



MANAGEMENT INFORMATION CIRCULAR
(Containing information as at May 15, 2019, unless indicated otherwise)

PERSONS MAKING THE SOLICITATION

This Management Information Circular (the “Information Circular”) is furnished in connection with the solicitation of proxies being made by the management (“Management”) of ShaMaran Petroleum Corp. (the “Corporation”) for use at the Annual General Meeting (the “Meeting”) of holders of common shares (the “Shareholders”) in the capital of the Corporation (the “Common Shares”) to be held on Wednesday, June 26, 2019 at 8:00 a.m. PDT at 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation at nominal cost. All costs of this solicitation will be borne by the Corporation.

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

Unless otherwise stated herein, all currency amounts indicated as “\$” in this Information Circular are expressed in United States Dollars, the Corporation’s reporting currency.

APPOINTMENT OF PROXYHOLDER AND VOTING BY PROXY

The individuals named in the accompanying form of proxy (the “Proxy”) are directors, officers, or the legal counsel of the Corporation (the “Management Proxyholders”). A Shareholder wishing to appoint a person or company other than Management Proxyholders to attend and act for the shareholder and on the shareholder’s behalf at the Meeting has the right to do so, by striking out the names of the Management Proxyholders and by inserting the desired person’s or company’s name in the blank space provided in the proxy, or by executing a proxy in a form similar to the enclosed form. In either case, the completed form of proxy must be received by Computershare Investor Services Inc. prior to the Meeting or any adjournment thereof. A proxyholder need not be a shareholder.

You can choose to vote your Common Shares by proxy, by mail, by telephone or on the Internet. If you vote your Common Shares by proxy by mail, completed forms of proxies **must be received by the Corporation’s transfer agent, Computershare Investor Services Inc. (“Computershare”), at Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1.** Telephone and Internet voting can also be completed 24 hours a day, 7 days a week which is noted on your proxy form. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. For internet voting, go to www.investorvote.com and follow the instructions on the screen. For either telephone or internet voting, you will need your 15 digit control number which is noted on your proxy form. **Duly completed forms of proxy or a vote using the telephone or over the Internet must be completed no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof.**

If you are a beneficial shareholder and receive these materials through your broker or through another intermediary please complete and return the form of proxy in accordance with the instructions provided by your broker or other intermediary.

ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares of the Corporation in their own name. Shareholders who hold their Common Shares through their banks, brokers, trustees or other persons (“Intermediaries”), or who otherwise do not hold their Common Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares (“Registered Shareholders”) will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder’s name. Such Common Shares more likely will be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name of the Canadian Depositary for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to Registered Shareholders by the Corporation and is commonly referred to as a “**voting instruction form**”. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast

majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted. If you have any questions respecting the voting of Common Shares held through an Intermediary, please contact that Intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their securities as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

These security holder materials are being sent to both Registered Shareholders and Beneficial Shareholders who have not objected to the intermediary through which their common shares are held disclosing ownership information about themselves to the Corporation ("NOBO's"). If you are a NOBO, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If you are a Beneficial Shareholder who has objected to the intermediary through which your common shares are held disclosing ownership information about you to the Corporation (an "OBO"), please note that the Corporation does not intend to pay for an intermediary to deliver the proxy-related materials with respect to the Meeting and related forms to you and, therefore, you will not receive the materials with respect to the Meeting unless your intermediary assumes the cost of delivery.

ADVICE TO HOLDERS OF EUROCLEAR SWEDEN REGISTERED SHARES

The information set forth in this section is of significance to Shareholders who hold their securities ("Euroclear Registered Securities") through Euroclear Sweden AB, which securities trade on the NASDAQ Stockholm First North Exchange. Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depository for Securities. Holders of Euroclear Registered Securities will receive a voting instruction form (the "VIF") by mail directly from Computershare AB ("Computershare Sweden"). Additional copies of the VIF, together with the Corporation's Information Circular, can also be obtained from Computershare Sweden and are available on the Corporation's website (www.shamaranpetroleum.com). **The VIF cannot be used to vote securities directly at the Meeting. Instead, the VIF must be completed and returned to Computershare Sweden, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the VIF.**

REVOCATION OF PROXIES

A Registered Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Registered Shareholder or by the Registered Shareholder's attorney authorized in writing or, if the Registered Shareholder is a company, by a duly authorized officer or attorney of the company, and delivered either to Computershare Investor Services Inc. not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment of it, or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only Registered Shareholders have the right to revoke a Proxy. Beneficial Shareholders who wish to change their vote must, in accordance with the instructions provided by the Intermediaries, arrange for their respective Intermediaries to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.**

VOTING OF PROXIES

The Common Shares represented by a properly executed proxy in favor of Management Proxyholders will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the Management Proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER. The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Proxyholders to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the Management knows of no such amendment, variation or other matter that may be presented to the Meeting.

ELECTRONIC DELIVERY OF DOCUMENTS

Every year, as required by laws governing public companies, the Corporation delivers documentation to shareholders. In order to make this process more convenient, Shareholders may choose to be notified by email when the Corporation's documentation, including the Meeting materials, is posted on the Corporation's website www.shamaranpetroleum.com and accordingly, such documentation will not be sent in paper form by mail other than as required by applicable laws.

Delivery in an electronic format, rather than paper, reduces costs to the Corporation and benefits the environment. Shareholders who do not consent to receive documentation through email notification will continue to receive such documentation by mail or otherwise, in accordance with securities laws.

By consenting to electronic delivery, Shareholders: (i) agree to receive all documents to which they are entitled electronically, rather than by mail; and (ii) understand that access to the Internet is required to receive a document electronically and certain system requirements must be installed (currently Adobe Acrobat Reader to view Adobe's portable document format ("PDF")). Such documents may include the interim consolidated financial reports, the annual report (including audited annual consolidated financial statements and management's discussion and analysis ("MD&A")), the notice of annual and/or special meeting and related management information circular and materials, and other corporate information about the Corporation.

At any time, the Corporation may elect to not send a document electronically, or a document may not be available electronically. In either case, a paper copy will be mailed to Shareholders.

Registered Shareholders can consent to electronic delivery by completing and returning the form of consent included with the form of proxy. Non-registered Shareholders can consent to electronic delivery by completing and returning the appropriate form received from the applicable intermediary.

Shareholders are not required to consent to electronic delivery. The Corporation will notify consenting Shareholders at the email address provided by the Shareholder on the form of proxy when the documents that the Shareholder is entitled to receive are posted on the Corporation's website, with a link to the specific pages of the website containing the PDF document.

NOTICE AND ACCESS

In 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily accessible website, rather than mailing physical copies of the materials.

As described in the "notice and access" notification mailed to Shareholders of the Corporation, the Corporation has opted to deliver its Meeting materials to Shareholders by posting them on its website at www.shamaranpetroleum.com and under the Corporations profile on SEDAR at www.sedar.com on May 21, 2019. The Meeting materials will be available on the Corporation's website for one full year.

The Corporation has decided to mail paper copies of the Information Circular to those registered and non-registered Shareholders who had previously elected to receive paper copies of the Corporation's Meeting materials. All other Shareholders will receive a "notice and access" notification which will contain information on how to obtain electronic and paper copies of the Information Circular in advance of the Meeting and for a full year following the Meeting.

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

Except as may be disclosed herein, no director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. Directors and executive officers may, however, be interested in the annual approval of the Corporation's 10% rolling Incentive Stock Option Plan (the "Stock Option Plan") as detailed in "Particulars of Other Matters to be Acted Upon – Annual Approval of Stock Option Plan".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares of which 2,160,631,534 Common Shares are issued and outstanding as at the date hereof. Each Common Share is entitled to one vote.

Shareholders registered as at May 3, 2019 (the "Record Date") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the form of proxy to attend and vote, deliver their form of proxies at the place and within the time set forth in the notes to the form of proxy.

The following table sets forth the only persons who as of the date hereof, to the knowledge of the directors and executive officers of the Corporation, beneficially own or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares:

Name of Shareholder	Number of Shares	Percentage of Issued Capital
Zebra Holdings and Investments S.à.r.l. (“Zebra”) ⁽¹⁾	382,347,532 ⁽¹⁾⁽²⁾	17.7%
Lorito Holdings S.à.r.l. (“Lorito”) ⁽¹⁾	101,887,408 ⁽¹⁾	4.72%
Nemesia S.à.r.l. (“Nemesia”)	2,000,000 ⁽¹⁾⁽²⁾	0.09%

Notes:

- ⁽¹⁾ Lorito, Zebra and Nemesia, who report their security holdings as joint actors, are private corporations owned by a trust whose settlor is the Estate of the late Adolf H. Lundin. Together, Lorito, Zebra and Nemesia hold a total of 486,234,940 Common Shares, which represents 22.50% of the current outstanding Common Shares.
- ⁽²⁾ In addition, Lorito holds \$29,855,418 of senior bonds issued by the Corporation on July 5, 2018. The bonds have a five-year maturity without amortization and carry a 12% fixed semi-annual coupon. The Company has also issued to Nemesia a debenture which describes the terms for repayment of up to \$22,800,000, which has been made available by Nemesia solely for the purpose of satisfying to the Company’s bond obligations under the terms of a related guarantee provided by Nemesia to the bondholders.

BUSINESS OF THE ANNUAL GENERAL MEETING

FINANCIAL STATEMENTS AND AUDITORS’ REPORT

The Corporation’s consolidated financial statements for the year ended December 31, 2018 and the report of the auditors thereon will be placed before the Meeting. Copies of the consolidated financial statements, the auditors’ report and management’s discussion and analysis have been mailed to all registered shareholders and non-registered shareholder (or beneficial shareholders) who have opted to receive such materials. These documents can also be found on the Corporation’s website at www.shamaranpetroleum.com and are also available under the Corporation’s profile on SEDAR at www.sedar.com. No vote by the Shareholders is required to be taken with respect to the consolidated financial statements.

ELECTION OF DIRECTORS

The Board of Directors presently consists of six (6) directors and it is intended to determine the number of directors at six (6) and to elect six (6) directors for the ensuing year. Mr. Brian D. Edgar has chosen not to stand for re-election at the Meeting. William A.W. Lundin is the new nominee who will stand for election at the Meeting.

The term of office of each of the present directors expires at the Meeting. At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors at six and the six persons named hereunder will be proposed for election as directors of the Corporation. Unless authority to vote is withheld, the Common Shares represented by the proxies hereby solicited will be voted by the persons named therein **FOR** the election of the nominees whose names are set forth below. All of the nominees, apart from William A.W. Lundin, are presently members of the Board and the dates on which they were first elected or appointed are indicated below. Management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, Management Proxyholders reserve the right to vote **FOR** another nominee in their discretion, unless the shareholder has specified in the accompanying form of proxy that such Shareholder’s Common Shares are to be withheld from voting on the election of directors.

Pursuant to the advance notice provisions contained in Part 28 of the Corporation’s Articles (the “**Advanced Notice Provisions**”) any additional director nominations for the Meeting must be received by the Corporation in compliance with the Advance Notice Provisions no later than 40 days prior to the date of the Meeting. No such nominations have been received by the Corporation prior to the date hereof.

The following table and notes state the name of each person proposed to be nominated by management for election as a director (a “**proposed director**”), the province and country in which he or she is ordinarily resident, all other positions and offices with the Corporation and any significant affiliate now held by each such person, if any, his or her principal occupation or employment, the period or periods of service as a director of the Corporation and the approximate number of Common Shares of the Corporation beneficially owned directly or indirectly, by each such person, or over which he or she exercises control or direction.

Name, province and country and current position(s) held in the Corporation ⁽¹⁾	Period of Service as a Director	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾	Principal Occupation within the Preceding Five Years ⁽¹⁾
Chris Bruijnzeels Geneva, Switzerland Chairman and Director	Director since January 19, 2015	2,063,690	Mr. Bruijnzeels was President and Chief Executive Officer of the Corporation from January 19, 2019 to May 15, 2019 when he succeeded Mr. Hill as Chairman of the Board. He was Senior Vice President Development of Lundin Petroleum AB from January 2003 to up to the time of his appointment as a Member of the Board of ShaMaran on January 19, 2015. Mr. Bruijnzeels is also a director of International Petroleum Corporation and is a qualified Professional Engineer with over 33 years of experience in the oil and gas industry.
Keith C. Hill Florida, USA Director	Director since February 19, 2007	1,343,000	Chairman of the Board of the Corporation from February 19, 2007 to May 15, 2019. President, Chief Executive Officer and director of Africa Oil Corp.; Director of Africa Energy Corp., Eco (Atlantic) Oil & Gas Ltd. and TAG Oil Corp. Prior to his appointment as Chief Executive Officer of Africa Oil Corp., Mr. Hill was President and CEO of BlackPearl Resources Inc. and of Valkyries Petroleum Corp.

Name, province and country and current position(s) held in the Corporation ⁽¹⁾	Period of Service as a Director	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽²⁾	Principal Occupation within the Preceding Five Years ⁽¹⁾
Adel Chaouch Texas, USA President, Chief Executive Officer and Director	Director since May 15, 2019	Nil	North Africa & Middle East Director for Marathon Oil Company ("Marathon"), overseeing Marathon's interests in the MENA region and Marathon Oil Kurdistan from 2011 to March 30, 2019, prior to which he was in a variety of management and executive roles for Marathon. Prior to which Dr. Chaouch was division manager Raytheon E&C in the oil and gas sector managing projects globally. Dr. Chaouch has a Ph.D. in Engineering, with a focus on Oil & Gas offshore geo-hazards, and gas hydrates from Texas A&M University and a Master of Engineering with a focus on deepwater structures from Texas A&M University, which he earned simultaneously with his Engineering degree at the E.S.T.P. in Paris, France. He is board registered as a Professional Engineer in the State of Texas. He is a member of the American Society of Petroleum Engineers, the American Society of Civil Engineers. Dr. Chaouch is also a board director of the Bilateral US-Arab chamber of Commerce and an independent director of the board of Ophir Energy plc.
Terry L. Allen Alberta, Canada Director	Director since June 25, 2018	100,000	President of Pivotal Capital Advisory Group. Ms. Allen has worked in corporate and investment banking for over 30 years. She has served on several corporate and not-for-profit boards for more than 20 years and she has just completed her term on the Alberta Securities Commission. Ms. Allen holds a B. Admin degree from the University of Regina, a Chartered Financial Analyst (CFA) designation and the ICD.D designation from the Institute of Corporate Directors.
Michael Ebsary London, U.K. Director	Director since January 1, 2019	Nil	Mr. Ebsary was previously the Chief Executive Officer and a director of Oryx Petroleum Limited from 2010 to 2016. Mr. Ebsary served as the Chief Financial Officer of Addax Petroleum Corporation, an international oil and gas exploration and production company, for 11 years between 1998 and 2009, after having held various positions in project finance and treasury with oil companies Elf Aquitaine and Occidental Petroleum both in France and the United Kingdom. Mr. Ebsary began his career with positions at multinational banking institutions in Canada and the United Kingdom. Mr. Ebsary holds an MBA from Queen's University.
William A.W. Lundin Alberta, Canada	Nominee	Nil	Mr. Lundin is currently project engineer, production operations, with International Petroleum Corp. ("IPC"), an international oil and gas exploration and production company with a portfolio of assets located in Canada, Europe and South East Asia. Mr. Lundin has been with IPC since April 2018. From September 2016 to March 2018, Mr. Lundin held the position of plant operator with Black Pearl Resources Inc., at its Onion Lake prospect located in Onion Lake, Saskatchewan, Canada. Prior thereto, Mr. Lundin held mining engineering intern and intern positions with Lundin Mining Corporation and Denison Mines Corp., respectively. Mr. Lundin holds a Bachelor of Engineering in Mineral Resource Engineering from Dalhousie University.

Notes:

- (1) The information as to the province and country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors.
- (2) The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

The Board of Directors does not have an executive committee. There are presently four standing committees of the Board: the Audit Committee, the Compensation Committee, the Reserves Committee and the Corporate Governance and Nominating Committee. The following table sets out the current members of such committees:

Audit Committee	Compensation Committee	Reserves Committee	Corporate Governance and Nominating Committee
Terry L. Allen (Chair)	Keith C. Hill (Chair)	Keith C. Hill (Chair)	Brian D. Edgar (Chair)
Brian D. Edgar	Michael Ebsary	Michael Ebsary	Keith C. Hill
Michael Ebsary	Brian D. Edgar	Terry L. Allen	Terry L. Allen

The following table sets out the proposed composition of the committees following the Meeting:

Audit Committee	Compensation Committee	Reserves Committee	Corporate Governance and Nominating Committee
Terry L. Allen (Chair)	Keith C. Hill (Chair)	Chris Bruijnzeels (Chair)	Michael Ebsary (Chair)
Michael Ebsary	Michael Ebsary	Terry L. Allen	Terry L. Allen
Keith C. Hill	Chris Bruijnzeels	William A.W. Lundin	William A.W. Lundin

Other than as disclosed below, none of the proposed directors (or any of their personal holding companies) of the Corporation:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “order”) that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was the subject of an order that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the Corporation and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

AUDIT COMMITTEE AND NATIONAL INSTRUMENT 52-110, AUDIT COMMITTEES (“NI 52-110”) DISCLOSURE

The Audit Committee of the Corporation oversees the accounting and financial reporting processes of the Corporation and its subsidiaries and all audits and external reviews of the financial statements of the Corporation on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Corporation and its subsidiaries. All auditing services and non-audit services to be provided to the Corporation by the Corporation’s auditors are pre-approved by the Audit Committee. The Audit Committee is responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, the Corporation’s internal accounting controls, the Code of Business Conduct and Ethics, as amended (the “**Code**”), any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Corporation’s external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the Shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year. The Audit Committee’s Charter is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee and Relevant Education and Experience

Below are the details of each current and proposed Audit Committee member, including their name, whether they are independent and financially literate as such terms are defined under NI 52-110, and a summary of the Audit Committee member’s education and experience which is relevant to the performance of their responsibilities as an audit committee member.

Member Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾	Education and experience relevant to performance of audit committee duties
Terry L. Allen	Yes	Yes	President of Pivotal Capital Advisory Group. Ms. Allen has worked in corporate and investment banking for over 30 years. She has served on several corporate and not-for-profit boards for more than 20 years and she has just completed her term on the Alberta Securities Commission. Ms. Allen holds a B. Admin degree from the University of Regina, a Chartered Financial Analyst (CFA) designation and the ICD.D designation from the Institute of Corporate Directors.
Brian D. Edgar ⁽³⁾	Yes	Yes	Mr. Edgar is a retired corporate and securities lawyer and mining executive with a Law Degree from the University of British Columbia with approximately 39 years of public company experience. Mr. Edgar practiced in the area of corporate/securities law in private practice for 16 years and is co-owner of a private investment and venture capital firm and as such, has been involved in the financial analysis of many projects and companies. Mr. Edgar has served as an executive officer, director and audit committee chair of several other public resource-based companies. Through his education and experience, Mr. Edgar has experience overseeing and assessing the performance of companies and public accountants with respect to the preparation, auditing and evaluation of financial statements.
Michael Ebsary	Yes	Yes	Mr. Ebsary was previously the Chief Executive Officer and a director of Oryx Petroleum Limited from 2010 to 2016. Mr. Ebsary served as the Chief Financial Officer of Addax Petroleum Corporation, an international oil and gas exploration and production company, for 11 years between 1998 and 2009, after having held various positions in project finance and treasury with oil companies Elf Aquitaine and Occidental Petroleum both in France and the United Kingdom. Mr. Ebsary began his career with positions at multinational banking institutions in Canada and the United Kingdom. Mr. Ebsary holds an MBA from Queen's University.
Keith C. Hill ⁽³⁾	Yes	Yes	Mr. Hill has been a Director of the Corporation since February 19, 2007 and served as Chairman of the Board from February 19, 2007 to May 15, 2019. Mr. Hill is President, Chief Executive Officer and director of Africa Oil Corp.; Director of Africa Energy Corp., Eco (Atlantic) Oil & Gas Ltd. and TAG Oil Corp. Prior to his appointment as Chief Executive Officer of Africa Oil Corp., Mr. Hill was President and CEO of BlackPearl Resources Inc. and of Valkyries Petroleum Corp. Mr. Hill holds a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University, as well as an MBA from the University of St. Thomas in Houston.

Notes:

- (1) To be considered independent, a member of the audit committee must not have any direct or indirect "material relationship" with the Corporation. A material relationship is a relationship which could, in the view of the Board of Directors of the Corporation, reasonably interfere with the exercise of a member's independent judgement.
- (2) To be considered financially literate, a member of the audit committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (3) It is proposed that Keith C. Hill will replace Brian D. Edgar on the Audit Committee following the Meeting.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board of Directors.

Reliance on Certain Exemptions

Since the commencement of the Corporation's recently completed financial year, the Corporation has not relied on the exemptions contained in section 2.4 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two fiscal years ended December 31, 2018 and December 31, 2017.

Fiscal Year	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2018	\$90,372	\$12,725	Nil	Nil
2017	\$74,821	\$12,911	Nil	Nil

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the audit fees column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

The Corporation is relying upon the exemption in section 6.1 of the NI 52-110 – Audit Committees, which exempts venture issuers (as defined therein) from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of that instrument.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a Named Executive Officer (a “NEO”) means each of the following individuals: (a) the Chief Executive Officer of the Corporation, (b) the Chief Financial Officer of the Corporation, (c) each of the three most highly compensated executive officers of the Corporation including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 for the December 31, 2018 financial year; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, as of December 31, 2018.

During the financial year ended December 31, 2018, the Corporation had two NEO's of the Corporation, namely, Mr. Chris Bruijnzeels, President and Chief Executive Officer, and Mr. Brenden Johnstone, Chief Financial Officer.

COMPENSATION DISCUSSION AND ANALYSIS

The following compensation discussion and analysis describes the Corporation's practices with respect to the compensation of its NEO's.

Overview of Compensation Philosophy

The Corporation's compensation philosophy is to structure remuneration packages that are sufficiently attractive to recruit, retain and motivate the kind of executives who will be instrumental in helping the Corporation achieve its short and long-term objectives, to provide executives with compensation that is in accordance with existing market standards generally, to align the interests of executive officers with those of the Corporation's Shareholders and to link individual executive compensation to the performance of both the Corporation and the individual executive.

The Corporation's compensation structure is based on a European model which takes into account inflation (cost of living) and provides for merit increases (only to the extent that an individual's job description or duties have been substantially altered), and cash bonuses which are based on a number of factors, including base salary, length of service and specific performance.

Elements of Compensation

Executive compensation is comprised of three elements:

- base salaries, which are set at levels which are competitive with the base salaries paid by corporations of a comparable size within the oil and gas exploration industry and with operations at approximately the same stage of development, thereby enabling the Corporation to compete for and retain executives critical to the Corporation's long-term success;
- bonuses, which are considered from time to time, based on individual and corporate performance criteria;
- share ownership opportunities through a Stock Option Plan, a Share Unit Plan and Deferred Share Unit Plan providing for the issuance, at the discretion of the directors, of stock options, restricted share units, performance share units and deferred share units, which provides additional incentive and aligns the interests of executive officers with the longer-term interests of shareholders.

Each element of the Corporation's executive compensation program is described in more detail below.

Base Salaries

A NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each executive officer is determined by the Compensation Committee based on an assessment of his sustained performance and consideration of competitive compensation levels for the markets in which the Corporation operates. In making its recommendations to the Board, the Compensation Committee also considers the particular skills and experience of the individual. The base salaries of executive officers are reviewed annually.

Performance-based Cash Bonuses

The Corporation may award discretionary cash bonuses to executive officers and employees of the Corporation from time to time. The amount of the bonus that each individual may be eligible for is not set in relation to any formula or specific criteria, but rather is the result of a comprehensive determination of the Corporation's performance, overall industry conditions, as well as the individual's performance and his

or her contribution to overall corporate goals. The payment of bonuses is subject to the final approval of the Board and the Board has the discretion to amend or veto bonuses in its sole discretion.

Long Term Incentive Compensation

The Corporation may, in order to align the performance of its executives to strategic goals of the Corporation and its long-term shareholder return, issue ("Stock Options"), restricted share units ("RSUs") and or, performance share units ("PSUs") A description of these awards follows. Full details on each of the plans governing these awards is contained on Page 16 under the heading, "Securities Authorized For Issuance Under Equity Compensation Plans".

Stock Options

The stock option component of a NEO's compensation, which includes a vesting element to ensure retention, serves to both motivate the executive toward increasing share value and to enable the executive to share in the future success of the Corporation. Individual stock options are granted by the Board on the recommendation of senior management, in the case of employees, and by the Compensation Committee, in the case of executive officers, including the NEO's. Options are normally awarded by the Board upon the commencement of an individual's employment with the Corporation based on the level of responsibility within the Corporation. Additional option grants may be made periodically to ensure that the number of stock options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. In considering additional grants, a number of factors are considered, including, the role the individual plays in the Corporation, the number of stock options an individual has been granted, the exercise price and the value of the options and the term remaining on those options. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, which are described under "Securities Authorized for Issuance Under Equity Compensation Plans".

Restricted Share Units ("RSUs")

The restricted share unit component of a NEO's compensation is an incentive-based method of compensation pursuant to which executives are awarded units in lieu of cash payments that such individuals are entitled to for their service to the Corporation. When RSUs are granted the award is valued based on the market price of the Corporation's shares at the time of grant and the value of a RSU tracks the market value of the Corporation's shares from the date of grant to the date of expiry, which is generally three years from the grant date. When the RSU is paid out, the value of the RSU will be the market value of the Corporation's shares at the payout date. RSU's may be settled in cash or the Corporation's shares issued from treasury.

Performance Share Units ("PSUs")

Similar to RSUs, the performance share unit component of a NEO's compensation is an incentive-based method of compensation pursuant to which executives are awarded units that track the value of the Corporation's common shares. However, PSUs are subject to additional performance conditions that serve to enhance the alignment of executives to key strategic, financial and operational milestones of the Corporation. PSUs will vest when the performance conditions have been met. PSUs may be settled in cash or the Corporation's shares issued from treasury.

Benefits and Perquisites

Benefits form a part of the remuneration package of the named NEOs. Employment benefits, health care, life insurance and, where applicable, state pension plan contributions are provided in a manner which is in keeping with industry standards. During the financial year ended December 31, 2018, each of the NEOs received employer contributions to a pension plan and employer contributions to personal medical insurance which is reflected in the Summary Compensation Table below under the columns "Pension Value" and "All Other Compensation".

Composition of the Compensation Committee

The Compensation Committee, on behalf of the Board, monitors compensation for the executive officers of the Corporation. For the year ended December 31, 2018, the Compensation Committee consisted of three members: namely, Messrs. Keith C. Hill, C. Ashley Heppenstall and Brian D. Edgar. On January 1, 2019 Michael Ebsary replaced Mr. Heppenstall on the Compensation Committee. All of the members of the Compensation Committee are considered to be independent. Since April 2008 the Compensation Committee has maintained a mandate and meets as frequently as necessary in order to fulfill its responsibilities and in any event, at least annually.

The following is a summary description of the mandate and responsibilities of the Compensation Committee as it relates to NEO compensation:

- to review and approve corporate goals and objectives relevant to NEO compensation, including the evaluation and performance of the NEO in light of those corporate goals and objectives, and to make recommendations to the Board with respect to NEO compensation levels (including the award of any cash bonuses or share ownership opportunities);
- to consider the implementation of short and long-term incentive plans, including equity-based plans, proposed by management, to make recommendations to the Board with respect to these plans and to annually review such plans after their implementation; and
- to annually review any other benefit plans proposed by management and to make recommendations to the Board with respect to their implementation.

All members of the Compensation Committee have direct experience which is relevant to their responsibilities as Compensation Committee members. All members are or have held senior executive roles within public companies, and therefore have a good understanding of compensation programs. They also have good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members combined experience in the resource sector provides them with the understanding of the Corporation's success factors and risks, which is very important when determining metrics for measuring success.

Performance Factors

At this stage of the Corporation's development, no formal criteria have been established to evaluate corporate and individual performance; however, a number of factors are considered by the Compensation Committee in making recommendations for executive compensation including, but not limited to:

- the progression of the Corporation's projects framed around budget forecasts presented to and approved by the Board;
- the Corporation's overall financial and operating performance;
- objective factors such as the NEO's level of responsibilities, experience, and expertise, length of service and the levels of compensation provided by industry competitors;
- subjective factors such as leadership and such NEOs specific performance and contribution to the benefit of the Corporation, including maintaining good government relations;
- compensation data of peer group companies;
- the Corporation's market capitalization; and
- the long-term interests of the Corporation and its shareholders.

Role of Management in Determining Compensation

The accountability for decisions on executive remuneration is within the mandate of the Board with recommendations from the Compensation Committee; however, management has a key role in helping support the Compensation Committee in fulfilling its obligations. For example, the CEO and other senior members of the Corporation's management team provide a source of external data and analysis.

Recruiting and Retention

The Corporation recognizes that its compensation package has to be sufficient to attract and retain the right level of skill, expertise and talent in an increasingly competitive global market.

The structure of the remuneration package must be well-balanced across the short, medium and longer-term elements, so that it is both attractive to the individual and cost effective for the Corporation. This balance is achieved by providing base salary at a reasonable median level as an anchor which makes the Corporation a realistic prospect for talented candidates. However, the short-term incentive (discretionary bonuses) provides recruits with the opportunity to achieve superior total annual reward through their own delivery of excellence at individual and business levels. Finally, the longer-term reward element (stock option and share unit grants), which provides the opportunity to build ownership and growth in the medium and longer term future in line with the opportunities for success afforded to the shareholders.

Fiscal 2018 Compensation Review

On December 5, 2018 the Compensation Committee met to carry out its annual review of NEO salaries and to consider bonuses to the NEOs as well as other staff. The Compensation Committee determined that it was appropriate that each of Messrs. Bruijnzeels, the Corporation's CEO and Johnstone, the Corporation's CFO, salaries be adjusted effective January 1, 2019 and that they receive cash bonuses which are reflected in the Summary Compensation Table below under the column "Annual Incentive Plans". The Board accepted and approved the recommendations of the Compensation Committee on December 5, 2018.

The Compensation Committee was satisfied that the Corporation's compensation appropriately took into account the factors relevant to the industry, the Corporation's performance within that industry, and the individual contributions to the Corporation's performance made by its NEOs.

During the fiscal year ended December 31, 2018 the Corporation made no grants to NEOs under either the Stock Option Plan or the Share Unit Plan.

Risks Associated with Corporation's Compensation Policies and Practices

Neither the Board nor the Compensation Committee has proceeded to a formal evaluation of the implications of the risks associated with the Corporation's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation programme, and the Board and the Compensation Committee does not believe that the Corporation's compensation programme results in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Corporation.

The Corporation's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Summary Compensation Table

The following table sets forth a summary of the total compensation paid to or earned by the Corporation's NEO's during the three most recently completed financial years. Unless otherwise indicated, all dollar amounts in this section are enumerated in United States dollars, being the Corporation's reporting currency

Name and Principal Position	Year ⁽¹⁾	Salary ⁽²⁾ (\$)	Share-based Awards (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation ⁽²⁾⁽⁵⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽²⁾ (\$)	Long term Incentive Plans ⁽⁴⁾ (\$)			
Chris Bruijnzeels President and Chief Executive Officer	2018	612,808	Nil	Nil	306,404	Nil	91,173	18,788	1,029,172
	2017	608,129	Nil	Nil	658,806	Nil	91,100	15,217	1,373,251
	2016	608,847	Nil	Nil	253,686	Nil	87,720	13,071	963,324
Brenden Johnstone Chief Financial Officer	2018	268,306	Nil	Nil	127,596	Nil	29,666	11,184	436,752
	2017	268,489	Nil	Nil	269,908	Nil	28,459	15,108	581,964
	2016	268,806	Nil	Nil	89,602	Nil	32,980	14,924	406,312

Notes:

- (1) Financial years ended December 31.
- (2) Salaries, annual incentive plan compensation and all other compensation earned have been paid in Swiss francs and are translated into United States dollars using an average exchange rates for the reporting year of 1.0213 per Swiss franc and of 0.7735 per Canadian dollar.
- (3) There were no option-based awards granted during the three most recently completed financial years.
- (4) The Corporation does not currently have a formal annual incentive plan or non-equity long term incentive plan for any of its NEO's.
- (5) All Other Compensation for Mr. Bruijnzeels and Mr. Johnstone is comprised of medical insurance reimbursements received during the year.

INCENTIVE PLAN AWARDS

Outstanding option-based awards

The following table sets forth for the NEOs the incentive stock options (option-based awards) pursuant to the Stock Option Plan outstanding as at December 31, 2018.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price ⁽¹⁾ (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)
Chris Bruijnzeels President and Chief Executive Officer	15,000,000	0.115	January 19, 2020	Nil
Brenden Johnstone Chief Financial Officer	5,000,000	0.115	January 19, 2020	Nil

Notes:

- (1) Option exercise prices are reported Canadian dollars, being the currency in which the options are granted.
- (2) This amount is calculated as the difference between the market value of the securities underlying the options on December 31, 2018, being the last trading day of the Corporation's Common Shares for the financial year, which was CAD\$0.08, and the exercise price of the option. No value has been given to unexercised options that were out-of-the-money on December 31, 2018.

Incentive Plan Awards – value vested or earned during the year

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2018 for options awarded under the Stock Option Plan, as well as the value earned under non-equity incentive plans for the same period. The Corporation does not have any other share-based awards.

Name	Option-based awards – value vested during the year (\$) ⁽¹⁾⁽²⁾	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Chris Bruijnzeels ⁽²⁾ President and Chief Executive Officer	Nil	Nil	N/A
Brenden Johnstone ⁽²⁾ Chief Financial Officer	Nil	Nil	N/A

Notes:

- (1) The options granted to Named Executive Officers were vested as follows 1/3 upon grant, 1/3 one year from the date of grant and the remaining 1/3 two years from the date of grant.
- (2) The options granted were fully vested on January 19, 2017.

Defined Benefit Pension Plan

The Corporation's Swiss subsidiary, ShaMaran Services SA, has a defined benefit pension plan that is managed through a private pension plan. Independent actuaries determine the cost of the defined benefit plan on an annual basis, and ShaMaran Services SA pays the annual insurance premium. The pension plan provides benefits coverage to the employees of ShaMaran Services SA in the event of retirement, death or disability. ShaMaran Services SA and its employees jointly finance retirement and risk benefits. Employees of ShaMaran Services SA pay 40% of the savings contributions, of the risk contributions and of the cost contributions and ShaMaran Services SA contributes the difference between the total of all required pension plan contributions and the total of all employees' contributions. A summary of the key terms of the Corporation's defined benefit pension plan is as follows:

General Information. ShaMaran Services SA is affiliated to the Swiss Life Collective BVG Foundation in Zurich which offers full insurance coverage. The employees are admitted to the risk insurance after age 18 (death and disability) and to full insurance after age 25 (retirement, death and disability). The normal retirement age (“NRA”) is 65 years for men and 64 years for women. Early retirement is possible up to 7 years before NRA. Deferred retirement is possible up to age 70.

Salary Definition. The insured salary corresponds to the annual base salary (no coordination offset) and is capped at 3,000% of the maximum Swiss social security pension.

Retirement credits. Amounts are age related and a percentage of the insured salary (years 18 – 34 = 7%; years 35 – 44 = 10%; years 45 – 54 = 15%; years 55 – 65male/64female = 18%).

Retirement benefits. The accrued savings capital is converted into a lifelong retirement pension plus a 60% future spouse pension based upon the conversion rate at the age of retirement. The insured member can choose a lump-sum payout upon request.

Disability benefits. The temporary disability pension up to NRA is equal to 50% of the insured salary. It is replaced by a lifelong retirement pension based on the accrued savings capital (premium waiver).

Death benefits. The spouse pension amounts to 60% of the projected retirement pension without interest at NRA. A lump sum on death before retirement is equal to the accrued savings capital less the present value of the spouse pension.

Contributions. Employees pay 40% of the savings contributions, of the risk contributions and of the cost contributions. The employer contribution corresponds to the difference between the total of all required pension plan contributions and the total of all employees’ contributions.

Vesting. The accrued savings capital is immediately and fully vested. It is transferred to the new employer’s pension fund or to a blocked account upon termination of the employment contract.

Other. Pension increases are granted by Swiss pension plan trustees on an ad-hoc basis depending on the financial situation of the pension fund. Employees can pay voluntary contributions up to the legal limit which is based on a defined percentage of an employee’s insured salary over the insurable period of employment. Employees can withdraw part of or all accrued savings capital for the encouragement of home ownership for their own use.

The table below presents the benefits accumulated by the NEOs under the defined benefit plan of ShaMaran Services SA during the year ended December 31, 2018. The actual benefits payable upon retirement will be determined by the size of each participant’s account values (based on actual contributions and the realized returns on investment), interest rates at the time the benefits commence and retirement age.

Name	Number of years credited service (#)	Annual benefits payable ⁽¹⁾ (\$)		Opening present value of defined benefit obligation ⁽²⁾ (\$)	Compensatory change ⁽³⁾ (\$)	Non-compensatory change ⁽⁴⁾ (\$)	Closing present value of defined benefit obligation ⁽¹⁾ (\$)
		At year end	At age 65				
Chris Bruijnzeels, CEO	3.917	260,242	312,263	5,639,171	91,173	(199,272)	5,531,071
Brenden Johnstone, CFO ⁽⁵⁾	8.875	Nil	Nil	1,065,609	18,168	(1,083,777)	Nil

Notes:

- (1) Annual benefits payable and closing present value of defined benefit obligation have been determined by the pension plan actuary in Swiss francs and are translated into United States dollars using the year end closing exchange rate of 1.0161 per Swiss franc.
- (2) Opening present value of defined benefit obligation has been determined by the pension plan actuary in Swiss francs and is translated into United States dollars using the year end opening exchange rate of 1.0249 per Swiss franc.
- (3) Compensatory change has been determined by the pension plan actuary in Swiss francs and is translated into United States dollars using the average exchange rate for the year of 1.0213 per Swiss franc.
- (4) Non-compensatory change includes changes in the value of the defined benefit obligation due to changes in plan assumptions, such as inflation, interest foreign exchange, and discount rates, and due to employee contributions and any other non-compensatory related changes.
- (5) During the year ended December 31, 2018 Mr. Johnstone relocated to Canada and withdrew from ShaMaran Services SA’s pension plan. In addition to the contributions noted in the table above Mr. Johnstone received pension contributions of \$11,498 to a self-directed retirement plan in accordance with the terms of his Canadian employment contract with the Corporation.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Other than as set forth above, and as set out below under Employment Agreements, the Corporation and its subsidiaries have no other compensatory plan, contract or arrangement where a NEO is entitled to receive more than CAD\$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO’s employment with the Corporation or its subsidiaries, a change of control of the Corporation or its subsidiaries, or a change in responsibilities of the NEO, with or without a change in control.

Employment Agreement – Adel Chaouch President and Chief Executive Officer

Pursuant to an employment agreement dated May 1, 2019 between Dr. Adel Chaouch and ShaMaran Services S.A., Mr. Chaouch is employed at an annual base salary of CHF 500,000 per annum, exclusive of bonuses, benefits and other compensation. Dr. Chaouch was engaged by the Corporation in the capacity of President and Chief Executive Officer on May 15, 2019. The employment agreement of Dr. Chaouch may

be terminated without prior notice only for just cause as defined in the Swiss Code of Obligations. Pursuant to the employment agreement, the Corporation or Dr. Chaouch may terminate the employment agreement for any reason upon the applicable notice period as follows:

<u>Period of Employment</u>	<u>Period of Notice</u>
First 3 years	3 months' notice
4 th to 6 th year inclusive	4 months' notice
7 th year to 9 th year inclusive	5 months' notice
10 year to 14 th year	6 months' notice

In case Dr. Chaouch's employment agreement with ShaMaran Services SA is terminated within one year following a change of control of ShaMaran Services SA or of the Corporation Dr. Chaouch is entitled to receive within 30 days of termination a lump sum payment of 24 month's base salary then in effect. A change of control in respect of the Corporation shall be deemed to occur if the ultimate parent company of the Corporation is no longer ShaMaran Petroleum Corp. or another person or entity in which one or more members of the Lundin family (including through an investment company or trust) holds the largest shareholding. If Dr. Chaouch's employment agreement is terminated by the Corporation in circumstances other than following a change of control of ShaMaran Services SA or of the Corporation he is entitled to receive within 30 days of termination a lump sum severance payment of 12 month's salary then in effect in addition to any applicable notice period, in accordance with the applicable employment period as described above.

Employment Agreement - Chris Bruijnzeels, former President and Chief Executive Officer

Pursuant to an employment agreement dated February 1, 2015 between Mr. Chris Bruijnzeels and ShaMaran Services S.A., Mr. Bruijnzeels was engaged by the Corporation in the capacity of President and Chief Executive Officer at an annual base salary of CHF 627,000 per annum, exclusive of bonuses, benefits and other compensation until May 15, 2019 (the "Former Agreement").

On May 15, 2019 Mr. Bruijnzeels entered into a Consultant Agreement (the "Consultant Agreement") with ShaMaran Petroleum Corp, whereby he receives a fixed fee of CHF 52,000 per month for a term of 24 four months in exchange for certain defined consulting services. According to the terms of the Consultant Agreement either the Corporation or Mr. Bruijnzeels may terminate the Consultant Agreement upon 30 days' notice. If the Consultant Agreement is terminated by the Corporation prior to the term of the Consultant Agreement Mr. Bruijnzeels is entitled to receive, within 30 days of termination, a lump sum equivalent to the monthly consultancy fee multiplied by the difference of 24 months less the number of months for which the monthly consultancy rate shall have been paid, or shall be payable, as at the date of the notice of termination.

If the Consultant Agreement is terminated within one year following a change of control of the Corporation Mr. Bruijnzeels is entitled to receive, within 30 days of termination, a lump sum payment of 24 months less the number of months for which the monthly consultancy rate shall have been paid, or shall be payable, as at the date of the change of control. A change of control in respect of the Corporation shall be deemed to occur if the ultimate parent company of the Corporation is no longer ShaMaran Petroleum Corp. or another person or entity in which one or more members of the Lundin family (including through an investment company or trust) holds the largest shareholding.

Employment Agreement – Brenden Johnstone, Chief Financial Officer

Pursuant to an employment agreement dated August 19, 2018 between Mr. Johnstone and ShaMaran Petroleum Corp, Mr. Johnstone is currently engaged by the Corporation in the capacity of Chief Financial Officer for an indefinite term, at an annual base salary of CAD 363,400 per annum, exclusive of bonuses, benefits and other compensation. Mr. Johnstone's employment agreement currently entitles him to three months' notice of termination. Further, upon termination of his employment agreement with the Corporation within the two years following a change of control, or if Mr. Johnstone resigns in accordance with the terms of his employment contract following a change of control, he shall within 30 days written notice receive a lump sum payment of 24 month's base salary.

If a severance payment triggering event had occurred on December 31, 2018, the severance payments that would be payable to Messrs. Bruijnzeels, under the Former Agreement, and Johnstone would have been approximately as follows:

Name	Termination by the Corporation without cause (estimated)⁽¹⁾ (\$)	Termination by the Corporation without cause after a "Change of Control" of the Corporation (estimated)⁽¹⁾ (\$)
Chris Bruijnzeels	1,281,084	1,229,841
Brenden Johnstone	88,879	533,275

Note:

⁽¹⁾ Severance payments would be paid in Swiss francs and are translated into United States dollars using the closing exchange rate at December 31, 2018 of 1.0161 per Swiss franc and of 0.7337 per Canadian Dollar.

DIRECTORS' COMPENSATION

Certain compensation was earned by directors of the Corporation in their capacity as members of the Board or of a committee of the Board of the Corporation or its subsidiaries, or as consultants or experts, during the Corporation's most recently completed financial year.

To encourage the directors to align their interests with Shareholders, directors are, from time to time, granted incentive stock options pursuant to the Corporation's Stock Option Plan and Deferred Share Units ("DSU"s), pursuant to the Corporation's Deferred Share Unit Plan. A description of these awards follows. Full details on the Deferred Share Unit plan is contained on Page 16 under the heading, "Securities Authorized For Issuance Under Equity Compensation Plans". During fiscal 2018 there were no awards granted to directors of the Corporation either under the Corporation's Stock Option Plan or the Deferred Share Unit Plan.

Director Compensation Table

The following table sets forth the details of compensation provided to directors, other than the Named Executive Officers, during the Corporation's most recently completed financial year:

Name⁽¹⁾	Fees Earned⁽²⁾ (\$)	Option-based Awards⁽³⁾ (\$)	All Other Compensation (\$)	Total (\$)
Keith C. Hill	\$42,852	Nil	Nil	\$42,852
Terry L. Allen ⁽⁴⁾	\$30,294	Nil	Nil	\$30,294
Brian D. Edgar	\$39,631	Nil	Nil	\$39,631
C. Ashley Heppenstall ⁽⁴⁾	\$44,146	Nil	Nil	\$44,146
Gary Guidry ⁽⁴⁾	\$9,337	Nil	Nil	\$9,337

Notes:

- (1) Information pertaining to director, Mr. Chris Bruijnzeels, who was a NEO prior to May 15, 2019, is included under "Statement of Executive Compensation – Summary Compensation Table".
- (2) Fees earned have been paid in Canadian dollars and are translated into United States dollars using an average exchange rate for the reporting year of 0.7734 per Canadian dollar.
- (3) There were no option-based awards granted during the most recently completed financial year.
- (4) Messrs. Heppenstall and Guidry resigned from the Board on December 31, 2018 and June 25, 2018, respectively. Ms. Allen was appointed to the Board on June 25, 2018.

Outstanding option-based awards

The following table sets forth for each director (other than NEOs) all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name⁽¹⁾	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)⁽²⁾	Option expiration date	Value of unexercised in-the- money options (\$)⁽³⁾
Keith C. Hill	2,000,000	0.115	January 19, 2020	Nil
Terry L. Allen	Nil	Nil	Nil	Nil
Brian D. Edgar	1,000,000	0.115	January 19, 2020	Nil
C. Ashley Heppenstall ⁽⁴⁾	2,000,000	0.115	January 19, 2020	Nil
Gary Guidry	Nil	Nil	Nil	Nil

Notes:

- (1) Information pertaining to director, Mr. Bruijnzeels, who was a NEO prior to May 15, 2019, is included under "Statement of Executive Compensation – Summary Compensation Table".
- (2) Option exercise prices are reported Canadian dollars, being the currency in which the options are granted.
- (3) Value is reported in Canadian dollars and is calculated based on the difference between the exercise price of the option and the closing price of the Corporation's Common Shares on the Exchange on December 31, 2018, being the last trading day of the Corporation's Common shares for the financial year, which was CAD\$0.8. No value has been given to unexercised options that were out-of-the-money on December 31, 2018.
- (4) Mr. Heppenstall's options expired on March 31, 2019, which was 90 days after he resigned from the Board in accordance with the terms of the Corporation's Stock Option Plan.

Incentive Plan Awards – Value vested or earned during the year

The following table sets forth, for each director, other than those who are also NEOs of the Corporation, the value of all incentive plan awards vested during the year ended December 31, 2018:

Name⁽¹⁾	Option-based awards – value vested during the year⁽²⁾ (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Keith C. Hill ⁽²⁾	Nil	Nil	Nil
Terry L. Allen	Nil	Nil	Nil
Brian D. Edgar ⁽²⁾	Nil	Nil	Nil
C. Ashley Heppenstall	Nil	Nil	Nil
Gary Guidry	Nil	Nil	Nil

Notes:

- (1) Information pertaining to director, Mr. Bruijnzeels, who was a NEO prior to May 15, 2019, is included under "Statement of Executive Compensation – Summary Compensation Table".
- (2) All outstanding options were fully vested on January 19, 2017.

Directors' and Officers' Liability Insurance

The Corporation maintains insurance for the benefit of its directors and officers and the directors and officers of its subsidiaries, as a group, in respect of the performance of them of the duties of their offices. The total amount of insurance coverage available is up to CAD\$35,000,000, depending on the type of claim, with a deductible of up to CAD\$100,000, depending on the type of claim, for each claim for which the Corporation grants indemnification. The Corporation bears the entire cost of the premiums payable pursuant to this coverage.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Corporation's most recently completed fiscal year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans approved by security holders			
Share Option Plan	25,000,000	CAD\$0.115	190,063,153
Deferred Share Unit Plan	0	N/A	14,800,000
Share Unit Plan	0	N/A	175,000,000
Equity compensation plans not approved by security holders	N/A	N/A	N/A

Percentage of Issued and Outstanding Shares

Stock Option Plan

There are a maximum of 216,063,153 shares issuable under the stock option plan, representing 10% of the Corporation's issued and outstanding shares as at December 31, 2018. At the end of December 31, 2018, there were 25,000,000 stock options outstanding, representing 1.2% of shares then issued and outstanding and 190,863,153 stock options remained available for grant, representing 8.8% of shares then issued and outstanding.

Deferred Share Unit Plan

There are a maximum of 14,800,000 shares issuable under the deferred share unit plan, representing 0.7% of the Corporation's issued and outstanding shares as at December 31, 2018. At the end of December 31, 2018, there were no DSU's outstanding.

Share Unit Plan

There are a maximum of 175,000,000 shares issuable under the share unit plan, representing 8.1% of the Corporation's issued and outstanding shares as at December 31, 2018. At the end of December 31, 2018, there were no PSU's or RSU's outstanding.

The Stock Option Plan

The following is a description of material terms of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan.

1. In combination with the aggregate number of Common Shares which may be issuable under any and all of the Corporation's equity incentive plans in existence from time to time, including the Company's Share Unit Plan, shall not exceed 10% of the issued and outstanding Common Shares of the Corporation at the time of grant, the exercise price of which, as determined by the board of directors in its sole discretion, shall not be less than the closing price of the Corporation's Common Shares traded through the facilities of the Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the Exchange, provided that the option price shall not be less than CAD \$0.05 per share.
2. The board of directors shall not grant options to any one person in any one year which will exceed 5% of the issued and outstanding Common Shares of the Corporation, or to any consultant in any one year which will exceed 2% of the issued and outstanding Common Shares of the Corporation or in any one year period to those persons employed by the Corporation who perform investor relations services which will, in aggregate, exceed 2% of the issued and outstanding Common Shares of the Corporation, as calculated on the date that that option is granted.
3. Shares subject to, but not issued or delivered under an option which expires or terminates, shall again be available for option under the Stock Option Plan. The maximum term of any option is five years.
4. If the option holder ceases to be an eligible person, being a bona fide consultant, a director, an employee or a management company employee in relation to the Corporation (as those terms are defined in Policy 4.4 of the Exchange) the option shall terminate no longer than 90 days after such person ceases to be in at least one of those categories, or if an optionee dies, within one year after the date of such death. Options granted to an option holder who is engaged in investor relations activities must expire within 30 days after the option holder ceases to be so engaged.
5. The options may be subject to such vesting schedule over time as the board of directors may, in their discretion, implement or as may be required by the Exchange. Options granted to consultants engaged to perform investor relations activities must be subject to vesting requirement, whereby such options must vest in stages over a 12-month period, with no more than 25% of the Shares vesting in any three-month period.

6. The options are non-assignable. The Corporation may withhold from the optionee or its agent, as the case may be, any amounts required by applicable legislation to be withheld for any taxes, or otherwise, as a consequence of such participation in the Stock Option Plan.
7. The Corporation must obtain disinterested shareholder approval for any grant of stock options to insiders within a 12-month period, of a number of options exceeding 10% of the issued share capital of the Corporation.
8. Specific disinterested shareholder approval is required to reduce the exercise price of an option for an optionee who is an insider.
9. The exercise price and the number of Common Shares which are subject to an option may be adjusted from time to time for share dividends, and in the event of amalgamation or merger.

The Corporation does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Stock Option Plan.

A copy of the Stock Option Plan may be inspected at the head office of the Corporation, 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 during normal business hours and at the Meeting. In addition, a copy of the Stock Option Plan will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Assistant Corporate Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Assistant Corporate Secretary.

Deferred Share Unit Plan (the “DSU Plan”)

Set out below is a summary of the DSU Plan, which is qualified in its entirety by the full text of the DSU Plan. DSUs may be granted for the benefit of any director who is not an employee of the Corporation, including any non-executive chair of the Board (in the following section, “Participants”).

Administration of Plan

The Board may, in its discretion, delegate such of its powers, rights and duties under the DSU Plan, in whole or in part, to a committee of the Board or any one or more directors, officers or employees of the Corporation as it may determine from time to time, on terms and conditions as it may determine, except the Board shall not, and shall not be permitted to, delegate any such powers, rights or duties to the extent such delegation is not consistent with Applicable Law. Subject to the foregoing, the Board shall, in its sole and absolute discretion: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Board deems necessary or desirable for the administration of the Plan.

Payment of Annual Cash Remuneration

“Annual Cash Remuneration” means all amounts ordinarily payable in cash to the Participant by the Corporation in respect of the services provided by the Participant to the Corporation in connection with such Participant’s service on the Board in a fiscal year, including without limitation (i) the cash retainer, (ii) the fee for serving as a member of a Board committee; (iii) the fee for chairing a Board committee; and (iv) meeting and per diem fees, which amounts are payable as determined by the Board.

Subject to making a timely election and such conditions as the Board may impose, a Participant may elect to receive his or her Annual Cash Remuneration in the form of DSUs, cash or any combination thereof.

A DSU is a unit credited to a Participant by way of a bookkeeping entry in a notional account in favour of the participant (a “DSU Account”) in the books of the Corporation, the value of which is equivalent to a Common Share (based on the closing trading price of the common shares on the TSX-V on the immediately preceding trading date, being the “Fair Market Value” as defined in the DSU Plan, on the date on which the DSUs are credited).

Deferred Share Units

In addition to the election above with respect to Annual Cash Remuneration, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Corporation. Subject to Applicable Law, the Board shall determine the date on which such DSUs may be granted and the date as of which such Deferred Share Units shall be credited to a Participant’s Deferred Share Unit Account, together with any terms or conditions with respect to the vesting of such Deferred Share Units.

Notwithstanding any other provision hereunder, at the discretion of the Board, a Participant may receive a grant of DSUs under the DSU Plan upon such Participant’s first election or appointment to the Board. The aggregate equity award value, based on grant date fair value, of any grants of Deferred Share Units that are eligible to be settled in Shares, in combination with the aggregate equity award value, based on grant date fair value, of any grants under any other Share Compensation Arrangement, that may be made to a Participant for a year shall not exceed \$150,000.

Maximum Number of Common Shares Issuable

DSUs may be granted in accordance with the DSU Plan, provided the aggregate number of DSUs outstanding pursuant to the DSU Plan from time to time that are eligible to be settled through the issuance of common shares does not exceed 5% of the Corporation’s outstanding common shares, provided that the number of common shares issued or issuable under all Share Compensation Arrangements shall not exceed 10% of the number of issued and outstanding common shares on a non-diluted basis. The DSU Plan is a “fixed number” plan, therefore, should the Corporation issue additional common shares in the future, the number of common shares issuable pursuant to DSUs will not increase. All common shares subject to DSUs that terminate or are cancelled without being settled shall be available for any subsequent grant.

The DSU Plan provides that the maximum number of common shares issuable under the DSU Plan, together with any common shares issuable pursuant to any other Share Compensation Arrangement (which includes the Share Unit Plan and the Stock Option Plan), in any one-year period: (a) to any one Participant, shall not exceed 5% of the total number of issued and outstanding common shares on the grant date on a

non-diluted basis; (b) to insiders (as that term is defined by the TSX-V) as a group shall not exceed 10% of the total number of issued and outstanding common shares on the grant date on a non-diluted basis; and (c) to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding common shares on the grant date on a non-diluted basis.

Redemption of DSUs

Generally, a Participant in the DSU Plan shall be entitled to elect, by filing a notice with the secretary of the Corporation, up to two dates (each, an “**Entitlement Date**”) on which either a portion or all of the vested DSUs credited to such Participant’s DSU Account will, following the date of a Participant’s death or retirement from, or loss of office or employment with the Corporation or a corporation related to the Corporation for purpose of the *Income Tax Act* (Canada) (the “**Termination Date**”), be redeemed.

A Participant’s elected Entitlement Date(s) shall not be later than December 15 of the calendar year following the year in which his or her Termination Date occurs, or earlier than three months after such Termination Date. Where a participant is eligible to file one or more election notices to redeem his or her DSUs but fails to do so, such participant’s Entitlement Date shall be deemed to be December 15 of the calendar year following the year in which his or her Termination Date occurs.

In no event will any common shares be issued or cash payments made to or in respect of a Participant in the DSU Plan prior to such Participant’s Termination Date or after December 31 of the calendar year commencing after such Termination Date.

Transferability

No right to receive payment of deferred compensation or retirement awards shall be transferable or assignable by any Participant except by will or laws of descent and distribution.

Adjustments and Reorganizations

Notwithstanding any other provision of the DSU Plan, in the event of any change in the common shares by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of common shares or distribution of rights to holders of common shares or any other form of corporate reorganization whatsoever, an equitable adjustment permitted under applicable law shall be made to any DSUs then outstanding. Such adjustment shall be made by the Board, subject to applicable law, shall be conclusive and binding for all purposes of the DSU Plan.

Dividends

On any payment date for dividends paid on the common shares, a Participant shall be credited with dividend equivalents in respect of DSUs credited to the Participant’s Account as of the record date for payment of dividends. Such dividend equivalents shall be converted into additional Deferred Share Units (including fractional Deferred Share Units) based on the Fair Market Value as of the date on which the dividends on the Shares are paid.

Amendments to the DSU Plan

The Board may without Shareholder approval amend, suspend or cancel the DSU Plan or DSUs granted thereunder as it deems necessary or appropriate, provided that: (a) any approvals required under applicable law or the rules and policies of the TSX-V are obtained; (b) Shareholder approval will be sought where the proposed addition or amendment results in: (i) an increase in the maximum number of common shares issuable from treasury under the DSU Plan, other than in accordance with the terms of the DSU Plan that permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or the common shares; (ii) amendments to the DSU Plan that would increase the insider participation limits set out in the DSU Plan; (iii) any amendments to increase the maximum aggregate equity award value, based on grant date fair value, of any grants made to a Participant under any other Share Compensation Arrangement to exceed \$150,000; (iv) amendments permitting awards other than DSUs to be made under the DSU Plan; (v) an amendment that would permit DSUs to be granted to persons other than eligible Participants on a discretionary basis; (vi) an amendment to permit DSUs to be transferred other than for estate settlement purposes or to a beneficiary; and (vii) amendments deleting or reducing the range of amendments which require Shareholder approval.

A copy of the DSU Plan may be inspected at the head office of the Corporation, 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 during normal business hours and at the Meeting. In addition, a copy of the DSU Plan will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Assistant Corporate Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Assistant Corporate Secretary.

Share Unit Plan (the Share Unit Plan)

The Share Unit Plan was established as a vehicle by which equity-based incentives may be awarded to the employees (including officers) and consultants of the Corporation (in this section “Eligible Participants”), to recognize and reward their significant contributions to the long-term success of the Corporation including to align employee, and consultant interests more closely with the shareholders of the Corporation.

Set out below is a summary of the Share Unit Plan, which is qualified in its entirety by the full text of the Share Unit Plan.

Administration of the Share Unit Plan

The Board has authorized the Compensation Committee to administer the Share Unit Plan. The Compensation Committee may (a) interpret and administer the Share Unit Plan; (b) establish, amend and rescind any rules and regulations relating to the Share Unit Plan; and (c) make any other determinations that the Board deems necessary or desirable for the administration of the Share Unit Plan.

Share Units

Share Units may be granted as Restricted Share Units (RSUs) or Performance Share Units (PSUs). Generally, RSU are subject to time-based vesting requirements whereas PSUs are subject to performance based vesting requirements.

Maximum Number of Common Shares Issuable

Share Units may be granted in accordance with the Share Unit Plan provided the aggregate number of Share Units outstanding under the Share Unit Plan that are eligible to be settled through the issuance of common shares does not exceed 175,000,000 common shares. The Share Unit Plan is a “fixed number” plan, therefore, should the Corporation issue additional common shares in the future, the number of common shares issuable pursuant to Share Units will not increase. All common shares subject to Share Units that terminate or are cancelled without being settled shall be available for any subsequent grant.

The Share Unit Plan provides that the maximum number of common shares issuable under the Share Unit Plan, together with any common shares issuable pursuant to any other Share Compensation Arrangement (which includes the DSU Plan and the Stock Option Plan), in any one-year period: (a) to any one Eligible Participant, shall not exceed 5% of the total number of issued and outstanding common shares on the grant date on a non-diluted basis; (b) to insiders (as that term is defined by the TSX-V) as a group shall not exceed 10% of the total number of issued and outstanding common shares on the grant date on a non-diluted basis; and (c) to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding common shares on the grant date on a non-diluted basis.

Redemption of Share Units

Share Units may be redeemed by an Eligible Participant on the Redemption Date (being the date on which all of the time-based vesting criteria have been satisfied, in the case of an RSU or the date on which each of the performance based vested criteria have been satisfied, in the case of a PSU). On the Redemption Date, Share Units may be redeemed for cash, common shares or a combination of cash and common shares, at the discretion of the Compensation Committee. In no event will the Redemption Date in respect of any Share Unit be after the end of the calendar year which is three years following the end of the year in which services to which the grant of such Share Unit relates were performed by the employee or consultant to whom such Share Unit was granted (the “**Termination Date**”).

Transferability

Rights respecting Share Units are not transferable or assignable by any Eligible Participant except by will or laws of descent and distribution.

Adjustments and Reorganizations

If any change occurs in the outstanding common shares by reason of a Reorganization (as defined in the Share Unit Plan), the Compensation Committee, in its sole discretion, and without liability to any person, shall make such equitable changes or adjustments, if any, as it considers appropriate, in such manner as the Compensation Committee may consider equitable, to reflect such change or event including, without limitation, adjusting the number of Share Units credited to Eligible Participants, provided that any such adjustment will not otherwise extend the Redemption Date otherwise applicable.

Dividends

On any payment date for dividends paid on the common shares an Eligible Participant shall be credited with dividend equivalents in respect of Share Units credited to the Eligible Participant’s account as of the record date for payment of dividends. Such dividend equivalents shall be converted into additional Share Units (disregarding fractional Share Units) based on the Fair Market Value as of the date on which the dividends on the common shares are paid.

Termination Provisions

(i) Voluntary Resignation

In the event an Eligible Participant’s employment or service is terminated due to his or her voluntary resignation, then (a) all Share Units granted to the Eligible Participant which have not vested on or before the date of termination shall be forfeited and cancelled effective as of the date of termination; and (b) any vested Share Units credited to the Eligible Participant’s account as at the date of termination remain payable in accordance with the Share Unit Plan.

(ii) Termination without Cause

In the event an Eligible Person’s employment or service is terminated by the Corporation without cause, (a) a portion of the unvested RSUs shall vest in accordance with Section 4.1 of the Share Unit Plan; (b) any unvested PSUs held by such Eligible Participant will remain outstanding for the balance of their term pursuant to the Share Unit Plan and the applicable Grant Agreement and in the event that the applicable performance conditions are met prior to expiry, such PSUs will vest and may be redeemed; and (c) any vested Share Units credited to the Eligible Participant’s account as of his or her date of termination will remain payable in accordance with the terms of the Share Unit Plan.

(iii) Termination for Cause

In the event that an Eligible Participant’s employment or service is terminated for cause, the Eligible Participant’s Share Units, whether vested or unvested, shall be forfeited and cancelled as of the date of termination.

(iv) Retirement, Death or Disability

Upon the retirement, death or disability of an Eligible Participant, (a) a portion of the unvested RSUs held by the Eligible Participant shall immediately vest on the date of retirement, death or disability (as applicable) in accordance with Section 4.2 of the Share Unit Plan; (b) any unvested PSUs held by such Eligible Participant will remain outstanding for the balance of their term pursuant to the Share Unit

Plan and the applicable Grant Agreement and in the event that the applicable performance conditions are met prior to expiry, such PSUs will vest and may be redeemed; and (c) any vested Share Units credited to the Eligible Participant's account as of his or her date of retirement, death or disability (as applicable) will remain payable in accordance with the terms of the Share Unit Plan.

Amendments to the Share Unit Plan

The Board reserves the right, in its sole discretion, to amend, suspend or terminate the Share Unit Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining the approval of shareholders. Notwithstanding the foregoing, the Corporation will be required to obtain the Disinterested Shareholder approval for any amendment related to (a) the number or percentage of issued and outstanding common shares available for grant under the Share Unit Plan; (b) a change in the method of calculation of redemption of Share Units held by Eligible Participants; or (c) an extension to the term for redemption of Share Units held by Eligible Participants.

A copy of the Share Unit Plan may be inspected at the head office of the Corporation, 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 during normal business hours and at the Meeting. In addition, a copy of the Share Unit Plan will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Assistant Corporate Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Assistant Corporate Secretary.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Corporation, proposed nominees for directorship, or associates or affiliates of the said person, have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below and in this Information Circular, and other than transactions carried out in the ordinary course of business of the Corporation, none of the directors or executive officers of the Corporation, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation, nor any shareholder beneficially owning, directly or indirectly, Common Shares of the Corporation, or exercising control or direction over Common Shares of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Corporation nor an associate or affiliate of any of the foregoing persons has since January 1, 2018 (being the commencement of the Corporation's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Corporation or any of its subsidiaries.

During the period January 1 to June 21, 2018, the Corporation incurred fees of \$104,000 for office rental and administrative and technical services from various subsidiary companies of Lundin Petroleum AB. Up until June 21, 2018 Lundin Petroleum AB was a shareholder of the Corporation.

On January 30, 2017 the Corporation sold on a private placement basis an aggregate of 360,000,000 of its common shares at a price of CAD 0.10 (SEK 0.67). Two insiders of the Corporation, Lorito Holdings S.à.r.l. and Zebra Holdings & Investments S.à.r.l., private companies controlled by a trust settled by the estate of the late Adolf H. Lundin, directly or indirectly purchased a total of 60,448,239 common shares under the private placement, constituting a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101").

In connection with the Corporation's \$240 million senior bond issue completed in July 2018, Nemesia S.à.r.l. ("Nemesia"), a private company controlled by a trust settled by the estate of the late Adolf H. Lundin, agreed to guarantee the Corporation's obligations under the senior bonds issued by the Corporation on July 5, 2018 up to an equivalent of one year of bond interest (the "Liquidity Guarantee"). In exchange for the Liquidity Guarantee the Corporation agreed to issue an initial 2,000,000 common shares to Nemesia, which shares were issued on January 23, 2019, and a further 50,000 shares of the Corporation for each US\$500,000 drawdown per month until the drawn amount is repaid. As at the date of this Circular, no shares other than the initial 2,000,000 common shares have been issued to Nemesia pursuant to the Liquidity Guarantee.

APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of PricewaterhouseCoopers SA, as auditors of the Corporation, at a remuneration to be determined by the directors. PricewaterhouseCoopers SA were first appointed auditor of the Corporation on October 1, 2014.

MANAGEMENT CONTRACTS

No management functions of the Corporation are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

The Corporation's Board of Directors and management have established certain corporate governance practices which, in the opinion of the Board, are consistent with the overall business of the Corporation and its stage of development. The following represents the disclosure required by National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101").

Corporate Governance Practices

National Policy 58-201 - Corporate Governance Guidelines sets out guidelines for effective corporate governance. These guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. NI 58-101 requires that if management of an issuer solicits proxies from its security

holders for the purpose of electing directors, specified disclosure of the corporate governance practices must be included in its management information circular.

The Board of Directors has considered the guidelines set out in NP 58-201 and believes that its approach to corporate governance is appropriate and works effectively for the Corporation and its Shareholders. The following is a description of the Corporation's corporate governance practices which have been approved by the Board.

The Board of Directors

Four of the proposed nominees for election as directors at the Meeting are current directors of the Corporation. The Board of Directors is currently comprised of Keith C. Hill, Chris Bruijnzeels, Terry L. Allen, Michael Ebsary and Brian D. Edgar. With the exception of Mr. Bruijnzeels, all members and proposed members of the Board of Directors are independent within the meaning of NI 58-101. Mr. Bruijnzeels is not independent as he is the CEO of the Corporation.

The independent directors exercise their responsibilities for independent oversight of management and are provided with leadership through their position on the Board and ability to meet independently of management whenever deemed necessary.

Directorships

The current and proposed directors of the Corporation may serve as directors of other reporting issuers. Currently, the following directors serve on the boards of directors of other reporting issuers or reporting issuer equivalent(s) as follows:

Director	Reporting Issuer(s) or Equivalent(s)
Keith C. Hill	• Africa Oil Corp. • Africa Energy Corp. • Eco (Atlantic) Oil & Gas Ltd. • TAG Oil Corp.
Chris Bruijnzeels	• International Petroleum Corporation
Dr. Adel Chaouch	• Ophir Energy plc
Terry L. Allen	• None
Michael Ebsary	• None
William A.W. Lundin	• None

During fiscal year ended December 31, 2018, the Board and its committees held the following number of meetings:

Director	BOARD/STANDING COMMITTEES OF THE BOARD									
	Board of Directors (7 meetings) ⁽¹⁾		Audit Committee (4 meetings) ⁽¹⁾		Compensation Committee (2 meetings) ⁽¹⁾		Reserves Committee (2 meeting) ⁽¹⁾		Corporate Governance and Nominating Committee (3 meeting) ⁽¹⁾	
Keith C. Hill	7	7	-	-	2	2	2	2	3	3
Chris Bruijnzeels	7	7	-	-	-	-	-	-	-	-
Brian D. Edgar	7	7	4	4	2	2	-	-	3	3
C. Ashley Heppenstall ⁽²⁾	7	7	4	4	2	2	2	2	-	-
Terry L. Allen ⁽³⁾	5	5	2	2	-	-	-	-	1	1
Gary Guidry ⁽⁴⁾	3	3	2	2	-	-	2	2	2	2

Note:

⁽¹⁾ Represents number of meetings the director/committee member was eligible to attend.

⁽²⁾ Mr. Heppenstall resigned from the Board and the Audit Committee, Compensation Committee and Reserves Committee on December 31, 2018.

⁽³⁾ Ms. Allen was appointed to the Audit Committee, Corporate Governance and Nominating Committee and Reserves Committee on June 25, 2018.

⁽⁴⁾ Mr. Guidry resigned from the Board and Compensation Committee, Corporate Governance and Nominating Committee and Reserves Committee on June 25, 2018.

Orientation and Continuing Education

The measures that the Board of Directors takes in connection with orienting new Board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Corporation's business include providing each new member with information concerning the role and responsibilities of a public company director and discussing with new members the Corporation's operations. New directors also have the opportunity to meet with management, technical experts and consultants of the Corporation. As each director has a different set of skills and professional background, the Board seeks to tailor orientation of new members according to the particular needs and experience of each new director. For example, if the new director is highly sophisticated with regard to the oil and gas industry, orientation on that matter would not be necessary or if a director has a high level of financial expertise, finance orientation may not be included. In addition, all new and existing Board members are provided with a Directors' Manual which contains, among other things, information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies, the Board's mandate, the charters of the Board and its committees, corporate policies and other relevant information. The Directors' Manual is updated regularly.

The Board encourages continued education for its directors and ensures that all directors are kept apprised of changes in the Corporation's operations and business and changes in the regulatory environment affecting the Corporation's day to day business. At every Board meeting, management provides updates and briefings to directors with respect to the business and operations of the Corporation. The Corporation's outside legal counsel also provides directors and senior officers with summary updates of any developments relating to the duties and responsibilities of directors and officers and corporate governance matters. Board members may also attend external education seminars that

they determine necessary to keep themselves up-to-date with current issues relevant to their services as directors of the Corporation. In addition, as part of the annual director assessment process, directors are canvassed by the Corporate Governance and Nominating Committee for their input on what additional information would assist them in increasing their effectiveness as directors. The Corporate Governance and Nominating Committee considers directors' responses and makes recommendations.

Ethical Business Conduct

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards. Accordingly, the Corporation has adopted a written Code of Business Conduct and Ethics, as amended (the "Code") applicable to directors, officers and all employees of the Corporation. Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporation's legal counsel. Following the receipt of any complaints submitted hereunder, the Corporation's legal counsel will investigate each matter so reported and report to the Board which will take corrective disciplinary actions, if appropriate, up to and including termination of employment. The Corporation encourages all directors, officers, and employees to report promptly any suspected violation of the Code to the Corporation's legal counsel. The Corporation does not tolerate any retaliation for reports or complaints regarding suspected violations of the Code that were made in good faith. There has been no departure from the Code during the Corporation's most recently completed financial year.

All directors, officers and employees have an obligation to act in the best interest of the Corporation. Any situation that presents an actual or potential conflict between a director, officer or employee's personal interests and the interests of the Corporation are to be reported to the Corporation's legal counsel.

The Code is available on the Corporation's website at www.shamarampetroleum.com, and is available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website which may be accessed at www.sedar.com.

In addition to the Code, the Corporation has adopted policies to assist in the conduct of ethical business which include the following:

- an Internal Employee Alert Policy to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment.
- a Blackout Period Policy for its directors, executive officers and senior management of the Corporation to raise the general level of awareness of the trading and confidential obligations of directors, executive officers and senior management. All directors, executive officers and senior management are expected to comply with the Blackout Period Policy.
- a Corporate Disclosure Policy to ensure effective communication between the Corporation, its shareholders and the public.

Nomination of Directors and Assessment

The Corporate Governance and Nominating Committee is currently comprised of three directors: Messrs. Brian D. Edgar (Chair) and Keith C. Hill and Ms. Terry L. Allen. Following the Meeting, it is proposed that Mr. Ebsary will replace Mr. Edgar as Chair and that Mr. William A.W. Lundin will be appointed to the Corporate Governance and Nominating Committee. All members and proposed members are considered independent within the meaning of NI 58-101. The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies individuals qualified to become new Board members and recommends to the Board the director nominees at each annual meeting of shareholders and, with the assistance of the Board and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions. The Corporate Governance and Nominating Committee meets at least once annually.

Compensation

At the present time, the Compensation Committee is comprised of three directors, Keith C. Hill (Chair), Brian D. Edgar and Michael Ebsary, all of whom are considered independent directors. Following the Meeting, it is proposed that Mr. Bruijnzeels will replace Mr. Edgar on the Compensation Committee. The Compensation Committee evaluates the CEO's performance and establishes executive and senior officer compensation, determines the general compensation structure, policies and programs of the Corporation, including the extent and level of participation in incentive programs in conjunction with the Board, and delivers an annual report to shareholders on executive compensation. The Compensation Committee has also been mandated to review the adequacy and form of the compensation of directors and to ensure that such compensation realistically reflects the responsibilities and risk involved in being an effective director. The Compensation Committee meets at least annually. The Compensation Committee's role in the compensation of directors and the CEO of the Corporation is further described under "Compensation Discussion and Analysis".

Board Committees

At the present time, the Board has four (4) standing committees: the Audit Committee, the Compensation Committee, as described above, the Corporate Governance and Nominating Committee, as described above, and the Reserves Committee, described below. Disclosure with respect to the Audit Committee, as required by NI 52-110 – *Audit Committee*, is contained under the heading "Audit Committee and National Instrument 52-110, Audit Committees ("NI 52-110") Disclosure" and in Schedule "A" to this Information Circular.

Reserves Committee

The Reserves Committee is currently comprised of three independent directors: namely, Keith C. Hill (Chair), Michael Ebsary and Terry L. Allen. Following the Meeting, it is proposed that Mr. Bruijnzeels will replace Mr. Hill as Chair and that Mr. William A.W. Lundin will be appointed to the Reserve Committee. The Reserves Committee has the responsibility in general for developing the Corporation's approach to the reporting of oil and gas reserves and other oil and gas information required to be publicly disclosed. The Reserves Committee's mandate prescribes the methodology that the Corporation and the independent evaluator selected by management and approved by the Reserves Committee will adhere to in the calculation of oil and gas reserves and the valuation of those reserves. The Reserves Committee must meet at least annually.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Annual Approval of the Stock Option Plan

The Corporation's current Stock Option Plan governing the issuance of stock options was initially adopted by shareholders at the annual and special meeting held on June 21, 2004 and was most recently approved by shareholders on June 25, 2018. The policies of the Exchange require that rolling plans be approved by shareholders on a yearly basis.

A summary of the terms and conditions of the Corporation's Stock Option Plan are set forth under "Securities Authorized for Issuance under Equity Compensation Plans" above.

Accordingly, Shareholders are being asked to pass an ordinary resolution to ratify and confirm the Stock Option Plan as adopted by the Board which permits the issuance of up to 10% of the issued and outstanding Common Shares of the Corporation from time to time. To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or by proxy at the Meeting. If the resolution to approve the Stock Option Plan is not approved by Shareholders of the Corporation, all unallocated stock options will be cancelled and the Corporation will not be permitted to make any further grants until Shareholder approval is obtained.

Shareholders will be asked to pass an ordinary resolution, in substantially the following form to re-approve the Stock Option Plan.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Stock Option Plan of the Corporation, as adopted by the Board of Directors, and as described in the Corporation's Information Circular dated May 15, 2019, be and is hereby approved and ratified, and the Corporation be and is hereby authorized to reserve for issuance pursuant to the Stock Option Plan up to 10% of the issued and outstanding common shares of the Corporation from time to time;
2. the Board of Directors be and is hereby authorized on behalf of the Corporation to make any amendments to the Stock Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Corporation, in order to ensure the adoption and efficient function of the Stock Option Plan; and
3. any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Stock Option Plan."

The directors of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that Shareholders of the Corporation vote **IN FAVOUR** of the resolution. **In the absence of contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intended to vote IN FAVOUR of the approval of the Stock Option Plan.**

ANY OTHER MATTERS

Management of the Corporation knows of no other matters which will be brought before the Meeting, other than those referred to in the Notice of Meeting. Should any other matters properly be brought before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgment of the persons voting such proxies.

ADDITIONAL INFORMATION

Additional information relating to the Corporation and its business activities is available on SEDAR website located at www.sedar.com "Corporation's profiles" – ShaMaran Petroleum Corp". Financial information regarding the Corporation is provided in the Corporation's consolidated annual financial statements and related management's discussion and analysis ("MD&A") for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above.

Copies of the consolidated financial statements and related MD&A, for the fiscal year ended December 31, 2018, may be accessed on the Corporation's website at www.shamaranpetroleum.com or Shareholders may contact the Corporation to request copies of the consolidated financial statements, and MD&A, as follows:

E-mail: info@shamaranpetroleum.com
Telephone: 604-689-7842
Mail: ShaMaran Petroleum Corp.
2000, 885 West Georgia Street
Vancouver, B.C., V6C 3E8
Attn: Investor Relations

SCHEDULE “A”
AUDIT COMMITTEE CHARTER

(As adopted by the Board of Directors on April 20, 2010, amended on March 9, 2017 and reviewed on March 7, 2019)

I. MANDATE

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of ShaMaran Petroleum Corp. (the “**Corporation**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Corporation’s financial statements and other financial information;
2. The compliance of such financial statements and financial information with legal and regulatory requirements;
3. The qualifications and independence of the Corporation’s independent external auditor (the “**Auditor**”); and
4. The performance of the Corporation’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee will be comprised of a minimum of three members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must, with the exception of certain qualifying exemptions, be “independent” (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) (“NI 52-110”).

Each member of the Committee must be “financially literate” (as defined in NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the Committee.

Each member of the Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation (as defined in NI-52-110).

C. Appointment and Removal

In accordance with the By-laws of the Corporation, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation’s annual and interim financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting, a quorum shall consist of a majority of members that are not executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation’s financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Corporation's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee will:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Corporation, consistent with Independence Standards Board Standard 1.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Corporation.

Performance & Completion by Auditor of its Work

5. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
6. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Corporation's shareholders of the existing, Auditor.
7. Pre-approve all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Corporation by the Auditor unless such non-audit services:
 - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Corporation to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Corporation

8. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

9. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.
10. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.

11. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
12. Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.
13. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Corporation's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - (b) The management inquiry letter provided by the Auditor and the Corporation's response to that letter.
 - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Corporation

14. Review the Corporation's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases and provide a recommendation to the Board with respect to the approval of the financial statements, MD&A and earnings press release prior to their release to the public.
15. Where reasonably possible, review the Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosures containing financial information, including news releases, prior to release to the public. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosures of financial information extracted or derived from the Corporation's financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
16. Review disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

Other Responsibilities

17. Review the findings of any examinations by securities regulatory authorities and stock exchanges.
18. Review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.
19. Consult with the Auditor, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
20. Request any officer or employee of the Corporation or the Corporation's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
21. Meet with management, any internal auditor and the Auditor in separate executive sessions at least quarterly.
22. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
23. Make regular reports to the Board about the Committee's activities and make appropriate recommendations..
24. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
25. Annually review the Committee's own performance.
26. Provide an open avenue of communication among the Auditor, the Corporation's financial and senior management and the Board.
27. Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.