare and pay accordingly. Once the actual amount of taxable income for such fiscal year is established by means of the filing of the relevant tax return, or if a previous estimate thereof has been revised by a subsequent estimate thereof made by the Corporation, such adjustment as is appropriate to achieve the result expressed herein shall be made to the amount of the dividend required to be declared and paid on the next Dividend Payment Date, whether that date falls within the same or a subsequent fiscal year. The Corporation shall deliver to the holders of the Preferred Shares, Series 1, on such Dividend Payment Date, a calculation in writing showing the amount of the Corporation's taxable income for its fiscal year that includes that Dividend Payment Date as so estimated or as finally determined by the Corporation, as well as the dividend that such holders are entitled to receive on that Dividend Payment Date having regard to such estimated or actual taxable income, as the case may be.

2.7 The Corporation shall have full flexibility in planning its tax affairs so as to reduce its taxable income for a particular fiscal year as it sees fit, including the claiming of all discretionary deductions, notwithstanding that this will have the effect of reducing the amount of the dividends to actually be declared and paid to the holders of the Preferred Shares, Series I in that fiscal year, by virtue of the operation of Section 2.6.

2.8 Notwithstanding Section 2.6, the Corporation may, in its sole discretion, on any Dividend Payment Date, declare and pay dividends, up to the amount of the then accrued and unpaid dividends, without regard to the limitation imposed under Section 2.6.

3. LIQUIDATION

3.1 In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs, the holders of Preferred Shares, Series 1, shall be entitled to receive the amount paid up on such shares together with an amount equal to all accrued and unpaid dividends thereon, which amounts shall be calculated as if such dividend were accruing for the period from the expiration of the last Calendar Quarter for which the dividends thereon have been paid in full up to the date of such event, the whole before any amount shall be paid or any property or assets of the Corporation

shall be distributed to the holders of the common shares or to the holders of any other shares ranking junior to the Preferred Shares, Series 1 in any respect. If such amounts are not paid in full, the Preferred Shares, Series 1 shall participate rateably with all preferred shares and all other shares, if any, which rank on a parity with the preferred shares with respect to the return of capital or any other distribution of the assets of the Corporation, in respect of any return of capital in accordance with the sums which would be payable on the preferred shares and such other shares on such return of capital, if all sums so payable were paid in full in accordance with their terms. After payment to the holders of the Preferred Shares, Series I of the amounts so payable to them they shall not be entitled to share in any other distribution of the property or assets of the Corporation.

3.2 Notwithstanding anything to the contrary herein contained, no dividends, redemptions, share purchases, capital reductions or other payments or distributions of assets or property of the Corporation shall be made or paid on or with respect to shares of the Corporation which rank subordinate to the Preferred Shares, Series 2, on a liquidation, dissolution or winding up, if the payment in respect thereof would result in the fair market value of the Corporation's assets, net of liabilities owed by the Corporation and the stated capital of all shares of the Corporation (except for the stated capital of the Preferred Shares, Series 1), being less than the aggregate of the redemption price plus accrued and unpaid dividends for all of the Preferred Shares, Series 1 then outstanding.

4. REDEMPTION

4.1 Until the earlier of:

(a) December 7, 2005; and

(b) 90 days after the date upon which:

(i) independent engineers retained by the Corporation have confirmed in a report to the Corporation that 200 billion cubic feet or greater of proved reserves (as defined in National Policy Statement 2-B or any successor policy) exist net to the Corporation; and

(ii) the Corporation's consolidated balance sheet indicates net current assets in excess of $10 million,

and subject to the Business Corporations Act (Alberta), the Corporation may at any time redeem the whole or any part of the Preferred Shares, Series 1 for $1.00 per Preferred Share, Series 1.

4.2 On or after the earlier of the two events discussed in Section 4.1, and subject to the Business Corporations Act (Alberta), the Corporation may at any time redeem the whole or any part of the Preferred Shares, Series 1 for $1.00 per Preferred Share, Series 1, together with an amount equal to all accrued and unpaid dividends to the date fixed for redemption.

4.3 In case a part only of the then outstanding Preferred Shares, Series I is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board of Directors in its discretion shall decide or, if the Board of Directors so determines, may be redeemed pro rata, disregarding fractions, and the Board of Directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares.

4.4 On any redemption of Preferred Shares, Series 1, the Corporation shall give in the manner provided in Section 11 at least 30 days prior notice to each person who, at the date of giving such notice, is the holder of Preferred Shares, Series 1 to be redeemed, of the intention of the Corporation to redeem such shares. Such notice shall set out the redemption price and the date on which the redemption is to take place and, unless all the Preferred Shares, Series 1 held by the holder to whom it is addressed are to be redeemed, shall also set out the number of such shares so held which are to be redeemed. On and after the date so specified for redemption the Corporation shall pay, or cause to be paid to the holders of such Preferred Shares, Series I to be redeemed, the redemption price on presentation and surrender at the head office of the Corporation or at any other place or places within Canada designated by such notice, of the certificate or certificates for such Preferred Shares, Series 1 so called for redemption. Such payment shall be made by cheque payable at par at any branch in Canada of the Corporation's bankers. If a part only of the Preferred Shares, Series 1 represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice, the Preferred Shares, Series 1 called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be duly made by the Corporation. On or after the date specified for redemption of Preferred Shares by the Corporation, the Corporation shall have the right to deposit the redemption price of any or all Preferred Shares, Series 1 called for redemption with any chartered bank or banks or with any trust company or trust companies in Canada named for such purpose in the notice of redemption to the credit of a special account or accounts in trust for the respective holders of such shares, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same. Upon such deposit or deposits being made, such shares shall be deemed to be redeemed and the rights of the holders of such shares shall be limited to receiving the proportion of the amounts so deposited applicable to their respective shares without interest. Any interest allowed on such deposit or deposits shall belong to the Corporation.

4.5 Preferred Shares, Series 1 which are redeemed or deemed to be redeemed in accordance with this Section 4 shall be and be deemed to be cancelled and shall not be reissued.

5. CONVERSION PRIVILEGE

5.1 A holder of Preferred Shares, Series 1 has the right, at the holder's option, to convert, subject to the terms and provisions hereof, such Preferred Shares, Series I into fully paid and non-assessable Common Shares at the Conversion Basis; except that, in the case of Preferred Shares, Series I which shall have been called for redemption pursuant to Section 4, such right shall terminate with respect thereto at the close of business on the third business day prior to the date fixed for such redemption. K payment of the redemption price of Preferred Shares, Series 1 which have been called for redemption is not paid on due surrender of the certificate for such Preferred Shams, Series 1 the right of conversion shall revive and continue from the time of the failure to pay as if such Preferred Shares, Series 1 had not been called for redemption.

5.2 In the event the Preferred Shares, Series 1 are to be converted by a holder, the Corporation may satisfy its conversion obligations pursuant to this Section 5 by the payment of cash to the holder in the amount calculated by determining the number of Common Shares that would be issuable in accordance with the Conversion Basis and multiplying this number by the Current Market Price. Such payment shall be made by cheque payable at par at any branch in Canada of the Corporation's bankers.

5.3 The conversion of Preferred Shares, Series 1 may be effected by the surrender of the certificate or certificates representing the same at any time during usual business hours at the option of the holder at the head office of the Corporation accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in Section 5.10; and (2) a written instrument of surrender in form satisfactory to the Corporation duly executed by the registered holder, or the holder's attorney duly authorized in writing, in which instrument such holder may also elect to convert part only of:

5.3.1 the Preferred Shares, Series 1 represented by such certificate or certificates not theretofore called for redemption, in which event such holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the Preferred Shares, Series 1 represented by such certificate or certificates which have not yet been converted;

5.3.2 the Preferred Shares, Series 1, or part thereof, represented by such certificate or certificates, theretofore called for redemption, in which event on the date specified for the redemption of such Preferred Shares, Series 1 such holder, shall be entitled to payment of the redemption price of the Preferred Shares, Series 1 represented by such certificate or certificates which have been called for redemption and which have not been converted, and to receive, at the expense of the Corporation, a certificate representing Preferred Shares, Series 1 represented by such certificate or certificates which have been neither converted nor redeemed.

As promptly as practicable after the surrender of any Preferred Shares, Series 1 for conversion, the

Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the holder of the Preferred Shares, Series 1 so surrendered, a certificate or certificates issued in the name of, or in such name or names as may be directed by, such holder representing the number of Common Shares to which such holder is entitled together with a payment by cheque in respect of any fraction of a Common Share issuable on such conversion as provided in Section 5.9. Such conversion shall be deemed to have been made at the close of business on the date such Preferred Shares, Series 1 shall have been surrendered for conversion, so that the rights of the holder of such Preferred Shares, Series 1 as the holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time and such conversion shall be on the Conversion Basis as at such time, provided that no such surrender on any date when the Corporation's registers of transfers of Common Shares shall be properly closed shall be effective to constitute the person or persons entitled to receive Common Shares upon such conversion as the holder or holders of record of such Common Shares on such date, but such surrender shall be effective to constitute the person or persons entitled to receive such Common Shares as the holder or holders of record thereof for all purposes at, and such conversion shall be on the Conversion Basis as at, the close of business on the next succeeding day on which such registers of transfers are open. In no event shall the Corporation's registers of transfers of Common Shares be closed at any time during normal business hours during the 30 days immediately preceding any conversion or redemption date. The date of surrender of any Preferred Shares, Series 1 for conversion shall be deemed to be the date when the certificate representing such Preferred Shares, Series 1 is received by the Corporation.

5.4 The registered holder of any Preferred Share, Series 1 on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted after such record date and before the payment date of such dividend. The registered holder of any Common Share resulting from any conversion shall be entitled to rank equally with the registered holders of all other Common Shares in respect of all dividends declared payable to holders of Common Shares of record on any date after the date of conversion. Subject as aforesaid and subject to the provisions hereof, upon the conversion of any Preferred Shares, Series 1 the Corporation shall make no payment or adjustment on account of any dividends on the Preferred Shares, Series 1 so converted or on account of the dividends on the Common Shares issuable upon such conversion.

5.5 The Conversion Price shall be subject to adjustment from time to time as follows:

5.5.1 In case the Corporation shall

(a) subdivide its outstanding Common Shares into a greater number of shares

(b) combine or consolidate its outstanding Common Shares into a smaller number of shares, or

(c) issue Common Shares (or securities convertible into Common Shares) to the holders of any of its outstanding Common Shares by way of a stock dividend (other than an issue to shareholders pursuant to their exercise of options to receive dividends in the form of Common Shares (or securities convertible into Common Shares), in lieu of cash dividends declared payable by the Corporation on such shares);the Conversion Price in effect on the effective date of such subdivision or combination or consolidation or on the record date of such issuance of Common Shares (or securities convertible into Common Shares) by way of a stock dividend, as the case may be, shall, in the case of events referred to in Sections 5.5(a) and 5.5(c) be decreased in proportion to the increase in the number of outstanding Common Shares resulting from such subdivision or such dividend (including, in the case where securities convertible into Common Shares are issued, the number of Common Shares that would be outstanding had such securities been converted into Common Shares on such record date), or, in the case of Section 5.5(b) shall be increased in proportion to the decrease in the number of outstanding Common Shares resulting from the combination or consolidation. Such adjustment will be made successively whenever any event referred to in this Section 5.5 shall occur. Any such issue of Common Shares (or securities convertible into Common Shares) by may of lock dividend shall be deemed to have been made on the record date of the stock dividend for the purpose of calculating the number of outstanding Common Shares under this Section 5.5(a).

5.5.2. In case the Corporation shall fix a record date subsequent to the date hereof for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price per share (or having a conversion price per share) less than 90% of the Current Market Price on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal a price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of

additional Common Shares offered for subscription or purchase (or the aggregate conversion price of the convertible securities so offered) by the Current Market Price of a Common Share, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. If all such rights, options or warrants are not so issued or if all such rights, options or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed, and the Conversion Price shall be further adjusted based upon the number of Common Shares (or securities convertible into Common Shares) actually delivered upon the exercise of such rights, options or warrants, as the case may be.

5.5.3 In case the Corporation shall fix a record date for the making of a distribution (including a distribution by way of a stock dividend) to all or substantially all the holders of its outstanding Common Shares of

(a) shares of any class other than Common Shares (excluding shares convertible into Common Shares referred to in Section 5.5(a)), or

(b) rights, options or warrants (excluding those referred to in Section 5.5(b)), or

(c) evidence of its indebtedness (excluding indebtedness convertible into Common Shares referred to in Section 5.5(a)), or

(d) assets (excluding Common Shares issued by way of a stock dividend and cash dividends paid in the ordinary course), then in such case the Conversion Price shall be adjusted immediately after such record date so that it shall equal the rate determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share on such record date, less the fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of such shares or rights, options or warrants or evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current

Market Price per Common Share; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed, to the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect based upon such shares or rights, options or warrants or evidences of indebtedness or assets actually distributed.

5.6 No adjustments of the Conversion Price shall be made pursuant to subsection 5.5(b) or 5.5(c) if the holders of the Preferred Shares, Series 1 were permitted to participate in the issue of such rights, options or warrants or such distribution, as the case may be, as though and to the same effect as if they had converted their Preferred Shares, Series I into Common Shares prior to the issue of such rights, options or warrants or such distribution as the case may be.

5.7 No adjustment of the Conversion Price shall be made (i) in respect of the issue of Common Shares pursuant to the conversion of the Preferred Shares, Series 1, or (ii) in any case in which the resulting increase or decrease in the Conversion Price would be less than I % of the then Conversion Price, but in such case any adjustment that would otherwise have been required then to be made shall be carried forward and made at the time of and together with, the next subsequent adjustment to the Conversion Price which, together with any and all such adjustments so carried forward, shall result in an increase or decrease in the Conversion Price by not less than 1 %.

5.8 The Corporation shall give notice of any adjustment of the Conversion Price and the resulting adjustment of the Conversion Basis to the holders of Preferred Shares, Series 1 in the manner provided in Section 11. The Corporation may retain a firm of independent chartered accountants (who may be the auditors of the Corporation) to make any computation required under Section 5.5, and any computation so made shall be final and binding on the Corporation and the holders of the Preferred Shares, Series 1. Such firm of independent chartered accountants may, as to questions of law, request and rely upon an opinion of counsel (who may be counsel for the Corporation).

5.9 Upon the surrender of any Preferred Shares, Series 1 for conversion, the number of full Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of such Preferred Shares, Series 1 to be converted. In any case where a fraction of a Common Share is involved the Corporation shall adjust such fractional interest by payment by cheque of an amount equal to the then value of such fractional interest computed on the basis of the Current Market Price for the Common Shares.

5.10 The issuance of certificates for Common Shares upon the conversion of Preferred Shares, Series 1 shall be

made without charge to the holders of the Preferred Shares, Series 1 so converted for any fee or tax imposed on the Corporation in respect of the issuance of such certificates for the Common Shares represented thereby; provided that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in a name or names other than that of the holder of the Preferred Shares, Series 1 converted, and the Corporation shall not be required to issue or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

5.11 In case of any reclassification or change (other than a change resulting only from consolidation or subdivision) of the Common Shares, or in the case of any consolidation, amalgamation or merger of the Corporation with or into any other corporation, or in the case of any sale of the properties and assets of the Corporation as, or substantially as, an entirety to any other corporation, each Preferred Shares, Series 1 shall, after such reclassification, change, consolidation, amalgamation, merger or sale, be convertible into the number of shares or other securities or property of the Corporation, or such continuing, successor or purchasing corporation, as the case may be, to which a holder of the number of Common Shares as would have been issued if such Preferred Shares, Series 1 had been converted immediately prior to such reclassification, change, consolidation, amalgamation, merger or sale would have been entitled upon such reclassification, change, consolidation, amalgamation, merger or sale. The Board of Directors of the Corporation may accept the certificate of any firm of independent chartered accountants (who may be the auditors of the Corporation) as to the foregoing calculation, and the Board of Directors may determine such entitlement on the basis of such certificate. Any such determination shall be conclusive and binding on the Corporation and the holders of the Preferred Shares, Series 1. No such reclassification, change, consolidation, amalgamation, merger or sale shall be carried into effect unless, in the opinion of the Board of Directors, all necessary steps shall have been taken to ensure that the holders of the Preferred Shares, Series 1 shall thereafter be entitled to receive such number of shares or other securities or property of the Corporation, or such continuing, successor or purchasing corporation, as the case my be, subject to adjustment thereafter in accordance with provisions similar, as nearly as may be, to those contained in this Section 5.

5.12 If in the opinion of the Board of Directors of the Corporation the provisions of this Section 5 are not strictly applicable or if strictly applicable would not fairly protect the rights of the holders of the Preferred Shares, Series 1 or the Corporation in accordance with the intent and purposes hereof, the Board of Directors shall make any adjustment in such

provisions as the Board of Directors deems appropriate.

5.13 If the Corporation intends to take any action which would require an adjustment of the Conversion Price pursuant to Sections 5.5(a), 5.5(b), or 5.5(c) hereof (other than the subdivision or consolidation of the outstanding Common Shares of the Corporation), the Corporation shall, at least 14 days prior to the earlier of any record date fixed for any action or the effective date for such action notify the holders of Preferred Shares, Series 1 by written notice setting forth the particulars of such action to the extent that such particulars have been determined at the time of giving the notice.

6. PRE-EMPTIVE RIGHTS

6.1 Holders of Preferred Shares, Series 1 shall not be entitled as of right to subscribe for or purchase or receive any shares, bonds, debentures, or other securities of the Corporation now or hereafter authorized, other than shares receivable upon the exercise of the right of conversion as provided herein.

7. RESTRICTIONS

7.1 So long as any Preferred Shares, Series 1 are outstanding, the Corporation shall not, without the approval of the holders of the Preferred Shares, Series 1 given in the same manner as provided under Section 11:

7.1.1 issue any shares ranking in priority to or pari passu with the Preferred Shares, Section 2 as to the payment of dividends or the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs;

7.1.2 pay any dividends on the Common Shares or on any other shares of the Corporation which by their terms rank junior to the Preferred Shares, Series 1;

7.1.3 redeem or purchase or make any capital distribution in respect of the Common Shares or any other shares of the Corporation ranking junior to the Preferred Shares, Series I (except out of net cash proceeds of a substantially concurrent issue of shares of the Corporation which by their terms rank junior to the Preferred Shares, Series 1);

7.1.4 redeem or purchase any other shares of the Corporation ranking pari passu with the Preferred Shares, Series 1;

7.1.5 set aside any money or make any payments for any sinking fund or other retirement fund applicable to any shares of the Corporation ranking junior to the Preferred Shares, Series 1; unless all dividends up to, and including, the Dividend Payment Date for the last completed Calendar Quarter for which dividends shall be

payable shall have been declared and paid or set apart for payment in respect of the Preferred Shares, Series 1 and all other shares ranking on a parity with or in priority to the Preferred Shares, Series 1.

7.2 Nothing in Section 7.1 shall apply to, hinder or prevent, and authorization is hereby given for, any of the actions referred to in such Section if consented to, or approved, by the holders of the Preferred Shares, Series 1 in the manner hereinafter specified or if all the outstanding Preferred Shares, Series 1 have been duly called for redemption and adequate provision has been made assuring that they will be redeemed or deemed to be redeemed on or before the date specified for redemption.

8. VOTING RIGHTS

8.1 Subject to Section 2.3 and the provisions of the Business Corporations Act (Alberta), the holders of the Preferred Shares, Series 1 shall not be entitled as such to any voting rights or to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting (but shall be entitled to receive notice of meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertakings or a substantial part thereof).

9. AMENDMENTS

9.1 The rights, privileges, restrictions and conditions attached to the Preferred Shares, Series 1 may not be amended, modified, suspended, altered or repealed unless consented to, or approved by, the holders of the Preferred Shares, Series 1 in the manner set out in Section 11 and in accordance with any requirements of the Business Corporations Act (Alberta), or any Act enacted in substitution therefor or in addition thereto applicable to the Corporation, and any amendments thereto from time to time.

10. APPROVAL BY HOLDERS OF PREFERRED SHARES, SERIES 1

10.1 Any consent or approval required or permitted to be given by the holders of Preferred Shares, Series I shall be deemed to have been sufficiently given if it shall have been given in writing by the holders of all of the outstanding Preferred Shares, Series 1.

11. NOTICES

11.1 Any notice required to be given under the provisions attaching to the Preferred Shares, Series 1 to the holders thereof shall be glen by posting same in a postage paid envelope addressed to each holder at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any such holder not so appearing, then to the address of such holder last known to the Corporation; provided that accidental failure or omission to give any notice as aforesaid to one or more of such holders shall not invalidate any action or proceeding founded thereon.

12. TAX ELECTION

12.1 The Corporation shall elect, in the manner and within the time provided under Section 191.2 of the Income Tax Act (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and to take all other necessary action under such Act, such that no holder of Preferred Shares, Series 1 will be required to pay tax on dividends received or deemed to be received on Preferred Shares, Series 1 under Section 187.2 of Part IV. 1 of such Act or any successor or replacement provisions of similar effect.

RIGHTS, RESTRICTIONS, PRIVILEGES AND CONDITIONS ATTACHING TO THE PREFERRED SHARES, SERIES 2

The second series of Preferred Shares shall consist of an aggregate of 60,000,000 shares designated as "Preferred Shares, Series 2" (the "Series 2 Preferred Shares"). In addition to the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares shall be as follows:

(a) Definitions. For the purpose of these Series 2 Preferred Shares, the following terms shall have the following meanings:

(i) "2015 CAPL Operating Procedure" means the 2015 Canadian Association of Petroleum Landmen Operating Procedure, as amended, supplemented or modified by written agreement of the Oversight Committee and the Corporation;

(ii) "Accounting Procedure" means the standard form 1996 PASC Accounting Procedure, the elections and revisions of which are attached as Exhibit "B" to these Articles;

(iii) "Authorized Action" has the meaning ascribed thereto in Section 1(o)(iv);

(iv) "Board" means the board of directors of the Corporation;

(v) "Business Day" means any day other than Saturday, Sunday or a statutory holiday in Alberta;

(vi) "Cap" means the installation of such casing, plugs and equipment as are necessary to enable a well prospective of production of Petroleum Substances in Paying Quantities to be Completed at a later date and "Capping" has a corresponding meaning;

(vii) "Carbon Sequestration Well" means a Class VI well specifically designed for the injection of carbon dioxide (CO2) into deep rock formations for long-term storage;

(viii) "Claims" means any legal claims, causes of action, disputes, or rights to relief pursued, asserted, or defended by the Corporation in connection with the Litigation, including but not limited to claims for damages, enforcement of rights, equitable relief, or any other remedies available at law or in equity, as specified in these Articles;

(ix) "Core Business" means the operations of the Corporation excluding the Quebec Business;

(x) "Corporation" means Questerre Energy Corporation;

(xi) "Court" means the Quebec Superior Court;

(xii) "Deemed Liquidation Event" means each of the following events unless the holders of Series 2 Preferred Shares have approved to elect otherwise by written notice sent to the Corporation prior to the effective date of any such event:

(A) an amalgamation, arrangement, consolidation, merger, reorganization or similar transaction in which:

(1) the Corporation is a constituent party; or

(2) a subsidiary of the Corporation is a constituent party and the Corporation issues shares pursuant to such amalgamation or consolidation,

except any amalgamation, arrangement, consolidation, merger, reorganization or similar transaction involving the Corporation or a subsidiary in which the shares of the Corporation outstanding immediately before such amalgamation or consolidation continue to represent, or are converted into or exchanged for shares that represent, immediately following the amalgamation or consolidation, at least a majority, by voting power, of the shares of (x) the surviving or resulting corporation; or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following the amalgamation or consolidation, the parent corporation of such surviving or resulting corporation; or

(B) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole; or (2) the sale or disposition (whether by amalgamation, consolidation or otherwise and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where the sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation; or

(C) the sale, lease, transfer, exclusive license or other disposition, in a single or series of related transactions, by the Corporation, of the Quebec Business other than to a subsidiary of the Corporation;

(xiii) "Defendant" means Le Procureur General du Quebec, Le Gouvernement du Quebec and Le Ministre de l'Energie et des Ressources du Quebec and any other individual, corporation, partnership, government entity, organization, or other legal or natural person against whom the Corporation is engaged in legal proceedings, disputes, or any other adversarial context that is the subject of with respect to the Claims or the Litigation;

(xiv) "Disbursements" means the reasonable out-of-pocket costs and expenses, including of the Lawyers, relating to the Claims and Litigation including, for certainty, the costs of experts and consultants' fees in respect of the foregoing;

(xv) "Earliest Redemption Date" means the day that is one Business Day after the date that is five (5) years after the date of issuance of the last issued Series 2 Preferred Share;

(xvi) "Earn-In Date" has the meaning ascribed thereto in Section 1(p)(v);

(xvii) "Expended Funding Amount" means the actual amounts paid by the Corporation pursuant to these Articles in respect of the

Litigation Funding Amount;

(xviii) "Expense Reimbursement" has the meaning ascribed thereto in Section 1(k)(i)(A)(1);

(xix) "Farmout Lands" means the lands associated with the Petroleum and Natural Gas Exploration Licenses described in Exhibit "C" to these Articles, including but not limited to the related Royalty Interests;

(xx) "Farmout Operations" means those operations and activities carried out or to be carried out by the Corporation pursuant to these Articles and includes any drilling, deepening, sidetracking, Completion, Recompletion, Reworking, Equipping, tieing-in, Abandonment or other activity provided for or conducted hereunder with respect to the exploration, appraisal, pre-development, development, production or CO2 injectivity operations on the Farmout Lands, including: (i) the recovery of Petroleum Substances from wells; (ii) the conduct of any geological, geophysical, seismic, environmental, biophysical or engineering program or study respecting the Farmout Lands and any other lands within the scope of that approved program or study; and (iii) the capture, transmission, injection and storage of CO2 into a reservoir within the Farmout Lands;

(xxi) "Final Resolution" means a resolution of the Litigation which concludes the Litigation pursuant to:

(A) a legal and valid judgment of the Court for which the appeal period has elapsed or expired and no appeal has been commenced;

(B) a final, non-appealable, legal and valid judgment of a court of competent jurisdiction;

(C) a Settlement between the Corporation and the Defendant; or

(D) a discontinuance or permanent stay of the Litigation;

(xxii) "Fiscal Year" shall be the twelve (12) month period commencing on January 1 of each year and ending on December 31 of the same calendar year;

(xxiii) "GAAP" means International Financial Reporting Standards as adopted by the Chartered Professional Accountants of Canada;

(xxiv) "Interim Monthly Dividends" has the meaning ascribed thereto in Section 1(c)(ii);

(xxv) "Investment Return" has the meaning ascribed thereto in Section 1(k)(i)(A);

(xxvi) "Lawyers" means any lawyers (including any substitute or additional lawyers) engaged by the Corporation with respect to the Claims or the Litigation or any lawyers (including any substitute or additional lawyers) engaged in connection with any class-action support arrangement entered into by the Corporation with respect to any legal proceeding or claim against the Defendants related to the curtailment of operations on the Farmout Lands;

(xxvii) "Legal Fees" means the legal fees to be incurred that are payable to the Lawyers for legal services provided to the Corporation in relation to the Claims and Litigation or in connection with any class-action support arrangement entered into by the Corporation with respect to any legal proceeding or claim against the Defendants related to the curtailment of operations on the Farmout Lands;

(xxviii) "Lessor Royalty" means the lessor royalty under a Title Document, described in Exhibit "C" to these Articles, and as may be amended from time to time;

(xxix) "Litigation" the legal proceedings and any and all claims, actions and/or proceedings relating to or arising from the case captioned Questerre Energy Corporation v. Le Procureur General du Quebec, Le Gouvernement du Quebec and Le Ministre de l'Energie et des Ressources du Quebec (now Le Ministre de l'Econmie, de L'Innovation et de l'Energie), in the Quebec Superior Court, civil division, file number 200-17-033326-224, including the judgement of the Court, and any appeal or remand therefrom or proceedings in connection therewith and any new proceedings that may arise from the Claims;

(xxx) "Litigation Funding Amount" has the meaning ascribed thereto in Section 1(i)(i);

(xxxi) "Litigation Proceeds" means any and all amounts paid or to be paid directly or indirectly to or for the benefit of the Corporation, or received directly or indirectly by or for the benefit of the Corporation, in connection with or as a result of the Claims and the Litigation, whether before or after any proceedings have been commenced and whether by judgment, settlement or otherwise, including but not limited to any costs awards;

(xxxii) "Litigation Proceeds Payment Date" means the date that is ten (10) Business Days from the determination of the Series 2 Litigation Dividend Amount;

(xxxiii) "Litigation Term" means the period beginning on the date of issuance of the first Series 2 Preferred Shares and ending on the earlier of:

(A) the Final Resolution;

(B) the date all Litigation Proceeds (if applicable) have been fully disbursed or otherwise utilized by the Corporation in accordance with these Articles; and

(C) subject to Section 1(m)(ii)(C), the date the Corporation discontinues, abandons or withdraws the Litigation or the Claims, if, acting reasonably, it believes the Litigation and the Claims are no longer commercially viable;

(xxxiv) "Net Proceeds" means the aggregate of all consideration received from the sale or liquidation (or partial sale or liquidation) of the Quebec Business directly, or indirectly by way of a liquidation of the entire Corporation (including any amounts paid at closing and any amounts committed to be paid in the future as part of the transaction), less

(A) any Expense Reimbursement (to the extent not otherwise paid to the Corporation pursuant to Section 1(k)(i)(A)(1)); and

(B) all costs and expenses incurred by the Corporation to complete the transaction;

(xxxv) "Operating Income" means all revenues derived from the production of Petroleum Substances produced from wells or from the capturing, transmission, injection and storage of CO2 on the Farmout Lands; less

(A) any Expense Reimbursement (to the extent not otherwise paid to the Corporation pursuant to Section 1(k)(i)(A)(1));

(B) Operating Costs, inclusive of Drilling Costs, Completion

Costs, Equipping Costs and Facility Fees, Abandonment and reclamation costs, marketing fees, Lessor Royalties, Crown royalties (and other direct third party costs) derived from the production of Petroleum Substances produced from wells or from CO2 injection wells on the Farmout Lands;

(xxxvi) "Ordinary Combined Tax Rate" means the combined Federal and Provincial general corporate tax rate, expressed as a percentage, on active business income earned in the Province of Quebec at the time that the relevant revenue is generated by the Corporation (which, for greater certainty, shall be computed as the Tax rate applicable under Part I of the Tax Act plus the equivalent Provincial tax rate in Quebec, which as of the date of creation of the Series 2 Preferred Shares are 15% and 11.5% respectively for a total Ordinary Combined Tax Rate of 26.5%);

(xxxvii) "Oversight Committee" means the oversight committee elected by the holders of Series 2 Preferred Shares pursuant to Section 1(b)(iv)(A);

(xxxviii) "Oversight Committee Agreement" means the oversight committee agreement entered into by the Corporation and the members of the Oversight Committee on the date of issuance of the first Series 2 Preferred Shares, as such agreement may be amended from time to time;

(xxxix) "Oversight Committee Expenses" has the meaning ascribed thereto in Section 1(o)(viii);

(xl) "Part VI.1 Tax Multiplier" means the multiplier referenced in paragraph 110(1)(k) of the Tax Act that the Corporation determines will be applicable with respect to Part VI.1 Tax on the applicable dividend or other distribution contemplated by the Corporation (which, for greater certainty, would be 3.5 if the dividend or other distribution were paid on the date of creation of the Series 2 Preferred Shares);

(xli) "Part VI.1 Tax Rate" in respect of a dividend or other distribution contemplated by the Corporation means the rate of tax, expressed as a percentage, under Part VI.1 of the Tax Act that the Corporation determines will be applicable to that dividend or other distribution;

(xlii) "Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, a syndicate, an unincorporated organization, a governmental authority, an executor or administrator or other legal or personal representative, or any other juridical entity;

(xliii) "Potsdam Group" means all geologic formations and structures from the surface to the base of the Upper Cambriam Group and as otherwise defined by or as otherwise amended from time to time by Le Ministre de l' conmie, de L'Innovation et de l'Energie (Quebec);

(xliv) "Preferred Director" has the meaning ascribed thereto in Section 1(b)(iii);

(xlv) "Quarterly Reports" has the meaning ascribed thereto in Section 1(q)(iii);

(xlvi) "Quebec Business" means the operations of the Corporation related to the Corporation's right to explore for and produce Petroleum Substances on the Farmout Lands as well as its Royalty Interests in the Farmout Lands;

(xlvii) "Quebec Business Distributable Cash" provided the

Reinstatement Date has occurred:

(1) prior to the Earn-In Date, shall mean 100% of the Operating Income for any given Fiscal Year; and

(2) on and after the Earn-In Date, shall mean 50% of the Operating Income for any given Fiscal Year.

In the event that the Quebec Business Distributable Cash amount from the prior Fiscal Year is a negative amount, that negative amount shall be deducted in full from the Quebec Business Distributable Cash for the next following Fiscal Year;

(xlviii) "Reinstatement Date" means the date of the Final Resolution if the Final Resolution includes the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result;

(xlix) "Required Litigation Funding Amount" means an aggregate total amount of up to $1,000,000.00;

(l) "Royalty Interests" means the Corporations as the recipient of royalty interests described in Exhibit "C" to these Articles;

(li) "Segregated Account" means a separate bank account established by the Corporation which funds in such segregated account shall not be permitted to be commingled with any other funds that are not Litigation Proceeds;

(lii) "Series 2 Litigation Dividend Amount" means the amount calculated as follows:

(A) on the first $280,000,000 of Series 2 Litigation Proceeds Amount (the amount of such portion of the Series 2 Litigation Proceeds Amount being the "First Tranche Litigation Amount"), an amount determined by the following formula:

A / (1 + B)

where

"A" is the First Tranche Litigation Amount; and

"B" is the Part VI.1 Tax Rate;

(B) plus, on the remainder, if any, of the Series 2 Litigation Proceeds Amount (such amount being the "Second Tranche Litigation Amount"), an amount determined by the formula:

C - E - I

where

"C" is the Second Tranche Litigation Amount, if any;

"D" is the Ordinary Combined Tax Rate;

"E" is equal to C multiplied by D;

"F" is equal to C minus E;

"G" is equal to B multiplied by F;

"H" is equal to D multiplied by G multiplied by the Part VI.1 Tax Multiplier;

"I" is equal to G minus H;

(liii) "Series 2 Litigation Proceeds Amount" has the meaning ascribed thereto in Section 1(k)(i)(B);

(liv) "Series 2 Liquidation Amount" has the meaning ascribed thereto in Section ?1(e);

(lv) "Series 2 Operational Dividend Amount" for the immediately preceding Fiscal Year (the "Relevant Year") means:

(A) up to the Series 2 Operational Dividend Threshold Amount in the aggregate for the Relevant Year and all preceding Fiscal Years, the amount of Quebec Business Distributable Cash for the Relevant Year (such amount being the "First Tranche Operational Amount") determined by the following formula:

A / (1 + B)

where

"A" is the First Tranche Operational Amount for the Relevant Year, if any; and

"B" is the Part VI.1 Tax Rate;

(B) plus, on the remainder, if any, of Quebec Business Distributable Cash for the Relevant Year (such amount being the "Second Tranche Operational Amount" for the Relevant Year), an amount determined by the formula:

C - E - I

where

"C" is the Second Tranche Operational Amount for the Relevant Year;

"D" is the Ordinary Combined Tax Rate;

"E" is equal to C multiplied by D;

"F" is equal to C minus E;

"G" is equal to B multiplied by F;

"H" is equal to D multiplied by G multiplied by the Part VI.1 Tax Multiplier;

"I" is equal to G minus H;

(lvi) "Series 2 Operational Dividend Threshold Amount" means:

(A) (1) prior to the Earn-In Date, shall mean the first $280,000,000 of Quebec Business Distributable Cash; and (2) on and after the Earn-In Date, shall mean the first $140,000,000 of Quebec Business Distributable Cash; less

(B) an amount equal to the First Tranche Litigation Amount;

(lvii) "Series 2 Penalty Dividends" has the meaning ascribed thereto in Section 1(c)(iv);

(lviii) "Settlement" means any compromise, discontinuance, waiver, payment (including any ex gratia payment), release or other form of settlement whatsoever where value passes (or it is agreed will pass in the future) from or on behalf of the Defendant to or for the benefit of the Corporation in circumstances in which the Litigation does not commence or

continue as a result of or in connection with the passing of that value; and "Settle", "Settles" and "Settled" have corresponding meanings;

(lix) "Settlement Offer" means an offer received by the Corporation for Settlement of the Claims;

(lx) "Shareholder Representative" has the meaning ascribed thereto in Section 1(o)(i)(B);

(lxi) "Shareholder Technical Representative" has the meaning ascribed thereto in Section 1(r)(i);

(lxii) "Tax Act" means the Income Tax Act (Canada), as may be amended from time to time;

(lxiii) "Taxes" means any and all applicable taxes, duties, charges or levies of any nature imposed by any taxing or other governmental or regulatory authority, including, without limitation, income, gains, capital gains, surtax, capital, franchise, capital stock, value-added taxes, taxes required to be deducted or withheld from payments made by the payer and accounted for to any tax authority, employees' income withholding, back-up withholding, withholding on payments to foreign Persons, social security, unemployment, worker's compensation, payroll, disability, real property, personal property, sales, use, goods and services or other commodity taxes, business, occupancy, excise, customs and import duties, transfer, stamp, and other taxes (including interest, penalties or additions to tax in respect of the foregoing), and includes all taxes payable pursuant to any provision of local, provincial, federal, or foreign law;

(lxiv) "Technical Committee" has the meaning ascribed thereto in Section 1(r)(i);

(lxv) "Technical Representative" has the meaning ascribed thereto in Section 1(r)(i);

(lxvi) "Test Wells" has the meaning ascribed thereto in Section 1(p)(i);

(lxvii) "Title Documents" means the title documents (or any of them), described in Exhibit "C" to these Articles, through which the Corporation holds its interest in the Farmout Lands, and any documents issued or derived directly therefrom, including all amendments, renewals, extensions, continuations or replacements thereof (whether by operation of the applicable document, the Regulations, or other agreement of the Corporation);

(lxviii) "Unpaid Series 2 Dividends" means as at the relevant time, an amount equal to the amount of any accrued but unpaid Series 2 Litigation Dividend Amount or Series 2 Operational Dividend Amount (including any dividends declared on the Series 2 Preferred Shares but unpaid as at the date of liquidation, dissolution or winding-up), plus an amount equal to any accrued but unpaid Series 2 Penalty Dividends;

(lxix) Utica Group" means all geologic formations and structures from the surface to the base of the Utica Shale and as otherwise defined by or as otherwise amended from time to time by Le Ministre de l'Econmie, de L'Innovation et de l'Energie (Quebec);

(lxx) "Vertical Contract Depth" means a minimum depth sufficient to penetrate the Utica Group, within the Farmout Lands, in the case of a Petroleum Substances Test Well; or otherwise, in the case of a Carbon Sequestration Test Well, means a minimum depth sufficient to penetrate the Potsdam Group within the Farmout

Lands; and

(lxxi) "Work Program and Budget" means the annual work program and budget approved by the Board that outlines the Farmout Operations proposed to be with respect to the Farmout Lands and the anticipated costs associated with such Farmout Operations.

(lxxii) In these Articles, unless specified otherwise, each accounting term has the meaning assigned to it under the Accounting Procedures.

(lxxiii) In these Articles, unless specified otherwise, operational, technical and technical practices, cost allocation, joint-operation concepts and Operator duties and shall have the meaning assigned to it under the 2015 CAPL Operating Procedure and shall not provide for any working interest, ownership, co-ownership, or right to claim property of any kind upon any holder of Series 2 Preferred Shares. In the event of any inconsistency between the 2015 CAPL Operating Procedure and these Articles, these Articles shall govern. Unless otherwise expressly provided herein, the terms set forth in Exhibit "A" to these Articles shall be interpreted consistently with the 2015 CAPL Operating Procedure and in accordance with generally accepted Canadian oil and gas industry practice. The provisions of the 2015 CAPL Operating Procedure set forth in Exhibit "A" to these Articles are incorporated herein by reference, mutatis mutandis, as may be modified by written agreement of the Oversight Committee and the Corporation.

(b) Voting Rights.

(i) General. Subject to Sections 1(b)(iii) and 1(b)(iv), the holders of Series 2 Preferred Shares shall have no right to receive notice of or to be present at or vote either in person or by proxy, at any meeting of the shareholders of the Corporation by virtue of or in respect of their holding of Series 2 Preferred Shares. Where applicable, the holders of Series 2 Preferred Shares entitled to receive notice of, attend at and vote at meetings of holders of Series 2 Preferred Shares, shall be entitled to one (1) vote for each Series 2 Preferred Share held.

(ii) Approval Threshold. The approval of the holders of the Series 2 Preferred Shares with respect to any and all matters referred to in these Articles may be given in writing by the holders of not less than a majority of the Series 2 Preferred Shares outstanding or by resolution duly passed and carried by not less than a majority of the votes cast on a poll at a meeting of the holders of the Series 2 Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than five percent (5%) of all Series 2 Preferred Shares then outstanding are present in person or represented by proxy; provided, however, that if at any such meeting, when originally held, the holders of at least ten percent (10%) of all Series 2 Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series 2 Preferred Shares present in person or so represented by proxy, whether or not they hold ten percent (10%) of all Series 2 Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than a majority of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series 2 Preferred Shares. Notice of any such

original meeting of the holders of the Series 2 Preferred Shares shall be given not less than 21 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series 2 Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series 2 Preferred Shares held by such holder.

(iii) Preferred Director. The Oversight Committee shall be entitled to nominate one (1) director of the Corporation (the "Preferred Director") The rights of the holders of the Series 2 Preferred Shares under the first sentence of this Section1(b)(iii) shall terminate on the first date following the date the first Series 2 Preferred Share was issued on which there are no longer any Series 2 Preferred Shares issued and outstanding.

(iv) Special Shareholder Decisions. Notwithstanding any other approval requirements under these Articles, at any time when at least 5,000,000 Series 2 Preferred Shares are outstanding, the following decisions of the Corporation must be approved by the holders of Series 2 Preferred Shares:

(A) at each meeting of the shareholders of the Corporation at which directors of the Corporation are to be elected, the election of the members of the Oversight Committee; provided, however, for administrative convenience, the initial members of the Oversight Committee may also be appointed by the Board in connection with the initial issuance of Series 2 Preferred Shares without a separate action by the holders of Preferred Shares;

(B) liquidating, dissolving or winding-up the business and affairs of the Corporation, effect any amalgamation or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

(C) amending, altering or repealing any provision of the Articles or the By-laws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series 2 Preferred Shares; and

(D) creating or issuing any shares in the capital of the Corporation having preferential or equal treatment as to dividends, returns of capital or sharing of assets in respect of the Quebec Business on a liquidation as the existing issued and outstanding Series 2 Preferred Shares.

(c) Dividend Rights.

(i) Dividend Right. Subject to applicable law and to any deductions required under Section 1(h), the holders of the Series 2 Preferred Shares shall be entitled to share pro rata:

(A) subject to Section 1(d), on the Litigation Proceeds Payment Date, a cash dividend on the Series 2 Preferred Shares equal to the Series 2 Litigation Dividend Amount. If no Litigation Proceeds are obtained from the Litigation, then the Series 2 Preferred Shares will not be entitled to the Series 2 Litigation

Dividend Amount; and

(B) provided the Reinstatement Date has occurred, in an annual cumulative cash dividend on the Series 2 Preferred Shares equal to the Series 2 Operational Dividend Amount for the immediately preceding Fiscal Year, which shall be paid in accordance with Section 1(c)(iii); and

The holders of the Series 2 Preferred Shares shall not be entitled to any dividend other than, or in excess of, the dividends provided for above.

(ii) No Entitlement to Core Business. Subject to applicable law, the Corporation shall be entitled to pay a cash dividend to the holders of Common voting shares from the cash comprising the Core Business plus the portion of the Operating Income that is not the Quebec Business Distributable Cash, and such other amounts available to the Corporation for the payment of dividends.

(iii) Interim Monthly Dividends. Subject to applicable law, the Board shall declare and pay within each Fiscal Year in which the Operating Income is a positive amount, a cumulative monthly cash dividend on the Series 2 Preferred Shares, on or prior to the last business date of each month, in an aggregate amount determined by the Board as representing 1/12th of the aggregate Series 2 Operational Dividend Amount payable in respect of the prior Fiscal Year pursuant to Section 1(c)(i)(B), to be shared pro rata by the holders of the Series 2 Preferred Shares (the "Interim Monthly Dividends").

(iv) Failure to Pay Dividends. In the event that the Corporation fails to pay any Interim Monthly Dividends payable under and within the time required under Section 1(c)(iii), then the holders of the Series 2 Preferred Shares shall be entitled to receive and the Corporation shall pay thereon, a fixed cumulative preferential dividend at the rate equal to 12% per annum on the aggregate outstanding amount of such Interim Monthly Dividends, compounded monthly, from the date that such outstanding Interim Monthly Dividends were payable under Section 1(c)(iii), and until paid in full to the holders of the Series 2 Preferred Shares, to be shared pro rata by the holders of the Series 2 Preferred Shares (the "Series 2 Penalty Dividends").

(v) Series 2 Preferential Dividends. So long as any of the Series 2 Preferred Shares are outstanding, the Corporation shall not declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series 2 Preferred Shares) on the Common voting shares or any other shares of the Corporation ranking junior to the Series 2 Preferred Shares with respect to payment of dividends from the cash comprising the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount.

(d) Conversion by the Corporation

(i) Option to Convert. Provided the Final Resolution does not include the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result, at the option of the Corporation (upon approval by the Board, including the approval of the Preferred Director) and subject to the approval of the Toronto Stock Exchange and the policies of the Oslo Stock Exchange, or such other stock exchange(s) as the Class "A" Common voting shares are then trading, on the Litigation Proceeds Payment Date but prior to and in lieu of the payment of the Series 2 Litigation Dividend Amount, the Series 2 Preferred Shares shall be convertible into such number of fully

paid and non-assessable Class "A" Common voting shares as is determined by dividing:

(A) on the first $280,000,000 of Series 2 Litigation Proceeds Amount, the lesser of (1) $280,000,000; and (2) the Series 2 Litigation Proceeds Amount; and

(B) on the balance, if any, of the Series 2 Litigation Proceeds Amount, the amount determined by the formula:

A x (1 - B)

where

"A" is the balance, if any, Series 2 Litigation Proceeds Amount; and

"B" is the Ordinary Combined Tax Rate;

by the by the ninety (90) day volume weighted trading price of the Class "A" Common voting shares on the principal exchange on which they are traded on the last business day preceding the Litigation Proceeds Payment Date (or such other lower price as may be required by the principle exchange on which the Class "A" Common voting shares are traded).

(ii) Fractional Shares. No fractional Class "A" Common voting shares shall be issued upon conversion of the Series 2 Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the number of Class "A" Common voting shares to be issued upon conversion of the Series 2 Preferred Shares shall be rounded down to the nearest whole share.

(iii) Procedural Requirements.

(A) On or prior to the Litigation Proceeds Payment Date, all holders of record of Series 2 Preferred Shares shall be sent written notice of the Corporation's election to convert and the place designated for conversion of all Series 2 Preferred Shares under this Section 1(d). Upon receipt of such notice, each holder of Series 2 Preferred Shares in certificated form shall surrender his, her or its certificate or certificates for all Series 2 Preferred Shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in the notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly signed by the registered holder or by his, her or its attorney duly authorized in writing.

(B) All rights with respect to the Series 2 Preferred Shares converted under this Section 1(d), including the rights, if any, to receive notices and vote (other than as a holder of Class "A" Common voting shares), will terminate at the Litigation Proceeds Payment Date (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or before such time), except only the rights of the holders of Series 2 Preferred Shares, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the Class "A" Common voting shares to which they are entitled to under this Section 1(d).

(C) As soon as practicable after the Litigation Proceeds Payment Date and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series 2 Preferred Shares, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full Class "A" Common voting shares issuable upon such conversion in accordance with these provisions. The converted Series 2 Preferred Shares shall be retired and cancelled and may not be reissued as shares of such class, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of Series 2 Preferred Shares accordingly.

(e) Liquidation Rights.

(i) Preferential Payments to Holders of Series 2 Preferred Shares. In the event of any liquidation, dissolution or winding-up of the Corporation or Deemed Liquidation Event, the holders of the Series 2 Preferred Shares then outstanding are entitled to be paid out of the assets of the Corporation available for distribution to its shareholders or out of the consideration payable to shareholders in such Deemed Liquidation Event, as applicable, before any payment is made to the holders of Common voting shares by reason of their ownership thereof, a pro rata an amount equal to:

(A) the Unpaid Series 2 Dividends as at the date of liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event; plus

(B) the amount to which they would be entitled as a Series 2 Operational Dividend Amount if the reference in the definition of Series 2 Operational Dividend Amount to "Quebec Business Distributable Cash for the Relevant Year" were read to also include any Net Proceeds (without duplication of any amount included in the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount),

(the "Series 2 Liquidation Amount"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its shareholders are insufficient to pay the holders of Series 2 Preferred Shares the full amount of the Series 2 Liquidation Amount, the holders of Series 2 Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the Series 2 Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(ii) Payments to Holders of Common Voting Shares.

(A) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Series 2 Liquidation Amounts required to be paid to the holders of Series 2 Preferred Shares, the remaining assets of the Corporation available for distribution to its shareholders or, in the case of a Deemed Liquidation Event, the remaining consideration, shall be distributed among the holders of Common voting shares in accordance with the share terms for the Common voting shares.

(B) The holders of the Series 2 Preferred Shares shall not, as such, be entitled, upon the liquidation, dissolution or winding-up of the Corporation or on the sale of the Core

Business, to share in any proceeds received by the Corporation from the disposition of the Core Business.

(iii) Effecting a Deemed Liquidation Event. The Corporation shall not have the power to effect a Deemed Liquidation Event unless the agreement or plan of arrangement for such transaction (in this Section 1(e), the "Definitive Agreement") provides that the consideration payable to the shareholders of the Corporation in such Deemed Liquidation Event shall be allocated to the holders of shares of the Corporation in accordance with Sections 1(e)(i) and if applicable, 1(e)(ii).

(iv) Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the shareholders of the Corporation upon any such amalgamation, arrangement, consolidation, merger, reorganization, sale, lease, transfer, exclusive license or other disposition in this Section 1(e) shall be the cash or the fair market value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The fair market value of such property, rights or securities shall be determined in good faith by the Board (including the approval of the Preferred Director).

(v) Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event under Section 1(a)(xii)(A)(1), if any portion of the consideration payable to the shareholders of the Corporation is payable only upon satisfaction of contingencies (in this Section 1(e), the "Additional Consideration"), the Definitive Agreement shall provide that: (A) the portion of such consideration that is not Additional Consideration (such portion, the "Initial Consideration") shall be allocated among the shareholders of the Corporation in accordance with Sections 1(e)(i) and 1(e)(ii) as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (B) any Additional Consideration which becomes payable to the shareholders of the Corporation upon satisfaction of such contingencies shall be allocated among the shareholders of the Corporation in accordance with Sections 1(e)(i) and 1(e)(ii) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 1(e), consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

(f) Purchase for Cancellation. Subject to applicable law and any requisite regulatory approvals, from and after the Earliest Redemption Date, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any number of the Series 2 Preferred Shares outstanding from time to time:

(i) through the facilities of any stock exchange on which the Series 2 Preferred Shares are listed;

(ii) by invitation for tenders addressed to all the holders of record of the Series 2 Preferred Shares outstanding; or

(iii) in any other manner,

at the lowest price or prices at which, in the opinion of the Board, such shares are obtainable. If upon any invitation for tenders under the provisions of this Section 1(f) more Series 2 Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the

tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series 2 Preferred Shares so tendered by each of the holders of Series 2 Preferred Shares who submit tenders at that price. From and after the date of purchase by the Corporation of any Series 2 Preferred Shares under the provisions of this Section 1(f), the shares so purchased shall be restored to the status of authorized but unissued shares.

(g) No Section 191.2 Tax Election. The Corporation shall not make any election under section 191.2 of the Tax Act or any successor or replacement provision of similar effect, with respect to the Series 2 Preferred Shares, unless otherwise determined by the Corporation in its sole and absolute discretion. For greater certainty, the Series 2 Preferred Shares are "taxable preferred shares" for the purposes of the Tax Act, and certain holders of Series 2 Preferred Shares may be subject to, and shall be fully responsible for all, Part IV.1 Tax on dividends or other distributions paid on the Series 2 Preferred Shares.

(h) Withholding Taxes. Notwithstanding any other provision of these Articles, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made to holders of Series 2 Preferred Shares pursuant to these Articles any amounts permitted or required by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made to holders of Series 2 Preferred Shares pursuant to these Articles is less than the amount that the Corporation is so required to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made to holders of Series 2 Preferred Shares pursuant to these Articles any amounts permitted or required by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. For greater certainty, the Corporation shall be permitted to withhold any additional amounts as it deems necessary to satisfy its withholding and remittance obligations, including such additional amount as the Corporation determines in its absolute discretion may be required to mitigate any possible fluctuation in the value of shares or other property in the event that such shares or other property must be sold in order to satisfy the Tax obligation of a holder of Series 2 Preferred Shares. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series 2 Preferred Shares pursuant to these Articles shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this Section 1(h). Holders of Series 2 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act, or any successor replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these Articles and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these Articles.

(i) Funding of Litigation

(i) Litigation Funding Commitment. The Corporation:

(A) will pay Legal Fees and Disbursements in respect of the Litigation up to a maximum of the Required Litigation Funding Amount; and

(B) provided the Corporation believes the Litigation and the Claims continue to be commercially viable, may pay Legal Fees and Disbursements in respect of the Litigation above the Required Litigation Funding Amount,

(the "Litigation Funding Amount"), subject to the terms and conditions set forth in these Articles. Funding is provided on a non-recourse basis, meaning that if no Litigation Proceeds are recovered, no holder of a Series 2 Preferred Share is obligated to pay any portion of the Expended Funding Amount by the Corporation.

(ii) Limitation of Funding Obligation. Notwithstanding anything in these Articles, in no event shall the Corporation's obligation to fund the Legal Fees and Disbursements exceed the Required Litigation Funding Amount in respect of the Litigation.

(iii) No Affirmative Liability. Except for payment of the Litigation Funding Amount, under no circumstances will the Corporation have any obligation to pay any liabilities of a holder of Series 2 Preferred Share, including fees, costs, expenses, counterclaim, crossclaim awards or third-party awards, nor will the Corporation be otherwise liable for any obligation of a holder of a Series 2 Preferred Share whatsoever by virtue of being a holder of Series 2 Preferred Shares, except as expressly provided for in these Articles.

(j) Receipt of Litigation Proceeds

(i) Monetary Form. The Corporation and the Lawyers, at the Corporation's instruction, shall use all reasonable endeavours to ensure that any Litigation Proceeds are received in monetary form.

(ii) Corporation's Receipt of Litigation Proceeds. If the Corporation directly or indirectly receives any Litigation Proceeds, such Litigation Proceeds will be held by the Corporation in the Segregated Account for the benefit of the party that is intended to be the ultimate recipient thereof under these Articles, and the Corporation shall pay forthwith the Litigation Proceeds in accordance with these Articles.

(k) Application of Litigation Proceeds

(i) Payment Waterfall. In the event the Corporation receives any Litigation Proceeds, such Litigation Proceeds shall be deposited into the Segregated Account;

(A) the Corporation shall be entitled to

(1) an amount equal to the sum of:

1. the Expended Funding Amount;

2. the estimated asset-retirement obligations related to the Quebec Business as determined by the Corporation acting reasonably;

3. all costs and expenses reasonably incurred by the Technical Committee in connection with the performance or observance of its duties under these Articles; plus

4. the Oversight Committee Expenses paid or payable to the Oversight Committee pursuant to the Oversight Committee Agreement;

(collectively, the "Expense Reimbursement"); and

(2) an amount equal to the sum of 5% of the Litigation Proceeds,

(the "Investment Return"), and for greater certainty, may transfer an amount equal to the Investment Returns from the Segregated Account to any non-Segregated Account of the Corporation;

(B) the remaining Litigation Proceeds (the "Series 2 Litigation Proceeds Amount") shall be held in the Segregated Account until payment of the Series 2 Litigation Dividend Amount to the holders of the Series 2 Preferred Shares, after which any balance may be used by the Corporation to pay its Taxes or for such other purposes as it may determine.

(l) Conduct of Litigation and Settlement Rights. Subject to the provisions of this Section 1(l), the Corporation will have the sole and exclusive right to direct the conduct of the Litigation. However, the Corporation will have no right to enter into a settlement agreement with respect to the Litigation unless, subject to the terms of the Oversight Committee Agreement:

(i) the Corporation immediately notifies the Oversight Committee in writing when settlement discussions commence or when the Corporation receives any Settlement Offer (but in any event no later than three (3) Business Day after receipt), and within that same three (3) Business Day period, the Corporation must also communicate in writing the amount and terms of such Settlement Offer, and all settlement proposals the Corporation intends to make in response to the Settlement Offer or proposal;

(ii) the Corporation and the Oversight Committee consult in good faith as to the appropriate course of action in connection with all Settlement Offers, proposals or discussions, including whether any Settlement Offer or proposal should be made, accepted or rejected or whether any counterproposal should be made and, if so, the terms thereof;

(iii) the Oversight Committee has at minimum seven (7) Business Days to assess the potential impact of the proposed settlement on the holders of Series 2 Preferred Shares, and if after this assessment the Oversight Committee determines that the proposed settlement may negatively affect the holders of Series 2 Preferred Shares, the Oversight Committee may withhold its consent to the settlement. Any settlement reached without the consent of Oversight Committee will be considered a breach of these Articles; and

(iv) the Corporation obtains the written consent of the Oversight Committee, before agreeing to any Settlement Offer.

(m) Covenants of the Corporation

(i) Co-Operation of Corporation. At all times during the Litigation Term, the Corporation shall:

(A) conduct the Litigation efficiently and effectively, and in a manner that avoids unnecessary costs and delay and shall provide full, honest and timely instructions to the Lawyers;

(B) co-operate with the Lawyers in all material matters

pertaining to the Litigation and shall devote sufficient time and attention as is reasonably necessary to conclude the Litigation successfully;

(C) follow all reasonable legal advice given by the Lawyers in relation to the Litigation and the Claims;

(D) co-operate with the Oversight Committee including by being reasonably available to the Oversight Committee's reasonable request to discuss the Claim or the Litigation (to the extent permitted by law), by phone, email or in person;

(E) comply with all orders of the Court and all statutory provisions, regulations, rules and directions that apply to the Corporation in relation to the Claims and the Litigation;

(F) authorize and instruct the Lawyers to comply with their obligations, recognizing that the Lawyers must at all times comply with their professional duties to act independently and in the best interests of the Corporation and in accordance with their other professional duties;

(G) remain party to the Litigation until Final Resolution;

(H) subject to the terms of these Articles, remain responsible for all liability, costs and expenses related thereto, including all litigation costs, consisting of but not limited to Legal Fees and Disbursements relating to the Claims and the Litigation;

(I) use commercially reasonable best efforts to prevail in the Litigation and to collect the Litigation Proceeds as soon as practicable;

(J) immediately inform the Lawyers and the Oversight Committee of any information, circumstance or change in circumstances reasonably likely to affect the Claims, or any issue in the Litigation relating to the recoverability of the Litigation Proceeds; and

(K) together with the Lawyers, cause any Litigation Proceeds to be received or recovered as quickly as reasonably possible, promptly enter, enforce and execute on any judgment obtained in the Litigation and pursue the Litigation in all appropriate jurisdictions.

(ii) Negative Covenants of the Corporation. At all times during the Litigation Term, the Corporation shall not:

(A) take any steps or execute any documents which would materially or adversely affect the Claims or the recoverability of the Litigation Proceeds;

(B) engage in any acts or conduct or make any material omissions, agreements or arrangements that may jeopardize the Corporation's right to receive any Litigation Proceeds;

(C) discontinue, abandon or withdraw the Litigation or the Claims without the prior written consent of the Shareholder Representative, on behalf of the Oversight Committee;

(D) settle or reject an offer to Settle the Litigation or the Claims unless the Corporation does so in accordance with Section ?1(l); or

(E) materially amend the Claims, including by pleading any new cause of action in the Litigation, without the prior written consent of the Oversight Committee.

(iii) Direction by the Corporation. The Corporation hereby irrevocably agrees to instruct the Lawyers for the duration of this Agreement to:

(A) comply with all orders of the Court and all statutory provisions, regulations, rules and directions which apply to the Corporation in relation to the Claims and the Litigation;

(B) keep the Oversight Committee fully informed of all material developments in the Litigation and in relation to the Claims, including immediately informing the Oversight Committee if, in the Lawyers' opinion, the Corporation's prospects of achieving success in the Litigation or the Defendant's capacity to pay any judgment is or is likely to be impaired;

(C) provide the Oversight Committee with a copy of all material documents given by the Lawyers or counsel to the Corporation in relation to the Litigation and the Claims and, if requested to do so by the Oversight Committee, a copy of all documents obtained from, or provided to the Defendant;

(D) immediately inform the Oversight Committee of all Settlement Offers or offers to engage in any alternative dispute resolution process received from the Defendant and allow the Shareholder Representative, on behalf of the Oversight Committee, the opportunity to attend any such alternative dispute resolution process agreed to with the Defendant; and

(E) sign any document and take any steps necessary to give full effect to and to enforce any Settlement reached in accordance with the terms of these Articles and approved by the court (if applicable).

(n) Financial Statements and Inspection. The Corporation shall maintain accurate and complete books and records reflecting its financial transactions and business in relation to the Claim and the subject matter thereof as applicable and will make them available for the Oversight Committee inspection upon reasonable notice.

(o) Oversight Committee and Shareholder Representative.

(i) Oversight Committee.

(A) The number of members of the Oversight Committee shall be fixed at three (3).

(B) The Oversight Committee shall choose amongst themselves one (1) member of the Oversight Committee who shall act as the shareholder representative (the "Shareholder Representative"), on behalf of the Oversight Committee.

(C) On the date of issuance of the first Series 2 Preferred Shares, the initial members of the Oversight Committee shall consist of the members set out in the Oversight Committee Agreement and the initial Shareholder Representative shall be such member of the Oversight Committee as set forth as the initial Shareholder Representative in the Oversight Committee Agreement.

(D) For the purposes of these Articles, the provisions of Section 120 of the Business Corporations Act (Alberta) regarding disclosure by directors and officers in relation to contracts shall apply to the Oversight Committee, with each reference to "director" deemed to refer to a "member of the Oversight Committee".

(ii) Approval Threshold. The approval of the holders of the Oversight Committee with respect to any and all matters Authorized Actions may be given in writing by the holders of not less than a majority of the member of the Oversight Committee or by resolution duly passed and carried by not less than a majority of the members of the Oversight Committee at a meeting duly called and held for the purpose of considering the subject matter of such resolution and a majority of the members of the Oversight Committee are present in person; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of the members of the Oversight Committee are not present in person within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than forty-eight (48) hours later, and to such time and place as may be fixed by the Shareholder Representative, and at such adjourned meeting the members of the Oversight Committee, whether or not they represent a majority of the members of the Oversight Committee, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than a majority of the votes cast on a poll at such adjourned meeting shall constitute the approval of the members of the Oversight Committee. Notice of any such original meeting of the members of the Oversight Committee shall be given not less than forty-eight (48) hours prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than forty-eight (48) hours prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of directors. On every poll taken at any such original meeting or adjourned meeting, each member of the Oversight Committee present in person shall be entitled to one vote.

(iii) Oversight Committee Actions. The Oversight Committee, on behalf of the holders of Series 2 Preferred Shares, shall have the full power and authority to:

(A) agree to any amendment, supplement or modification of the 2015 CAPL Operating Procedure pursuant to Section 1(a)(i);

(B) direct the Corporation pursuant to Sections 1(l) and 1(m);

(C) provide written approval pursuant to Sections 1(a)(lxxiii), ?1(l) and 1(m);

(D) receive all notices, information and other deliverables pursuant to Sections, 1(l), 1(m), 1(n), 1(q) and 1(r); and

(E) appoint a Shareholder Technical Representative pursuant to Section 1(r).

(iv) Authorized Actions. The Corporation shall be entitled to rely on any action taken by the Shareholder Representative, on behalf of the Oversight Committee, acting on behalf of the holders of Series 2 Preferred Shares, in accordance with this Section 1(o) (each, an "Authorized Action"), and each Authorized Action shall be binding on each holder of Series 2 Preferred Shares as fully as if such Person had taken such Authorized Action.

(v) Shareholder Representative as Exclusive Authorized Representative. The Corporation shall be entitled to deal exclusively with the Shareholder Representative on all matters

relating to an Authorized Action and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Series 2 Preferred Shares by the Shareholder Representative, and on any other action taken or purported to be taken on behalf of any Series 2 Preferred Shares by the Shareholder Representative, as being fully binding upon such Person. Any decision or action by the Shareholder Representative hereunder, including any agreement between the Shareholder Representative and Corporation relating to the defense, payment or settlement of any Claims or Litigation hereunder, shall constitute a decision or action of all holders of Series 2 Preferred Shares and shall be final, binding and conclusive upon each such Person. No holder of Series 2 Preferred Shares shall have the right to object to, dissent from, protest or otherwise contest the same.

(vi) Appointment of Shareholder Representative. The Person that is the Shareholder Representative as of the date of these Articles shall be deemed for all purposes hereunder to be the Shareholder Representative unless and until the earlier of:

(A) the Corporation's receipt of written notice of approval of the Oversight Committee in accordance with these Articles of the appointment of a new Shareholder Representative, subject to such new Shareholder Representative executing a joinder to the Oversight Committee Agreement. For certainty, to the extent until such written notice has been received, the Corporation shall be entitled to continue to treat the then-current Person appointed as Shareholder Representative as the Shareholder Representative for all purposes hereunder; and

(B) the date of resignation in the written notice of resignation received by the Corporation from the Shareholder Representative. If a successor Shareholder Representative has not been appointed by the members of the Oversight Committee in accordance with these Articles within thirty (30) days from the date of resignation, the ceasing Shareholder Representative shall be entitled to designate a successor Shareholder Representative until a new Shareholder Representative has been appointed by the Oversight Committee in accordance with these Articles.

(vii) No Fiduciary Duties. Under no circumstances shall the members of the Oversight Committee be construed as acting as agent or in any fiduciary or similar capacity for the holders of the Series 2 Preferred Shares in connection with these Articles.

(viii) Oversight Committee Expenses. The Oversight Committee is under no obligation to expend its own funds in the execution of its duties as the Oversight Committee. The Corporation shall fund all costs and expenses reasonably incurred by the Oversight Committee in connection with the performance or observance of its duties under these Articles in accordance with the terms of the Oversight Committee Agreement (the "Oversight Committee Expenses").

(p) Quebec Business Drilling Commitment and Earn-In

(i) Drilling Commitment.

(A) Upon the Reinstatement Date and in accordance with the Work Program and Budget prepared by the Technical Committee and approved by Board, the Corporation may, at the Corporation's sole cost and expense, elect to Drill to either Vertical Contract Depths at the location(s) as determined by the Corporation in consultation with the Technical Committee on the Farmout Lands, commence the construction of one or more

locations for Well Pads and Spud ten (10) vertical wells to the desired Vertical Contract Depth in any combination and Drill, case Complete and/or Abandon such well(s) (the "Test Wells"). All right, title and interest in the Farmout Lands, wells, facilities and associated assets shall at all times remain with the Corporation. For greater certainty, the holders of the Series 2 Preferred Shares shall only have an indirect economic interest in the Quebec Business by way of the Series 2 Operational Dividend Amount payable pursuant to Section 1(c)(i)(B), and not any legal or beneficial title to the Farmout Lands or wells.

(B) Nothing herein shall prevent the Corporation from drilling deeper or longer than a Vertical Contract Depth as chosen, at its own discretion.

(C) The Corporation is hereby named Operator pursuant to the 2015 CAPL Operating Procedure.

(D) The obligation to Spud a Test Well(s) is subject to:

(1) availability of a rig and the related supplies and services, surface access and receipt of all; licences, approvals and similar authorizations required under the Regulations, provided that the Corporation has diligently been using reasonable efforts to obtain them; and

(2) the application of the provisions hereof pertaining to Force Majeure.

(ii) Corporation's Obligations to Drill and Evaluate the Test Well. The Corporation will, for a Test Well:

(A) diligently and continuously drill it to the desired Vertical Contract Depth using a well design that would allow that Test Well to be Completed in due course;

(B) evaluate it to the reasonable satisfaction of the Corporation in the applicable formations of the Farmout Lands and any obligation to conduct one or more production tests injectivity tests thereunder as part of the Completion of that Test Well;

(C) Complete, Cap or Abandon it; and

(D) in the case to Abandonment of the Test Well, it shall be Abandoned by the Corporation at its sole discretion.

(iii) Corporations Obligations for Evaluation of a Test Well. If the Corporation has drilled a Test Well to a Vertical Contract Depth, and Petroleum Substances or injectivity capabilities are not reasonably anticipated to be present in Paying Quantities or meet reasonable economic thresholds in that well from any formation included in the Farmout Lands after the review of the drilling information or after a Completion that is not successful in the relevant formation(s), the Corporation will Abandon the well.

(iv) Earn-In. If the Corporation has fulfilled its obligations to Drill, test, produce or inject, as the case may be, or Abandon, any and all of the ten (10) Test Wells and the Corporation has tied-in and produced/injected at least one Test Well, the Corporation will earn a fifty percent (50%) interests in the Farmout Lands and Test Wells, effective as of the drilling rig release date for the tenth (10th) Test Well and will be entitled to a portion of the Operating Income in accordance with Section 1(p)(v).

(v) Entitlement to Operating Income. Upon completion of the Test Wells in accordance with Section 1(p)(i) (the "Earn-In Date"), the Corporation shall be entitled to attribute the remainder of the Operating Income for the relevant Fiscal Year to the Core Business after deducting the Series 2 Operational Dividend Amount for the relevant Fiscal Year payable to the holders of Series 2 Preferred Shares pursuant to Section 1(c)(i)(B).

(vi) Incomplete Fulfillment of Test Wells. If the Corporation does not complete its Test Well obligations in accordance with Section 1(p)(i) or elects to not pursue the remaining Drilling of Test Wells then it shall not be entitled to attribute any portion of Operating Income to the Core Business that is payable to the holders of Series 2 Preferred Shares pursuant to Section 1(c)(i)(B) and 100% of Operating Income shall continue to be attributed to the Quebec Business for the benefit of the holders of the Series 2 Preferred Shares effective at that time, in accordance with Section 1(c)(i)(B).

(q) Right to Information. From and after the Reinstatement Date, at the request of the Oversight Committee, and subject to the terms of the Oversight Committee Agreement, the Corporation shall provide the Oversight Committee with:

(i) monthly exploration reports updating the status of the Work Program and Budget including, but not limited, reasonable access to the Corporation's scientific and technical data, work plans and programs, permitting information and results of operations. The Corporation shall not be obligated to provide a monthly exploration report if one has not been prepared for internal use;

(ii) monthly financial reports related to the Quebec Business, including unaudited monthly balance sheet, income statements and cash flow statements of the Quebec Business, all prepared in accordance with GAAP along with the Corporation's calculations of Operating Income and the Quebec Business Distributable Cash;

(iii) a quarterly report that includes a complete written statement of charges and expenditures or other supporting documentation, if any, available for Farmout Operations to be rendered in accordance with an approved Work Program and Budget or portion thereof ("Quarterly Reports"); and

(iv) such other information relating to the operational condition, financial condition, business or corporate affairs related to the Quebec Business as the Oversight Committee may from time to time reasonably request.

Following the delivery of each report the Corporation shall use commercially reasonable efforts to respond to reasonable questions and inquiries from the Oversight Committee with respect to the report and the contents thereof.

(r) Technical Committee

(i) Technical Committee Formation. From and after the Reinstatement Date, in order to facilitate communication between the Corporation and the Oversight Committee with respect to technical, operating, exploration, sustainability and external relations matters, the Corporation shall form an advisory committee (the "Technical Committee"). The Technical Committee shall be composed of up to three (3) members (each member, a "Technical Representative"). The Oversight Committee shall have the right (but not the obligation) to appoint one Technical Representative (a "Shareholder Technical Representative") whose mandate shall be to advise the Board with respect to the overall

supervision and direction of the Farmout Operations. The Corporation shall appoint the remaining members of the Technical Committee. Each of the Shareholder Representative and the Corporation may appoint or remove its respective Technical Representative by written notice to the other.

(ii) Alternate Technical Representative. Any Technical Representative may designate an alternate to attend a meeting of the Technical Committee in their place, and such alternate shall be deemed to be a Technical Representative for that meeting. Each of the Corporation and the Shareholder Representative may also designate one or more observers to attend Technical Committee meetings, subject to the prior consent of the other (not to be unreasonably withheld). Observers shall be identified by prior written notice, and the designating party shall be responsible for distributing meeting materials to its observers.

(iii) Role of the Technical Committee. The role of the Technical Committee shall be to advise the Board on technical and financial matters, with respect to the Quebec Business, including but not limited to Farmout Operations that are necessary or desirable to properly explore, appraise, develop, produce from and otherwise exploit the Farmout Lands in a manner appropriate in the circumstances. Without limiting the generality of the foregoing, the Technical Committee shall:

(A) provide for the planning, design, engineering and implementation of Work Programs and Budgets;

(B) prepare, review, discuss and present the Work Programs and Budgets to be considered by the Board;

(C) prepare and deliver to the Oversight Committee all Quarterly Reports, as required;

(D) update the Board and the Oversight Committee, as requested, on the status of Farmout Operations on a technical basis;

(E) review and analyze the most recently available data produced from Farmout Operations;

(F) make recommendations concerning any matters and/or revise Work Programs and Budgets as directed by the Board;

(G) have day to day decision-making authority to determine the content of the Work Programs and Budgets, with ultimate authority being reserved exclusively to the Board; and

(H) have no final decision-making authority, that authority being reserved exclusively to the Board.

(iv) Meetings of the Technical Committee. From and after the Reinstatement Date, unless otherwise agreed upon by the Technical Representatives, the Technical Committee shall hold regular meetings at least quarterly and otherwise on 15 days' notice delivered to the Technical Representatives by either the Corporation or the Oversight Committee. Meetings may be held in person at the offices of the Corporation, telephonically or at other mutually agreed places. Subject to the Corporation's obligations and restrictions under applicable law, at each meeting of the Technical Committee, the Corporation shall report to the Technical Representatives on all matters relevant to the Corporation's exploration and operations, in such form and with such detail as is requested by the Technical Committee. Notwithstanding anything to the contrary, the Shareholder Technical Representatives shall have no obligation to attend any Technical Committee meeting. In lieu of meetings in person, the Technical Committee may conduct meetings by telephone or video

conference or by other means of electronic communication by which all persons participating in the meeting are able to hear the entire meeting and be heard by all other persons attending the meeting, in each case as the Technical Committee determines.

(v) Access to Information. Subject to the Oversight Committee Agreement and applicable law, the Corporation shall provide each Technical Representative with access to all technical, resource, exploration, sustainability, and operational information relating to the Quebec Business, which, for greater certainty, shall include internal reports in addition to the data and conclusions produced therefrom.

(s) Payment Procedure. Notwithstanding any other right, privilege, restriction or condition attaching to the Series 2 Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series 2 Preferred Shares by way of cheque, a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series 2 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series 2 Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series 2 Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

(t) Cancellation of Series 2 Preferred Shares. From and after the Earliest Redemption Date, if the Final Resolution does not include the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result:

(i) if there are Litigation Proceeds upon the Final Resolution, the Series 2 Preferred Shares shall be deemed to have been redeemed by the Corporation for no additional consideration on the later of:

(A) the Business Day after the Litigation Proceeds Payment Date; and

(B) the Earliest Redemption Date,

and such redeemed Series 2 Preferred Shares shall be cancelled. From and after the date of cancellation, the holders of the Series 2 Preferred Shares are not entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Series 2 Litigation Dividend Amount is not made to the holders of the Series 2 Preferred Shares in accordance with Section 1(c)(i)(A), in which case the rights of the holders thereof remain unaffected until payment of such amounts is made;

and

(ii) if there are no Litigation Proceeds upon the Final Resolution, the Series 2 Preferred Shares shall be deemed to have been redeemed by the Corporation for no additional consideration on the later of:

(A) the Business Day after the date of the Final Resolution; and

(B) the Earliest Redemption Date,

and such redeemed Series 2 Preferred Shares shall be cancelled. From and after the date of cancellation, the holders of the Series 2 Preferred Shares are not entitled to exercise any of the rights of shareholders in respect thereof.

EXHIBIT "A"

2015 CAPL OPERATING PROCEDURE

The following provisions of the standard form 2015 CAPL Operating Procedure are incorporated herein by reference, mutatis mutandis, as may be modified more specifically below:

1.01 "Abandonment";

" Accounting Procedure", and refers to the standard form 1996 PASC Accounting Procedure as part of a Schedule (*), if cost classifications in the 2015 CAPL Operating Procedure and the 1996 PASC Accounting Procedure conflict, the Accounting Procedure shall govern financial accounting, and the Operating Procedure shall govern operational classification;
"Affiliate";
"Business Day";
"Commenced";
"Completion";
"Completion Costs";
"Deepen";
"Drilling Costs", which will also include any of those costs associated with the initial well if a well is drilled as a substitute well under Clause 3.02 to hold an interest Farmout Lands that include the location of that initial well;
"Environmental Liabilities";
"Equipping";
"Equipping Costs";
"Facility Fees", with "Clause 15.01" replacing "Article 21.00" in the second last line;
"Facility Usage", with "Farmee's" replacing "Party's" in the first line and "from a Royalty Well" replacing "of a Non-Taking Party under Article 6.00 or those produced from an Independent Well" in the second and third lines;
"First Point of Measurement";
"Force Majeure";
"Gross Negligence or Wilful Misconduct";
"HSE";
"Losses and Liabilities";
"Market Price", in which the optional sentence therein will_/will not X (Specify) be selected to apply;
"Operating Costs";
"Operation";
"Operator";
"Paying Quantities";
"Petroleum Substances";
"Recompletion";
"Regulations";
"Reworking";
"Schedule";
"Sidetracking";

"Spud",
"Title Administrator";
"Vetical Stratigraphic Wellbore"; and
"Working Interest", in which the phrase "a Production Facility; or" is deleted;
1.02 "References And Interpretation";
1.04 "Conflicts", with "Article 11 .00" replacing the phrase "Article 4.00" in the ninth line of Subclause 1.04A;
1.06 "Governing Law";
1.07 "Extension Under Alberta Limitations Act",
1.08 "Time Of Essence";
1.09 "No Amendment Except In Writing";
1.10 "Waiver";
1.14 "Term";
3.04 "Proper Practices In Joint Operations",
3.05 "Health, Safety And The Environment",
3.06 "Protection From Liens",
3.07 "Records And Accounts";
3.09 "Surface Rights And Regulatory Licences";
3.10 "Maintenance Of Title Documents",
3.11 "Insurance" - Alternate_A_(Specify (a) or (b)) in Subclause 3.11 C;
3.14 "Measurement";
15.01 "Responsibility For Additional Encumbrances";
15.02 "Certain Encumbrances Continue To Apply To Working Interest";
16.01 "Suspension Of Obligations Due To Force Majeure";
16.02 "Obligation To Remedy Force Majeure";
17.01 "Sharing Of Certain Incentives And Benefits", with the addition of the following at the end of Subclause 17.01A: "All royalty incentives accruing to an Test Well under the Regulations due to the Farmee's activities under this Head Agreement will accrue to the benefit of the Parties in proportion to their respective Working Interests in the applicable Test Well at the relevant time(s). Insofar as the royalties payable under the Title Documents to the grantor thereof are a function of a Party's capital base, costs incurred under this Farmout & Royalty Procedure with respect to any Test Well will be regarded as having been incurred by the Parties in proportion to their respective Working Interests therein at the relevant time(s)";
18.01 "Confidentiality Requirement";
18.02 "Proprietary Information Disclosed By A Party";
18.04 "Interpretive Data";
18.05 "Confidentiality Requirement To Continue";
18.06 "Warranty Disclaimer Respecting Information Disclosures";
19.01 "Parties To Discuss Public Announcements";
22.01 "Service Of Notice", with the deletion of the last sentence of Subclause 22.01A;
22.02 "Addresses For Service"-The Parties' addresses for service will be as set forth in the 2015 CAPL Operating Procedure or in the Head Agreement, as applicable;
25.01 "Parties To Supply Further Assurances";
25.03 "Enurement";
25.06 "Waiver Of Relief'; and
25.07 "Conflict Of Interest".

In those incorporated provisions, "Joint Lands" will be read as "Farmout Lands", "Joint Operations" will be read as "Operations" or Farmout Operations", , "Operator" will be read as "Corporation", as applicable, Nothing in any of those incorporated provisions requires the Preferred Shareholders to assume any cost, risk or expense associated with an Operation conducted hereunder unless otherwise provided herein.

EXHIBIT "B"

1996 PASC ACCOUNTING PROCEDURE ELECTIONS

The following clauses of the 1996 PASC Accounting Procedure are modified to include the indicated election, alternate, option or value:

Clause 105 Operating Fund 10%
Clause 110 Approvals Clause 7 ; from 2 or more Owners having
interests in the Joint Property totaling 60% or more
Clause 112 Expenditure Limitation (a) not in excess of $50,000
(c) not in excess of $50,000
Clause 202 Employee Benefits (b) not to exceed 25%
Clause 213 Camp and Housing (b) shall / shall not x
Clause 216 Warehouse Handling the last sentence should read "on a percentage assessment basis of 2.5% of the cost of tubular goods in excess of $5.000 and 5% of the cost of all other Material.

Clause 221 Allocation Options Deleted - N/A
Clause 302 Overhead Rates

(a) Exploration Project
(1) 5% of the first $50,000 ; plus
(2) 3% of the next $100,000 ; plus
(3) 1% of cost exceeding sum of (1) and (2)

(b) Drilling of a well
(1) 3% of the first $50,000 ; plus
(2) 2% of the next $100,000 ; plus
(3) 1% of cost exceeding sum of (1) and (2)

(c) Initial Construction
(1) 5% of the first $50,000 ; plus
(2) 3% of the next $100,000 ; plus
(3) 1% of cost exceeding sum of (1) and (2)

(d) Subsequent Construction Project
(1) 3% of the first $50,000 ; plus
(2) 2% of the next $100,000 ; plus
(3) 1% of cost exceeding sum of (1) and (2)

(e) Operation and Maintenance:
(1) _____% of cost; and/or
(2) $500 per Producing Well per month; or
(3) Flat rate of _____ dollars per month

Subclause 302(e)(2) and 302(e)(3) hereof shall / shall not X be adjusted

Clause 406 Dispositions $50,000

EXHIBIT "C"

FARMOUT LANDS

#	Petroleum and Natural Gas Licenses	Working Interest	Royalty Interests	AREA/Wells
1	2008PG959 PNG Permit dated 06-May-08 All PNG – M01174	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
2	2008PG960 PNG Permit dated 06-May-08 All PNG – M01175	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to:	Lowlands

			Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	
3	2008PG961 PNG Permit dated 06-May-08 All PNG – M01176	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
4	2008PG962 PNG Permit dated 06-May-08 All PNG – M01177	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Saint-Edouard No. 1 Saint-Edouard HZ No. 1a
5	2008PG963 PNG Permit dated 06-May-08 All PNG – M01178	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 82.353% Terrenex Ventures Ltd. 17.647%	Lowlands
6	2008PG964 PNG Permit dated 06-May-08 All PNG – M01179	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Fortierville HZ No. 1
7	2008PG965 PNG Permit dated 06-May-08 All PNG – M01180	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
8	2006PG907 PNG Permit dated 06-May-06 All PNG – M00147	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Sainte-Gertrude HZ No. 1 Gentilly No. 1 Gentilly HZ No. 2
9	2008PG966 PNG Permit dated 06-May-08 All PNG – M01181	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
10	2008PG967 PNG Permit dated 06-May-08 All PNG – M01182	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
11	2008PG968	100%	Crown LOR	Lowlands

	PNG Permit dated 06-May-08 All PNG – M01183		5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	
12	2008PG969 PNG Permit dated 06-May-08 All PNG – M01184	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
13	2008PG970 PNG Permit dated 06-May-08 All PNG – M01185	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
14	2008PG971 PNG Permit dated 06-May-08 All PNG – M01186	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands La Visitation No. 1
15	2008PG972 PNG Permit dated 06-May-08 All PNG – M01187	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Saint David No. 1
16	2008PG973 PNG Permit dated 06-May-08 All PNG – M01188	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
17	2002PG625 PNG Permit dated 19-Mar-02 All PNG – M01541	100%	Crown LOR 15% NC GORR on 100% production Paid by: QEC 100% Paid to: Altai Resources Inc. 53.5% Petro St-Pierre Inc. 46.5%	Lowlands Saint-Francois-du-Lac No. 1
18	2008PG974 PNG Permit dated 20% Gas Storage February 21, 2008 All PNG & Gas Storage Rights – M01537	80% PNG	Crown LOR	Lowlands Leclercville No. 1 Leclercville HZ No. 1a
19	2005PG794 PNG Permit dated December 12, 2005 All PNG – M01538	100%	Crown LOR	Lowlands
20	2005PG795 PNG Permit dated December 12, 2005	100%	Crown LOR	Lowlands

	All PNG – M01539				
21	2005PG796 PNG Permit dated December 12, 2005 All PNG – M01540	100%	Crown LOR	Lowlands	
22	2005PG773 PNG Permit dated March 1, 2005 All PNG – M00156	100%	Crown LOR	Saint Jean Saint Jean Sur Richelieu No. 1	
23	2006RS150 Underground Reservoir PNG Permit dated July 14,2006 All PNG – M00133	20% - ALL PNG TBO Utica Shale 100% - ALL PNG BBO Utica Shale	Crown LOR	Yamaska Saint Francois Du Lac No. 1; HZ No. 1 A253, A260	
24	2006RS151 Underground Reservoir PNG Permit dated July 14, 2006 All PNG – M00134	20% - ALL PNG TBO Utica Shale 100% - ALL PNG BBO Utica Shale	Crown LOR	Yamaska Saint Louis De Richelieu No. 1; HZ No.1, A254, A254-R1	
25	2009PG496 PNG Permit dated April 28, 2009 ALL PNG – M01203	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe	
26	2009PG497 PNG Permit dated April 28, 2009 ALL PNG – M01204	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Bourque No. 1 Bourque No. 2	
27	2009PG498 PNG Permit dated April 28, 2009 ALL PNG – M01205	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe	
28	2009PG499 PNG Permit dated April 28, 2009 ALL PNG – M01206	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe	
29	2009PG502 PNG Permit dated April 28, 2009 ALL PNG – M01212	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe	
30	2009PG503 PNG Permit dated April 28, 2009	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to:	Gaspe	

	ALL PNG – M01213		Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	
31	2009PG504 PNG Permit dated April 28, 2009 ALL PNG – M01214	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
32	2005RS111 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01215	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
33	2005RS112 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01216	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
34	2009PG505 Underground Reservoir PNG Permit dated April 28, 2009 ALL PNG – M01217	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Le Ber No. 1
35	2005RS120 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01218	Royalty Interest Only	5% NC GORR on 100% production Paid by: Cuda Oil 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Wakeham No. 1
36	2005RS122 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01219	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Petrolia Haldimand Well No. 1; Petrolia Haldimand Well No. 2; Petrolia Haldimand Well No. 3; Petrolia Haldimand Well No. 4
37	2005RS123 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01242	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Petrolia Haldimand Well No. 1

BY-LAW NO. 2

A by-law relating generally to
the transaction of the business
and affairs of

QUESTERRE ENERGY CORPORATION

(hereinafter referred to as the "Corporation")

DIRECTORS AND OFFICERS

1. **Calling of and Notice of Meetings** - Meetings of the board shall be held at such place and time and on such day as the chairman of the board, president, chief executive officer or a vice-president, if any, or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.

2. **Quorum** - Subject to the residency requirements contained in the Business Corporations Act, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors then elected or appointed or such greater or lesser number of directors as the board may from time to time determine.

3. **Place of Meeting** - Meetings of the board may be held in or outside Canada.

4. **Votes to Govern** - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

5. **Audit Committee** - When required by the Business Corporations Act the board shall, and at any other time the board may, appoint annually from among its number an Audit Committee to be composed of not fewer than three (3) directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The Audit Committee shall have the powers and duties provided in the Business Corporations Act and any other powers delegated by the board.

6. **Interest of Directors and Officers Generally in Contracts** - No director or officer shall be disqualified by his office from contracting with the Corporation nor shall any contract or transaction entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or transaction by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Business Corporations Act.

7. **Appointment of Officers** - Subject to the articles and any unanimous shareholder agreement, the board may from time to time appoint a president, chief executive officer,

chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Business Corporations Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to the provisions of this by-law, an officer may but need not be a director and one person may hold more than one office.

8. **Chairman of the Board** - The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Business Corporations Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

9. **Managing Director** - The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall have such powers and duties as the board may specify.

10. **President** - If appointed, the president shall be the chief operating officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

11. **Vice-President** - A vice-president shall have such powers and duties as the board or the chief executive officer may specify.

12. **Secretary** - The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer may specify.

13. **Treasurer** - The treasurer shall keep proper accounting records in compliance with the Business Corporations Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board or the chief executive officer may specify.

14. **Agents and Attorneys** - The board shall have the power from time to time to appoint agents and attorneys for the Corporation in or outside Canada with such powers as the board sees fit.

SHAREHOLDERS' MEETINGS

15. **Quorum** - Unless and until shares of the Corporation are sold to the public, subject to the requirements of the Business Corporations Act, a quorum for the transaction of business at any meeting of shareholders, irrespective of the number of persons actually present at the meeting, shall be one person present in person being a shareholder entitled to vote thereat or a duly appointed representative or proxyholder for an absent shareholder so entitled, and holding or representing in the aggregate not less than a majority of the outstanding shares of the Corporation entitled to vote at the meeting.

    At such time as shares of the Corporation have been sold to the public, the quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

16. **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Business Corporations Act, be determined by the majority of votes cast on the question. In case of an equality of votes either upon a show of hands, a poll or any other manner permitted by the Business Corporations Act, the chairman of the meeting shall not be entitled a second or casting vote.

17. **Show of Hands** - Subject to the provisions of the Business Corporations Act, any question at a meeting of shareholders shall be decided by a show of hands or any other manner permitted by the Business Corporations Act unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

18. **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands or other form of voting has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Business Corporations Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

MEETING BY TELEPHONE

19. **Directors** - A director may participate in a meeting of the board or of a committee of the board by electronic means, telephone or other communication facilities that permit all persons participating in any such meeting to hear each other.

INDEMNIFICATION

20. **Indemnification of Directors and Officers** - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the Business Corporations Act.

21. **Indemnity of Others** - Except as otherwise required by the Business Corporations Act and subject to paragraph 20, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.

22. **Right of Indemnity Not Exclusive** - The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

23. **No Liability of Directors or Officers for Certain Matters** - To the extent permitted by law, no director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests

of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

DIVIDENDS

24. **Dividends** - Subject to the provisions of the Business Corporations Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

25. **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

26. **Non-Receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnify, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

27. **Unclaimed Dividends** - Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

BANKING ARRANGEMENTS, CONTRACTS, DIVISIONS ETC.

28. **Banking Arrangements** - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

29. **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any

further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.

30. **Voting Rights in Other Bodies Corporate -** The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

31. **Creation and Consolidation of Divisions** - The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.

32. **Name of Division** - Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

33. **Officers of Divisions** - From time to time the board or a person designated by the board, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or a person designated by the board, may remove at its or his pleasure any officer so appointed, without prejudice to such officers rights under any employment contract. Officers of divisions or their sub-units shall not, as such be officers of the Corporation.

MISCELLANEOUS

34. **Invalidity of Any Provisions of This By-law** - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

35. **Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director,

officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

INTERPRETATION

36. **Interpretation** - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; "articles" include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement and articles of revival; "board" shall mean the board of directors of the Corporation; "Business Corporations Act" shall mean the ***Business Corporations Act*** (Alberta), R.S.A. 2000, c. B-9, as amended from time to time, or any Act that may hereafter be substituted therefor; "meeting of shareholders" shall mean and include an annual meeting of shareholders and a special meeting of shareholders of the Corporation; and "signing officers" means any person authorized to sign on behalf of the Corporation pursuant to - paragraph 29.

37. **Nomination of Directors**

1. Subject only to the Business Corporations Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or

c) by any person (a "**Nominating Shareholder**"): (i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this paragraph 37 and at the close of business on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this paragraph 37.

2. In addition to any other applicable requirements, for a nomination to be made only by a Nominating Shareholder, the Nominating Shareholder must have given

timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this paragraph 37.

3. To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be made:

(a) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any equirement in this paragraph. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the secretary of the Corporation must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of the person; (ii) the principal occupation or employment of the person; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, full particulars of any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this paragraph 37; provided, however, that nothing in this paragraph 37 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For the purposes of this paragraph 37:

(a) "**public announcement**" shall mean disclosure in a release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notice of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of the by-laws, notice given to the secretary of the Corporation pursuant to this paragraph 37 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

CONSENTED to by the directors of the Corporation, as evidenced by the signature hereto.

Jason D'Silva
Chief Financial Officer

CONFIRMED by the voting shareholders of the Corporation, as evidenced by the signature hereto.

Jason D'Silva
Chief Financial Officer

Dated effective June 11, 2014.

BY-LAW NO. 1

A By-Law relating generally to the transaction of the business and affairs of WESTPRO EQUIPMENT LTD.

CONTENTS

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of WESTPRO EQUIPMENT LTD. (hereinafter called the "Corporation") as follows:

SECTION ONE
INTERPRETATION

1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise requires:

"Act" means The Business Corporations Act of Alberta, and any statute that may be substituted therefor, as from time to time amended;

"appoint" includes "elect" and vice versa;

"articles" means the articles attached to the certificate of continuance of the Corporation as from time to time amended or restated;

"board" means the board of directors of the Corporation;

"by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

"meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders; "special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

"recorded address" means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation;

"signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Clause 2.03 or by a resolution passed pursuant thereto.

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

SECTION TWO
BUSINESS OF THE CORPORATION

2.01 Corporate Seal

Until changed by the board, the corporate seal of the Corporation shall be in the form impressed hereon.

2.02 Financial Year

The financial year of the Corporation shall end on such date in each year as the board may from time to time by resolution determine.

2.03 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two persons, one of whom holds the office of chairman of the board, president, managing director, vice-president or director and the other of whom holds one of the said offices or the office of secretary, treasurer, assistant secretary or assistant treasurer or any other office created by by-law or by resolution of the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.04 Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

2.05 Voting Rights in Other Bodies Corporate

The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the board, or failing the board, the signing officers of the Corporation, may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

SECTION THREE
DIRECTORS

3.01 Number of Directors and Quorum

Until changed in accordance with the Act, the Board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles. Subject to Clause 3.02, the quorum for the transaction of business at any meeting of the board shall consist of two directors or such greater or lesser number of directors as the board may from time to time determine.

3.02 Action by the Board

Subject to the Act and the articles, the powers of the board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the directors who would be entitled to vote on that resolution at a meeting of the board.

3.03 Meetings by Telephone

A director may participate in a meeting of the board or of a committee of the board by means of telephone or other communications facilities that permit all persons participating in the meeting to hear each other, and a director participating in a meeting by those means is deemed to be present at the meeting.

3.04 Place of Meetings

Subject to the articles, meetings of the board may be held at any place in or outside Canada.

3.05 Calling of Meetings

Meetings of the board shall be held at such time and at such place as the board, the chairman of the board, the managing director, the president or any two directors may determine.

3.06 Notice of Meeting

Notice of the time and place of each meeting of the board shall be given in the manner provided in the Act to each director not less than forty-eight hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where the Act requires such purpose or business to be specified including any proposal to:

(a) submit to the shareholders any question or matter requiring approval of the shareholders;

(b) fill a vacancy among the directors or in the office of auditor;

(c) issue securities;

(d) declare dividends;

(e) purchase, redeem or otherwise acquire shares of the Corporation;

(f) pay a commission for the sale of shares;

(g) approve a management proxy circular;

(h) approve any annual financial statements; or

(i) adopt, amend or repeal by-laws.

3.07 First Meeting of New Board

Provided a quorum of directors is present, the board may without notice hold a meeting immediately following an annual meeting of shareholders.

3.08 Regular Meetings

The board may from time to time appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, or forthwith after such director's appointment, whichever is later, but no other notice shall be required for any such regular meeting except where the Act or this by-law requires the purpose thereof or the business to be transacted thereat to be specified.

3.09 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director, president or a vice-president (in order of seniority). If no such officer is present, the directors present shall choose one of their number to be chairman.

3.10 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote.

3.11 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

SECTION FOUR
COMMITTEES

4.01 Transaction of Business

The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed

by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

4.02 Procedure

Unless otherwise determined by the board, each committee shall have the power to fix its quorum, to elect its chairman and to regulate its procedure.

SECTION FIVE
PROTECTION OF DIRECTORS AND OFFICERS

5.01 Indemnity

Subject to the Act, the Corporation shall indemnify a director or officer, a former director or officer, and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if:

(a) he acted honestly and in good faith with a view to the best interests of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

SECTION SIX
SHARES

6.01 Registration of Transfer

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in Clause 6.07.

6.02 Non-Recognition of Trusts

Subject to the provisions of the Act, the Corporation may treat as the absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

6.03 Share Certificates

Share certificates and acknowledgements of a shareholder's right to a share certificate, shall, subject to the Act, be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with Clause 2.03 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

6.04 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding $3.00, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

6.05 Joint Shareholders

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more that one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

6.06 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

6.07 Lien for Indebtedness

If the articles provide that the Corporation has a lien on shares registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation, such lien may be enforced, subject to the Act and to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

SECTION SEVEN
DIVIDENDS

7.01 Dividend Cheques

A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

7.02 Non-receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement or expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

7.03 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION EIGHT
MEETINGS OF SHAREHOLDERS

8.01 Place of Meetings

Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the board shall so determine, at some other place in Alberta or, if all the shareholders entitled to vote at the meeting so agree, at some place outside Alberta.

8.02 Chairman and Secretary

The chairman of any meeting of shareholders shall be the president, or in his absence, a vice-president who is a shareholder. If no such officer is present within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting.

8.03 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

8.04 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than ten percent (10%) of the outstanding shares of the Corporation carrying voting rights at the meeting.

8.05 Right to Vote

Every person named in the shareholder list referred to in the Act shall be entitled to vote the shares shown thereon opposite his name at the meeting to which such list relates, except to the extent that:

(a) where the Corporation has fixed a record date in respect of such meeting, such person has transferred any of his shares after such record date or, where the Corporation has not fixed a record date in respect of such meeting, such person has transferred any of his shares after the date on which such list is prepared, and

(b) the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than 10 days before the meeting that his name be included in such list.

In any such excepted case the transferee shall be entitled to vote the transferred shares at such meeting. If the Corporation is not required to prepare a list under the Act, subject to the provisions of the Act and this by-law as to proxies and representatives, at any meeting of shareholders every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

8.06 Proxies and Representatives

The authority of an individual to represent a body corporate or association shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chairman of the meeting.

8.07 Time for Deposit of Proxies

Subject to the Act, a proxy shall be acted upon only if, prior to the time specified by the board of directors, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

8.08 Casting Vote

In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall be entitled to a second or casting vote.

8.09 Show of Hands

Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

8.10 Ballots

A ballot required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares

which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

8.11 Admission or Rejection of a Vote

In case of any dispute as to the admission or rejection of a vote, the chairman shall determine the same and such determination made in good faith shall be final and conclusive.

8.12 Meetings by Telephone

A shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by those means is deemed to be present at the meeting.

SECTION NINE
DIVISIONS AND DEPARTMENTS

9.01 Creation and Consolidation of Divisions

The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.

9.02 Name of Division

Subject to law, any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contract, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

9.03 Officers of Divisions

From time to time the board or, if authorized by the board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or, if authorized by the board, the chief executive officer, may remove at its or his pleasure any officer so appointed without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

SECTION TEN
INFORMATION AVAILABLE TO SHAREHOLDERS

10.01 Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the directors would be inexpedient in the interests of the Corporation to communicate to the public.

10.02 The Directors, may, from time to time, subject to the rights conferred by the Act, determine whether and to what extent and at what time and place and under what circumstances or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting records of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

SECTION ELEVEN
NOTICES

11.01 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

11.02 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.03 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the

happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

MADE by the board the _____ day of _____, 1982.

President

c/s

Secretary

CONFIRMED by the shareholders in accordance with the Act the ____ day of _____, 1982.

Secretary

PREC3A