NG ENERGY INTERNATIONAL CORP.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2021

APRIL 13, 2022

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ABBREVIATIONS

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

Oil and Natural Gas Liquids		Natural Gas	
bbls	Barrels	Mcf	Thousand cubic feet
bbls/d	Barrels per day	Mcf/d	Thousand cubic feet per day
Mbbl	Thousand barrels	MMcf	Million cubic feet
boe	Barrels of oil equivalent	MMBtu	One million British thermal units
boe/d	Barrels of oil equivalent per day	m^3	Cubic metres
Mboe	Thousand barrels of oil equivalent	GJ	gigajoule
NGLs	Natural gas liquids		

OTHER

WTI	West Texas Intermediate crude oil, a benchmark oil price determined at Cushing, Oklahoma
$M	Thousands of dollars
$MM	Millions of dollars

The following table sets forth certain standard conversion factors.

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

GLOSSARY OF GENERAL TERMS

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

Affiliate: A company is an "Affiliate" of another company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person;

AIF: means this Annual Information Form;

ANH: means the Colombian National Hydrocarbons Agency;

Associate: means, when used to indicate a relationship with a Person,

(a) a partner, other than a limited partner, of that Person;

(b) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity;

(c) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or

(d) a relative, including the spouse, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person;

Board: means the Board of Directors of the Company;

COGE Handbook: Means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society), as amended from time to time;

Common Shares: means the common shares of the Company (each a "**Common Share**");

Control Person: means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

E&P: means exploration and production;

Exchange: means the TSX Venture Exchange Inc.;

Insider: if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of another issuer that is an insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities;

Maria Conchita Block: means the area of approximately 13,159 hectares located in the Department of La Guajira, Colombia granted by the ANH under an exploration and production contract;

NI 14-101: means National Instrument 14-101 – *Definitions*;

NI 51-101 or National Instrument 51-101: means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

NI 51-102 or National Instrument 51-102: means National Instrument 51-102 – *Continuous Disclosure Obligations*;

NI 52-110 or National Instrument 52-110: means National Instrument 52-110 – *Audit Committees*;

Non-Arm's Length Party: means a): in relation to a company: (i) a promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any of such Persons; (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same promoter, officer, director, Insider or Control Person; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person;

Oil Resources Report: means the report entitled "Evaluation of the Interests of NG Energy International Corp. in the Prospective Resources within the Sinú-9 Block in the Sinú San Jacinto Basin of Colombia" prepared by Petrotech Engineering, in accordance with the COGE Handbook, with an effective date of February 28, 2022;

OTCQX means the OTCQX® Best Market, an over-the-counter stock exchange, managed by OTC Markets Group;

Person: means a company or individual;

Petrotech: means Petrotech and Associates Ltd.;

Petrotech Engineering: means Petrotech Engineering Ltd.;

Petrotech Report: means the report entitled "Evaluation of the Interests of NG Energy International Corp. in the Gas Reserves of the Maria Conchita Block in the Onshore Guajira Basin Colombia" prepared by Petrotech, in accordance with the COGE Handbook, with an effective date of December 31, 2021;

Shareholder:	means a holder of Common Shares;
SN-9 Block:	means an area of approximately 126,925 hectares located in the Department of Cordoba, Colombia, granted by the ANH under an exploration and production contract; and
Tiburon Block:	means an area of approximately 99,492 hectares located in the Department of La Guajira, Colombia, granted by the ANH under an exploration and production contract.

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

PRELIMINARY NOTES

General Matters

Unless the context otherwise requires, any references in this AIF to the "Company", "NG Energy" “us”, “we” or “our” refers to NG Energy International Corp. and its subsidiaries.

Financial Statements and MD&A

The Company's audited financial statements for its financial year end December 31, 2021 (the “**Financial Statements**”) and related management's discussion and analysis ("**MD&A**") have been filed with Canadian securities regulatory authorities and are available for review under the Company's profile at www.sedar.com. The Company's Financial Statements and all other financial information in this AIF are prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board ("**IASB**"). The Company's fiscal year end is December 31.

Effective Date of Information

ALL INFORMATION CONTAINED IN THIS AIF IS AS OF APRIL 13, 2022, UNLESS OTHERWISE STATED.

Cautionary Note Regarding Forward-Looking Statements

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

This AIF may include forward-looking statements including opinions, assumptions, estimates and management's assessment of future plans and operations, financial projections, capital expenditures and the timing and funding thereof. When used in this document, the words "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "plan", "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, risks associated with petroleum and natural gas exploration, development, exploitation, production, marketing and transportation, the volatility of petroleum and natural gas prices, currency fluctuations, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, changes in petroleum and natural gas acquisition and drilling programs, delays resulting from inability to obtain required regulatory approvals, delays resulting from inability to obtain drilling rigs and other services, labour supply risks, environmental risks, competition from other producers, imprecision of reserve estimates, changes in general economic conditions, ability to execute farm-in and farm-out opportunities, and other factors, all of which are more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

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

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

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

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

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

- the availability on acceptable terms of funds for capital expenditures;

- the availability in a cost-efficient manner of equipment and qualified personnel when required;
- continuing favourable relations with Colombian governmental agencies;
- continuing strong demand for natural gas and oil;
- the stability of the regulatory framework governing royalties, taxes and environmental matters in Colombia and any other jurisdiction in which the Company may conduct its business in the future;
- the Company's future ability to market production of natural gas and oil successfully to customers;
- the Company's future production levels and natural gas and oil prices;
- the applicability of technologies for recovery and production of the Company's natural gas and oil reserves;
- the existence and recoverability of any natural gas and oil reserves;
- geological and engineering estimates in respect of the Company's resources and reserves;
- the geography of the areas in which the Company is exploring; and
- the impact of increasing competition on the Company.

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

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

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

To the extent any forward-looking statement in this AIF constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated use of proceeds as impacted by the commencement of revenue generation, and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements generally, are, without limitation, based on the assumptions and subject to the risks set out above under the heading “*Cautionary Note Regarding Forward Looking Statements*” and in “*Risk Factors*”. The actual financial position and results of operations of the Company may differ materially from management’s current expectations and, as a result, the Company's revenue and expenses may differ materially from the revenue and expenses profiles provided in this AIF. Such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations.

Prospective investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this AIF that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which are available for review under the Company's profile on www.sedar.com.

Currency

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

PRESENTATION OF OIL AND GAS RESERVES AND PRODUCTION INFORMATION

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of oil, natural gas liquids ("NGLs") and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates

provided herein. The estimated future net revenue from the production of the disclosed oil and natural gas reserves does not represent the fair market value of these reserves.
Caution Regarding Use of Barrels of Oil Equivalent (BOEs)

BOEs/boes may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Definitions

Certain terms and abbreviations used in this AIF, but not defined or described, are defined in NI 51-101 or the COGE Handbook and, unless the context otherwise requires, shall have the meanings herein as in NI 51-101 or the COGE Handbook.

Reserves

Reserves are estimated remaining quantities of commercially recoverable oil, natural gas, and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

"**Proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

"**Probable reserves**" are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

"**Possible reserves**" are those additional reserves that are less certain to be recovered than Probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves.

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities" (which refers to the lowest level at which reserves calculations are performed) and to "reported reserves" (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90% probability that the quantities actually recovered will equal or exceed the estimated Proved reserves; and

- at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories as follows:

"**Developed Producing reserves**" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"**Developed Non-Producing reserves**" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"**Undeveloped reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved, Probable and Possible) to which they are assigned and expected to be developed within a limited time.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped subclasses or to subdivide the developed reserves for the pool between developed producing and developed nonproducing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Interests in Reserves, Production, Wells and Properties

"**Gross**" means:

(a) in relation to the Company's interest in production or reserves, its "Company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company;

(b) in relation to wells, the total number of wells in which the Company has an interest; and

(c) in relation to properties, the total area of properties in which the Company has an interest.

"**Net**" means:

(a) in relation to the Company's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves;

(b) in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and

(c) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.

Description of Exploration and Development Wells and Costs

"**Development Costs**" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;

(b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;

(c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and

(d) provide improved recovery systems.

"**Development well**" means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

"**Exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property.

Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");

(b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defense, and the maintenance of land and lease records;

(c) dry hole contributions and bottom hole contributions;

(d) costs of drilling and equipping exploratory wells; and

(e) costs of drilling exploratory type stratigraphic test wells.

"**Exploratory well**" means a well that is not a development well, a service well or a stratigraphic test well.

CORPORATE STRUCTURE

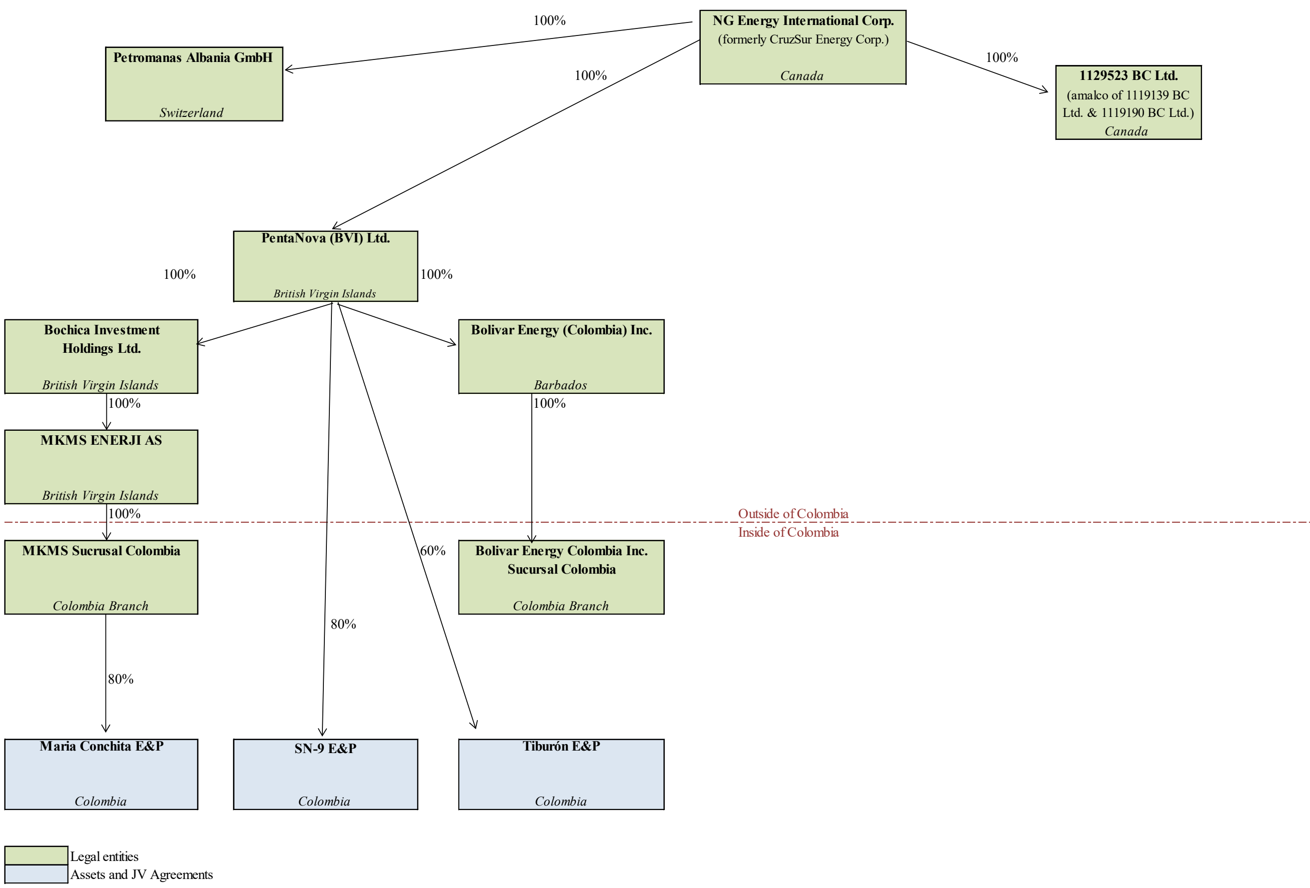
Name, Address and Incorporation

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

2, 2020, CruzSur Energy Corp. changed its name to "NGX Energy International Corp." On November 16, 2020, the Company changed its name from NGX Energy International Corp. to "NG Energy International Corp."

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

Intercorporate Relationships



GENERAL DEVELOPMENT OF THE BUSINESS OF THE COMPANY

Overview

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

Three Year History

The following three-year history is based on the Company's three most recently completed fiscal years for which audited financial statements are currently available, being the fiscal years ended December 31, 2019, 2020 and 2021. In addition, the following describes how the Company has developed over the period and includes only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.

Financial year ended December 31, 2019

Settlement and Assignment Agreement with YPF S.A.

In February 2019, the Company completed a settlement and assignment agreement with YPF, the operator of the "Llancanelo Asset", in which the Company had acquired a 39% participating interest through two transactions that had occurred in 2017. Pursuant to the settlement and assignment agreement both parties agreed upon terms of assignment of the Company's 39% participating interest in the Llancanelo Asset (held by the Company's wholly-owned subsidiary, Alianza Petrolera Argentina S.A.; "**Alianza**") to YPF. In return, YPF released Alianza from all existing and future financial obligations related to the Llancanelo Asset operations. This resulted in the elimination of approximately $12.4 million of exploration and evaluation assets, $1.0 million of property, plant and equipment assets, $1.0 million of joint operation payables, $8.4 million in liabilities for cash calls assumed on acquisitions, $2.5 million in liabilities for considerations payable on acquisitions, and $1.6 million in decommissioning liabilities. YPF assumed all rights and obligations relating to the Company's 39% participating interest. The farm-in agreement that YPF agreed to with the Company whereby the Company could earn an additional 11% participating interest, in which the Company was to contribute $54 million in capital expenditures and make cash payments of $12.5 million to YPF, was cancelled as part of the settlement. YPF released and held harmless the Company from any and all commitments, damages or penalties related to this cancelation.

C$3,350,000 Convertible Debt Financing

In May 2019, the Company announced the closing of a non-brokered private placement of secured convertible debentures for aggregate proceeds of C$3,350,000. These convertible debentures bear interest at a rate of 10% per annum until May 7, 2024. The principal amount of each convertible debenture is convertible into units of the Company at a conversion price of C$0.15 per unit. Each unit comprises one Common Share and one share purchase warrant, which entitles the holder to purchase one Common Share at the price of C$0.15 until May 7, 2024.

Settlement Agreement Regarding the Alianza Acquisition

In June 2019, the Company reached a settlement agreement with the selling parties in relation to the original acquisition in August 2017 of the Company's Argentina subsidiary, Alianza. Pursuant to the original purchase agreement, the Company withheld payment of $5 million of the purchase price (the "**Holdback Amount**") and withheld transfer of the real estate property owned by Alianza located in the city of Buenos Aires (the "**Buenos Aires Property**") to cover adjustments to the purchase price and potential losses. Subsequent to the acquisition, the selling parties requested from the Company the immediate release of the Holdback Amount and the transfer of the Buenos Aires Property as set forth under the purchase agreement. Under the settlement agreement, the Company agreed to the following terms with the selling parties, as follows:

- Payment by the Company of $472,000 (the "**Settlement Amount**"), for which the Buenos Aires Property was retained by the Company and the claims on the Holdback Amount were relinquished by the selling parties. Payment of the Settlement Amount was completed in June 2019.

- The selling parties' withdrawal of any and all disputes arising, resulting or derived from the purchase agreement.

- The Company and the selling parties gave reciprocal releases from any and all claims and obligations of every kind and nature, resulting from or derived from the purchase agreement.

With the completion of this settlement agreement, the Company eliminated $5 million in consideration payables and acquired title to the Buenos Aires Property, which was subsequently disposed of by the Company with the sale of its remaining Argentinian assets in 2020.

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

In August 2019, the Company agreed to a non-binding Memorandum of Understanding ("**MOU**") with Panacol Oil & Gas ("**Panacol**"), a company associated with a current director of the Company, Ronald Pantin, wherein Panacol would be responsible for the project management of the activities carried out by the Company in its different exploration blocks located in Colombia and Argentina following the guidelines of the Board of Directors of the Company. The definitive agreement was finalized in December 2020 and in February 2021, the Company issued an aggregate of 4,000,000 common shares to Panacol at a deemed price of C$1.49 per share. 2,800,000 common shares were issued in satisfaction of project management services provided by Panacol and 1,200,000 common shares to Landsons Investment Corporation (a company associated with a current director of the Company, Federico Restrepo-Solano) for services provided towards obtaining the environmental and social licenses for the SN-9 project. Panacol has completed all services owed to the Company under the definitive agreement and this agreement in no longer in effect.

Disposition of KM8 Asset and Operator

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

Financial year ended December 31, 2020

C$300,000 Non-Brokered Private Placement Financing

In March 2020, the Company announced the closing of a non-brokered private placement of 2,000,000 units, at a price of C$0.15 per unit, for aggregate gross proceeds of C$300,000. Each unit consisted of one Common Share and one share purchase warrant, which entitled the holder to purchase one Common Share at a price of C$0.18 until March 27, 2022.

C$1,800,000 Non-Brokered Private Placement Financing

In May 2020, the Company announced the closing of a non-brokered private placement of 10,000,000 units, at a price of C$0.18 per unit, for aggregate gross proceeds of C$1,800,000. Each unit consisted of one Common Share and one share purchase warrant, which entitles the holder to purchase one Common Share at a price of C$0.23 until May 27, 2022.

Successful Repair and Completion of the Aruchara-1 Well in the Maria Conchita Block Results in Significant Gas Flow

In August 2020, the Company announced that the repair work commenced on the Aruchara-1 well had been successfully completed. Based on the results of the 3 DST procedures carried out during re-entry, the absolute open flow potential was estimated at 19.0 MMcf/d and a potential of 14.3 MMcf/d with a 50% drawdown.

Maria Conchita Block Gas Reserves Report

In October 2020, the Company announced the results of the gas reserves report prepared by Petrotech Engineering and prepared following the repair of the Aruchara-1 well at the Maria Conchita Block (the "**2020 Gas Reserves Report**"). The 2020 Gas Reserves Report estimated total proved plus probable undeveloped reserves of 34,582 MMcf, with net proved undeveloped reserves of 11,727 MMcf and net probable undeveloped reserves of 14,131 MMcf for a total of net proved plus probable undeveloped reserves of 25,859 MMcf.

Disposition of Alianza

In October 2020, the Company announced the acceptance of an offer to sell Alianza, the Argentine subsidiary through which NG Energy operated or held its oil and gas properties in Argentina.

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

Binding Offer with CPVEN

In December 2020, the Company announced that it had received a binding commercial offer from CPVEN to execute the planned drilling program (the "**Binding Offer**"). For more information regarding the Binding Offer see "*Business of the Company - SN-9 Block*".

Memorandum of Understanding with GTX International Corp.

In December 2020, the Company announced that it had entered into a MOU with GTX International Corp. ("**GTX**") pursuant to which GTX is to build and operate the production facilities and pipeline (the "**Pipeline Facilities**") that will extend from the Company's Maria Conchita field in Colombia to existing national gas transportation infrastructure. For more information regarding the MOU with GTX see "*Business of the Company – Maria Conchita Block*".

C$3,461,900 Non-Brokered Private Placement Financing

In December 2020, the Company announced the closing of a non-brokered private placement of 4,072,823 units, at a price of C$0.85 per unit, for total gross proceeds of C$3,461,900. Each unit consists of one Common Share and one-half share purchase warrant, with each full share purchase warrant entitling the holder to purchase one Common Share at a price of C$1.50 until December 29, 2023.

Financial year ended December 31, 2021

C$9,786,500 Bought Deal Financing

In February 2021, the Company announced the closing of a bought deal private placement (the "**February 2021 Offering**"). A total of 8,510,000 units were sold at a price of C$1.15 per unit for aggregate gross proceeds of C$9,786,500. Each unit consists of one Common Share and one-half share purchase warrant, with each full share purchase warrant entitling the holder to purchase one Common Share at a price of C$1.75 until February 10, 2024. The February 2021 Offering was underwritten by a syndicate of underwriters led by Beacon Securities Limited and included Canaccord Genuity Corp. and Eventus Capital.

In addition, the Company completed a non-brokered private placement offering of 429,300 units on the same terms as the February 2021 Offering for aggregate gross proceeds of C$493,695.

Agreement with CPVEN for Workover of Instabul-1 Well

In February 2021, the Company announced that it had signed a contract with CPVEN for the workover of the Istanbul-1 well located in the Maria Conchita Block at La Guajira, Colombia. The workover of the Instanbul-1 well includes project management, the selection of service providers, contract signature and administration, work development coordination, contract liquidation, quality control, COVID protocols implementation and processes assurance.

The workover was being conducted to allow the Company to test the newly identified zones of potential accumulations identified in the section of the Jimol formation, which was not tested in the original well, and to retest two additional zones. The Company anticipated that the workover of the Istanbul-1 well would allow for an increase in the field's production capacity.

Commencement of OTCQX Trading

In April 2021, the Company announced that its Common Shares began trading on the OTCQX under the ticker symbol "GASXF". Upgrading to the OTCQX was an important step for the Company, as it seeks to provide transparent trading for its U.S. investors.

Re-Entry of Istanbul-1 Well at the Maria Conchita Block

In May 2021, the Company announced that it had successfully re-entered the Istanbul-1 well and that preliminary testing in several zones had encountered gas that was subsequently tested for flow rates and was burned in the flare stack. The re-entry into the Istanbul-1 well is part of the Company's ongoing evaluation of the Maria Conchita Block.

In June 2021, the Company announced that good gas production potential was established in the Istanbul-1 well at intervals 8,396'- 8,416' and 8,426'- 8,438', which expands the overall prospectivity of the area.

Environmental License for SN-9 and Commencement of Exploration Program

In September 2021, the Company announced that all environmental requirements from the National Authority of Environmental Licenses (the "**ANLA**") had been met and that the Company had been granted the necessary environmental license, which will allow exploratory drilling in the SN-9 block, including the construction of civil works, production infrastructure and the construction of up to 11 locations for a total of 22 wells.

Agreement with Transportadora de Gas Internacional

In October 2021, the Company announced that it had reached an agreement with Transportadora de Gas Internacional ("**TGI**"). The agreement will allow for the tie in of the Maria Conchita Block, enabling the Company to transport gas produced from the Aruchara-1 well and subsequent wells at the Maria Conchita Block through TGI's main pipeline and sell it in central consumption centers in Colombia.

C$8,000,000 Non-Brokered Private Placement Financing

In October 2021, the Company announced the closing of a non-brokered private placement of 8,000,000 units, at a price of C$1.00 per unit, for aggregate gross proceeds of C$8,000,000. Each unit consists of one Common Share and one share purchase warrant, which entitles the holder to purchase one Common Share at a price of C$1.20 until October 22, 2023.

Recent Developments

Update on Pipeline and Facilities at the Maria Conchita Block

In January 2022, the Company announced that it had completed all civil works and laid all flow lines to connect the gas plant to the national gas transportation system and that it was completing the consultation process with the communities located in the area surrounding the pipeline.

The Company further announced that, upon completion of the pipeline facilities, the Company will work towards converting letters of intent currently in place with third parties into final take or pay contracts for the production from the Aruchara-1 well.

Completion of Gas Plant Facilities at the Maria Conchita Block

In January 2022, the Company announced that GTX had completed the assembly of its gas plant and that the gas plant is now mechanically ready to begin pre-commissioning and commissioning, starting with nitrogen testing. After testing is finished, the plant will be programed to produce between 16 to 20 MMcf/d in accordance with expected production rates.

Mobilization of Drilling Rig to SN-9 Block

In February 2022, the Company announced that it had begun to mobilize the drilling rig and related equipment to the location where the Mágico-1 well will be drilled and tested. The Company had carried out a new seismic review of the area, which showed the presence of three bright sports and new evidence of deeper prospective zones with possible higher production expectations.

Maria Conchita Block Environmental License Modification

In March 2022, the Company announced that the ANLA had granted an amended environmental license for the Maria Conchita Block to include the Aruchara-1 well. This development is transformational for the Company as it permits production from the Aruchara-1 well and allows the Company to lay the remaining 40 meters of flow line connecting the Aruchara-1 well to the GTX gas plant. Additionally, it allows the Company to complete the connection point to the TGI main pipeline.

SN-9 Oil Resources Report

In March 2022, the Company announced the results of the Oil Resources Report. For more information concerning the Oil Resources Report, see "*Business of the Company – SN-9 Block*".

2021 Year-End 51-101F1 Report

In March 2022, the Company announced the results of the Petrotech Report as reported on 51-101 F1. For more information concerning the Petrotech Report, see "*Statement of Reserves Data and Other Oil and Gas Information*".

Up to C$45,000,000 Convertible Debt Offering

In March 2022, the Company announced that it had obtained a receipt from the British Columbia Securities Commission ("**BCSC**") for its preliminary short-form prospectus in connection with the proposed issuance and sale of up to 45,000 convertible debenture units (each a "**Debenture Unit**") at a price of C$1,000 per Debenture Unit on a best-efforts, fully marketed basis, for aggregate total gross proceeds of up to C$45,000,000.

Each Debenture Unit will consist of: (i) one 8% convertible unsecured debenture in the principal amount of C$1,000 (the "**Convertible Debentures**") maturing five years from the closing of the offering; and (ii) 400 Common Share purchase warrants of the Company, which entitles the holder thereof to purchase one Common Share of the Company at an exercise price equal to $2.50 from a period of five years from the closing date.

The closing of the offering is subject to the approval of the TSXV and other necessary regulatory approvals. The preliminary short-form prospectus is still subject to completion or amendment. There will not be any sale or any acceptance of an offer to buy the Debenture Units until a receipt for the final short-form prospectus has been issued.

Significant Acquisition

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

BUSINESS OF THE COMPANY

The Company is engaged in the acquisition, exploration, development and exploitation of oil and natural gas assets in Colombia. The Company's current asset portfolio consists of one appraisal and two exploration natural gas assets in Colombia. It has also identified light oil unrisked prospective resources (leads) at its

SN-9 Block in Colombia. NG Energy has working interests in the Maria Conchita Block, the SN-9 Block and the Tiburon Block.

The Company has a Colombian-based management team with significant in-country experience, strong technical experience within the Colombian basin, and strong capital markets expertise having led large public resource companies in the past.

Principal Properties

The following is a description of the Company's principal oil and gas properties and operations as at April 13, 2022.

Maria Conchita Block

The Maria Conchita Block is located in the Department of La Guajira, Colombia, and neighbours the Chuchupa Block to its north, which is one of Colombia's largest gas fields with an initial 900 MMboe in place and currently accounts for approximately 7.2% of Colombia's daily natural gas output. The Chuchupa Block has been under production for over 35 years, operated by Chevron in association with Ecopetrol, S.A. Production from the Chuchupa Block has been decreasing over the last several years, creating a need for new natural gas discoveries to replace it. The Maria Conchita Block is in close proximity to both of Colombia's gas trunk lines, TGI and Promigas.

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

Reserves Analysis

In March 2022, the Company announced the results of the year end 2021 reserves report for the Maria Conchita Block prepared by Petrotech in accordance with the COGE Handbook. Using available 3D seismic data and amplitude-variation-with offset seismic techniques in the Maria Conchita Block, the structures with potential gas reservoirs of Miocene were mapped within the areas of the Aruchara-1 and Tinka-1 wells. The volumetric method is then used to estimate the proved and probable undeveloped reserves. The Company currently has total proved plus probable reserves of 27,666 MMcf gross, 25,859 MMcf net in the Maria Conchita Block, which is consistent with MMcf certified for the prior year ended December 31, 2020. Since the results of the tests conducted in the Istanbul-1 well were not considered to be stable, and the gas production was estimated, no reserves have been assigned to the Istanbul-1 well until actual results are available. Recently, the operator has received a modification to the existing environmental license to allow testing of the Aruchara-1 well, which will lead to a more complete evaluation of the block when combined with the results of the Istanbul-1 well.

Current Objectives

The Company's primary focus is establishing the necessary infrastructure to connect the Aruchara-1 well to the nearby main gas line, with the objective of monetizing its natural gas resources and capitalizing on a premium pricing market in Colombia of over $5/MMBtu. In December 2020, the Company announced that it had entered into a MOU with GTX pursuant to which GTX would build and operate the Pipeline Facilities that extends from the Company's Maria Conchita field in Colombia to existing national gas transportation infrastructure. The MOU provides that the Company and GTX will enter into a take-or-pay agreement (the "**ToP Agreement**") pursuant to which NG Energy will agree to transport, or pay for, 16 MMcf/d through the Pipeline Facilities for a period of six years (the "**Guaranteed Commitment**") at a tariff of $0.90 per MMBtu of gas. The Company's Guaranteed Commitment will convert after six years into payment for only the capacity that is used. The ToP Agreement will have a term of 18 years after which ownership of the Pipeline Facilities will transfer to the Company. In January 2022 GTX completed the construction of the production facilities and commenced its pre-commissioning testing; upon start-up, the production facilities will be programmed to produce between 16 and 20 MMcf/d.

In March 2022, the ANLA granted to the Company an amended environmental license for Maria Conchita to include the Aruchara-1 well. The ANLA license shall expire at the time that the Company enters into the commercialization phase at the Aruchara-1 well. This permits production from the Aruchara-1 well and allows the Company to lay the remaining 40 meters of flow line connecting the well to the GTX production facilities. It also enables the Company to complete the connection point to the TGI main pipeline which will transport natural gas from Maria Conchita to market.

In November 2021, the Company entered into a take-or-pay service contract with Surenergy SAS ESP ("**Surenergy**") for the compression of natural gas production derived from the Maria Conchita Block. Under the terms of the contract, Surenergy will install and maintain necessary infrastructure and equipment in order to provide daily natural gas compression services for a capacity of 16 MMcf/d of natural gas production for a term of six years from the commencement of commercial natural gas production within the Maria Conchita Block. For these services, the Company has committed to pay a monthly service fee of $96,240 to Surenergy over the six-year term of the service contract. The monthly service fee is to be paid to Surenergy each month regardless of whether the Company fully utilizes the daily stipulated gas compression capacity made available by Surenergy under the terms of the service contract. Future amendments to the service contract may be made upon mutual agreement of both parties. The Company may unilaterally terminate the service contract prior to the completion of the six-year term with 30 days notice, but a final fee equal to 20% of the monthly service fee for the remaining life of the service contract would be payable by the Company. As of the date hereof, commercial natural gas production has not commenced within the Maria Conchita Block.

The Company has entered into a natural gas delivery contract with Energy Transitions SAS ESP ("**Energy Transitions**") for a ten-year period that was initially to commence December 1, 2021, pending initiation of commercial natural gas production within the Maria Conchita Block. The Company is to deliver natural gas production volumes of 16 MMcf/d (the "**Daily Committed Production**") to Energy Transitions once production testing has been completed after well tie-in (the "**Committed Period**"), with gas sales prices commencing at $5.08 per MMBtu and indexed annually with the Producers Price Index (PPI) series WPSFD41312. During the Committed Period, in the event that the Company is unable to deliver the Daily Committed Production the Company will be required to compensate Energy Transitions the monetary equivalent of the production deficiency. As of the date hereof, commercial natural gas production has not commenced within the Maria Conchita Block. Management is currently negotiating with Energy Transitions to convert the agreement so that it is on an "as available", rather than a take or pay basis.

In October 2021, the Company signed an agreement with TGI for the tie in of the Maria Conchita pipeline, enabling the Company to transport the gas produced from Aruchara-1 well and subsequent wells at Maria Conchita through TGI's main pipeline and sell it in central consumption centers of the country. The prior consultation agreement with the Ministry of Interior and the community where the connection point is located will be finalized, and the remaining pipeline will be laid and tied into the TGI main line, in Q2 2022.

The consultation process with local communities is currently being completed; the process has experienced delays due to the need for the Company and the government to ensure that all social circumstances relating to indigenous communities (i.e., relating to ESG factors like community engagement and involvement, net benefits to the community, etc.) have been accounted for. The Company continues to advance the studies and procedures required by Colombian government agencies to begin the production phase of the Aruchara-1 well and the Istanbul-1 well. Currently, all permits are in the process of being procured, with final adjustments and remaining minimal infrastructure construction being completed for gas production to begin in Q2 2022.

The connection with the TGI main line is expected to turn the Company into a revenue producing entity as it will allow it to feed up to 20 MMcf/d into the Colombian gas system. In Colombia, take-or-pay contracts cannot be signed except in December of each year; prior to then, a producer can sign contracts for interruptible supply, which provide for one-off acquisitions of volumes when available. Given the current shortage of gas in Colombia, the Company has a reasonable expectation that any gas that it produces will be purchased. In that regard, the Company has signed two letters of intent for interruptible supply from two utilities, and has received a proposal from a trading company, committing for up to an aggregate of 20 MMcf/d at indicative prices of $5.08/MMBtu. The commencement of this revenue stream is expected to facilitate the Company to fund the interest payable on the Convertible Debentures.

Exploration Activities

The current evaluation program for the Maria Conchita Block consists of geological and geophysical studies and an evaluation of re-entries on the existing wells, which has been extended into 2022 with the option to present a development plan of the field in late 2022. In early 2021, the Company decided to complete a feasibility study on the covered Istanbul-1 well prospective area, evaluating the following aspects: condition of environmental licensing; social aspects of the area of direct influence of the project; mechanical integrity; integral costs of intervention; and new wells to be drilled to sustain a production capacity close to 20 MMcf/d. Based on the results of this study, in May 2021, the Company re-entered the Istanbul-1 well and preliminary testing in several zones encountered gas that was tested for flow rates. The purpose of the re-entry of the Istanbul-1 well was to repair wellbore damage, evaluate the potential extension of the Aruchara-1 well producing zones, and define the production potential of new identified gas zones.

The existence of gas was tested in all the evaluated zones, with presence of water, and it was established that the 8,396 to 8,416 feet and 8,426 to 8,438 feet intervals present good gas production potential, expanding the prospects of the area. Based on the above, it was decided by management to complete the well temporarily, while identifying the best procedure to prevent water from influencing gas production. With this objective, existing dewatering technologies were analyzed, and the best mechanism defined. Currently the Company is awaiting the authorization of the ANH for extended well testing and minimum gas vent.

NG Energy engaged professional consultants to design the re-entry (without rig) of the Istanbul-1 well and to deploy de-watering capillary technology to deal with water that exists downhole. The objectives of the program are designed to determine the effectiveness of the technology to remove water and to estimate the real capacity and potential of the gas production from the well without the liquid load.

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

The Company originally drilled the Istanbul-1 well in Q1 2018 and reached a total depth of 8,740 feet measured depth ("**MD**"). Based on the interpretation of the open hole logs and mud log, 12 separate intervals covering a total thickness of 62.4 feet were selected and perforated for testing between 7,912 feet MD and 8,608 feet MD. The well was tested with gas and water produced to surface. Although steady state conditions were never achieved, the well was flowed for a period of seven hours at an average rate of 350,000 cubic feet of gas per day and 2,100 barrels of water per day. A production log ("**PLT**") confirmed that the majority of water and gas production was coming from 26 feet of perforations in the upper sand package. NG Energy subsequently filed a technical discovery notice for Istanbul-1, and an evaluation program covering an area of 32,518 acres was declared around the well in which the reserves and prospective resources exist and are covered by the existing 3D seismic.

Given that the PLT results of the Istanbul-1 well were inconclusive, it was decided to perform an in-depth re-evaluation of the 3D seismic for the area and the amplitude variation with offset ("**AVO**") anomalies based on the new geological interpretation results. The new interpretation indicated the possibility that significant gas resources could exist for sustained development of the field. To confirm these volumes, it was necessary to carry out a sustained test in the Aruchara-1 well through a re-entry project to (1) repair a gas leak detected during 2020, and (2) confirm the accumulation tested in the year 1980. Based on the results of this testing, the re-entry in the Istanbul-1 well and the opportunities afforded by the de-watering capillary technology. This same analysis is anticipated to also be carried out in the area near the Tinka-1 well (drilled in 1988 by Ecopetrol, S.A., testing daily approximate production of 4 MMcf/d) in 2022 to define the maximum commercial capacity of the field and the possibility of drilling two more wells in the Tinka area.

Further, given the original PLT results, the Company decided to workover the well by isolating the water producing intervals in order to flow test the other potential gas bearing zones independently. These tests were conducted between March 30 and May 26, 2021 and in the new 8,396 to 8,416 feet and 8,426 to 8,438 feet intervals. A report prepared for the Company by the Scientia Group (the "**Scientia Istanbul Report**") dated June 28, 2021, states the following (translated from the original Spanish):

- the DST tests carried out on the Istanbul-1 well did not provide measurable information in a stable manner that would allow for a certain determination of the productive capacity of the evaluated intervals. Considering then the relevance of establishing an inferred level on the productivity of the well, theoretical exercises were carried out with the available data in order to issue a supported technical concept; and
- during the tests carried out in the Istanbul-1 well between April 2 and May 25, 2021, there was gas production that was evidenced in the torch for a period of time, but without a stable measurement record, as such (of 24 hours). However, based on the log of events that were constantly recorded, and the operating conditions, it was possible to make an estimate of gas production expressed in thousands of standard cubic feet (Mcf) based on these parameters.

Due to the fact that the results of the tests were not considered to be stable, and the gas production was estimated (as shown above in the excerpts from the Scientia Istanbul Report), no reserves have been assigned to the Istanbul-1 well until actual results are available.

Based on the test results described above, the Company has decided to commence the re-entry program at Istanbul-1, deploying de-watering capillary technology to lift the water that exists downhole. The Company has the following objectives:

- to determine the effectiveness of the technology;
- to lighten and move the column of liquid in the tubing;
- to achieve a surface gas volumetric response (production point test); and
- to estimate the real capacity and potential of the gas production from the well without the liquid load.

SN-9 Block

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

The E&P Contract for the SN-9 Block (the "**SN-9 E&P Contract**"), dated October 2014, was entered into between the ANH and Clean Energy Resources S.A.S., a Colombian corporation ("**Clean**"). The SN-9 E&P Contract is currently in the first phase of the exploration program which includes a minimum work obligation of acquiring 125 km^2 of 3D seismic and drilling one exploration well. Due to the ongoing COVID-19 outbreak, the Company requested from the ANH a one-year extension of the exploration commitment. This request was approved by the ANH, and the Company expects that an extension request to the ANH for an additional 6 months on the current deadline of July 2022 will also be granted. The Company's working interest is 72%, subject to payment of ANH sliding scale royalties.

In September 2021, the Company received the necessary environmental license from the ANLA required in order to commence exploratory drilling in the SN-9 Block, including the construction of civil works, production infrastructure and the construction of up to 11 locations for a total of 22 wells to be developed. The ANLA license shall expire at the time that the Company enters into the commercialization phase at the Mágico-1 well. The Company has decided to start the SN-9 Phase 1 drilling campaign in the Mágico area due to the fact that, in February 2022, as part of the continuous evaluation of SN-9, a new seismic review of the Mágico area, including AVO anomalies re-interpretation, was carried out and it showed the presence of several class 3 bright spots and new evidence of deeper prospective zones with possible higher production expectations. Accordingly, management of the Company decided to instead start the drilling program with the Mágico-1 well followed by the other attractive Milagroso, Hechicero and Brujo areas. The drilling in the Mágico-1 area also considers the social impacts from drilling activities - agreements with local communities in the area surrounding Mágico have been reached, including rights of way and local hiring for a faster start of civil work and drilling activities.

The Company and its contractors have begun to mobilize the drilling rig and related equipment to the location where the Mágico-1 well will be drilled and tested. The road to the platform has been completed and construction of the pad is in progress.

Resources Analysis

In March 2022, the Company announced the results of the Oil Resources Report, prepared in accordance with the COGE Handbook, for the SN-9 Block. The Company confirmed best estimate unrisked prospective resources (leads) (at 100% working interest) of 279,336.90 Mbbl, low estimate unrisked prospective resources (leads) of 76,231.50 Mbbl and high estimate unrisked prospective resources (leads) of 608,665 Mbbl at the SN-9 Block. Of the Company's 72% working interest in the SN-9 Block, the best estimate unrisked prospective resources (leads) at the SN-9 Block are 201,122.57 Mbbl, low estimate unrisked prospective resources (leads) are 54,886.68 Mbbl and high estimate unrisked prospective resources (leads) are 438,238.80 Mbbl. No risk assessment has been conducted until the leads can be upgraded to prospects. It is important to note that there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

In completing their evaluation, Petrotech Engineering noted that there was limited seismic coverage to conduct a complete structural/stratigraphic interpretation in the northwestern portion of the SN-9 Block. In addition, not all the 2-D seismic lines were available and some of the images of the lines were not clear. Four 2-D seismic lines (with a total length of 258.2 km) were used to interpret the occurrence of a sedimentation section resulting in two seismic reflectors in the top and the base of the sedimentary section. The sedimentary section is likely to contain the San Cayetano and Maco Formations in the SN-9 Block. Using isochron data and the ANH LA X-1 stratigraphic well, which contains good oil shows in various sections of the cores, as the reference point, the low, best and high estimated areas of this lead was mapped. The ANH LA X-1 stratigraphic well was drilled in 2015 to a total depth of 4,130 ft. Various cores were taken in nine intervals totaling 369 ft. between 564 ft. and 4,108 ft. together with an electric (SP and resistivity) log to a depth of 3,505 ft. The volumetric method was used to estimate the recoverable unrisked prospective resources (lead). The Company intends to drill a twin well offsetting the ANH LA X-1 stratigraphic well to evaluate and test the light oil in the sedimentary section of the cores.

Current Objectives

The Company is in the process of carrying out the exploration activities in stages which will satisfy the minimum work obligations. The first stage consisted of the finalization of the environmental impact study and prior consulting processes in order to obtain the necessary environmental licenses to be able to drill. The Company finished the environmental impact study and received the requisite environmental licenses to commence drilling operations. Current plans are the drilling of two initial exploration wells in the Magico and Milagroso areas. The second stage will focus on evaluating the Hechicero/Brujo areas and Hechizo areas, including drilling two additional exploration wells and acquiring 3D seismic for the development of the field. However, due to the ongoing COVID-19 outbreak, activities related to obtaining the environmental license have been delayed. As such, Clean (the field operator) requested an extension of the Phase 1 exploration commitment, which was approved by the ANH until July 2022. The Company has commenced civil works for the construction of the drilling site in anticipation for the mobilization of the drilling rig by Q2 2022 to commence the initial drilling plan previously outlined.

Exploration Activities

During December 2020, the Company announced the Binding Offer. Under the Binding Offer, the companies will enter into a market pricing-based preferred supply agreement for drilling and gas well services activities for all phases of the SN-9 exploration program. CPVEN has initially committed to construct and complete four gas wells, including mobilization, demobilization, engineering, drilling and completion, for an aggregate cost of $27.2 million. CPVEN has developed its own technology and has the managerial and technical personnel capable of executing complex operations, utilizing state-of-the-art infrastructure and equipment design.

The Company has completed negotiating with other service providers who have almost completed building the civil infrastructure required to carry on the drilling and testing activities for the Magico-1 well, as well as all other infrastructure required to drill and test the well.

In relation to the SN-9 permitting process, the Environmental Impact Study for the exploratory drilling area was delivered to ANLA in December 2020 with the follow up requirements being attended to in May 2021. The governmental authority issued the administrative environmental licensing act in September 2021. Progress is being made in the environmental and drilling areas which will allow the start of civil works for the road access and site construction to start drilling the Magico-1 well during Q2 2022. Magico-1 is the first of four wells to be drilled in the SN-9 Block, with focus on the Cienaga de Oro Formation, similar to the Aguas Vivas-1 well and other producing wells in the area.

Existing Agreements

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

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

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

Tiburon Block

The Tiburon Block currently covers an area of approximately 245,850 acres in the Department of La Guajira, Colombia. The E&P Contract for the Tiburon Block (the "**Tiburon E&P Contract**" and together with the Maria Conchita E&P Contract and the SN-9 E&P Contract, the "**E&P Contracts**") is a contract for the exploration and production of conventional hydrocarbons, dated June 2006 and entered into between the ANH and Omimex de Colombia Ltd., which later changed its name to ColPan Oil & Gas Ltda. ("**ColPan**").

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

Exploration Activities

In light of the force majeure situation, the Company has carried out technical studies of the area in order to present for the consideration of the ANH a request to change the identified area within the Tiburon Block where the current minimum work obligation of 3D seismic is to be completed, and alternatively, complete the acquisition, processing and interpretation of 112 km of 2D seismic in the Bahia Honda area within the Tiburon Block, which is equivalent to the current Phase 3 commitment of the Tiburon E&P Contract of 69.75 km^2 of 3D seismic.

Due to the ongoing COVID-19 outbreak, the Company requested from the ANH a one-year extension of the exploration commitment. This request was not approved as the Phase 3 commitments are still currently suspended due to the aforementioned pre-existing community issues that are impeding any progress in the area. The Company will comply with the Phase 3 commitments of the Tiburon E&P Contract once the community conflicts existing in the area have been resolved. The timing of any conflict resolution is unknown at this time. Meanwhile, the Company intends to start environmental and social analyses to execute seismic activities, pending the outcome of the ongoing COVID-19 outbreak and the resolution of the local community conflicts that are impeding any progress in the area.

Existing Agreements

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

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

After completing the seismic commitment, NG Energy is not obligated to drill any of the exploration wells and can exit the contract with no further commitments but will lose the original $300,000 performance guarantee currently held on deposit with the ANH. Alternatively, NG Energy may elect to stay in the license with a 10% working interest. $120,000 of management fees paid by the Company will be returned to NG Energy if the Company is still participating in the block when the ANH performance guarantee is returned at the end of the Phase 3 commitment. In the event that NG Energy does not fulfill the Phase 3 commitment, except for reasons beyond its control, NG Energy will cede a 1.5% carried working interest in the SN-9 Block to ColPan and forfeit the aforementioned $120,000 payment.

Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs, and accounting. To date the Company has been able to readily locate and retain such professionals and believes that it can continue to locate and retain such employees and consultants necessary to operate its business and achieve its stated corporate objectives.

Competitive Conditions

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

Cycles

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

Economic Dependence

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

Changes to Contracts

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

Environmental Protection

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

Employees

As at December 31, 2021, the Company had ten full-time employees. The Company also relies upon consultants to carry on many of its activities.

Foreign Operations

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

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The Company's statement of reserves data and other oil and gas information filed on Form 51-101F1, along with the report of Petrotech in Form 51-101F2 and the report of management and directors on oil and natural gas disclosure in Form 51-101F3 is available on SEDAR at www.sedar.com.

RISK FACTORS

General

Unforeseen Title Defects

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

The Maria Conchita Block, SN-9 Block, Tiburon Block or other properties held by the Company may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. In the event of any title defect, the Company may be subject to third party claims or increased risk of bankruptcy.

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

Inability to Obtain Additional Capital Required to Implement Business Plan

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

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

Joint Venture Risks

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

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

The Company has commitments to make certain investments under its joint venture agreements. Failure to comply with such commitments in a timely manner could result in a breach of the relevant joint venture agreement, foreclosure of any guarantees or the loss of all rights over the underlying area, which could have an adverse effect on the Company's results of operations.

In some of these partnerships or joint ventures, the Company may not be the operator, and therefore, will have limited control over certain business decisions, including those related to cash calls. In the future, the

Company could be asked to provide resources in connection with unplanned cash calls. These cash calls can negatively impact the Company's short-term financial planning and may result in an increase in its capital costs in order to allocate additional financial resources to pay for these cash applications.

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

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

Global Financial Conditions

Global financial conditions may be subject to high volatility which could result, as they have in the past, in numerous commercial and financial enterprises either going into bankruptcy or creditor protection or having had to be rescued by governmental authorities. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions can cause the broader credit markets to further deteriorate and stock markets to decline substantially. Banks have been adversely affected by various worldwide economic crises and have somewhat curtailed existing liquidity lines, increased pricing and introduced new and tighter borrowing restrictions to corporate borrowers, with limited access to new facilities or for new borrowers. The global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the military conflict between Russia and Ukraine. On February 24, 2022, Russia began a full-scale military invasion of Ukraine. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets and interest rates. These factors could negatively impact the Company's ability to access liquidity needed for the Company's business in the longer term. These factors may impact the Company's future ability to obtain equity, debt or bank financing on terms favourable to the Company, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. In addition, certain of the Company's customers could be unable to pay the Company in the event that they are unable to access the capital markets to fund their business operations.

COVID-19 Pandemic

Since the second half of March 2020, the outbreak of COVID-19 has impacted the Company's operations, customers, suppliers and employees. It remains unclear at this time how the developments in relation to COVID-19 will continue to evolve through 2022 and beyond, and the extent to which COVID-19 might further impact the Company's business, results of operations and financial condition. We will continue to monitor the situation closely.

As a response to the COVID-19 pandemic, on March 17, 2020, the Colombian government declared a social, economic and ecological emergency which included imposing a mandatory shelter-in-place or quarantine order within Colombia. Although the national quarantine has been lifted, the national sanitary emergency declared by the Colombian government has been extended until April 30, 2022. The COVID-19 pandemic continues to evolve and there are still certain restrictions in place which may affect the Company's daily operations.

Even as overall daily cases and deaths have been declining for most of February and March 2022, it is unclear whether or not the current restrictive measures will be increased or extended for any length of time beyond April 2022. The Company continues to monitor the developments related to the situation, follow government health guidelines and adjust its operations accordingly. For example, the Company has taken precautionary measures for screening of its employees and contractors. If disruption posed by the COVID-19 pandemic continues for an extensive period of time, it could have a material adverse effect on the Company's ability to continue its operations effectively.

Personnel

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

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

Directors and Officers

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

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

Changes in Laws or Regulations

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

Forward-Looking Statements May Prove Inaccurate

Shareholders and investors are cautioned not to place undue reliance on forward-looking statements and other future looking financial information. By their nature, forward-looking statements and information involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward- looking statements or information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Going Concern Risk

The Company' has indicated in the Company’s financial statements that there is significant doubt about the Company's ability to continue as a going concern. Importantly, the inclusion in the Company's financial statements of a going concern opinion may negatively impact the Company's ability to raise future financing and achieve future revenue. The threat of the Company's ability to continue as a going concern will be removed only when, in the opinion of the Company, the Company's revenues have reached a level that is able to sustain its business operations. If the Company is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Company may be forced to sell a portion or all of the Company's assets or curtail or discontinue the Company's operations. If any of these events happen, you could lose all or part of your investment. The Company's financial statements do not include any adjustments to the Company's recorded assets or liabilities that might be necessary if the Company becomes unable to continue as a going concern.

Risks Related to the Oil and Natural Gas Industry

E&P Contracts

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

If the Company defaults on its obligations under its technical evaluation or exploration and production contracts or concessions (including, without limitation, by failing to comply with the evaluation, exploration or production milestones set forth in those contracts), or under applicable rules and regulations, we may be subject to sanctions by the corresponding regulatory agencies, including warnings, fines, temporary suspension of the right to participate in auction processes, intervention, forfeiture or termination of the relevant contracts. The sanctions that the regulatory agencies may apply vary depending on the nature of the violation and take into account the magnitude of the damages caused to users. Any of the foregoing penalties may have a material adverse effect on the Company's business, financial condition and results of operations.

Volatility of Pricing for Oil and Natural Gas

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

- worldwide and domestic supplies of oil, NGLs and natural gas;
- price levels, and expectations about future prices, of oil, NGLs and natural gas;
- volatility in prices for oil, NGLs, natural gas and other energy related commodities;
- the cost and risks of exploring for, developing, producing and delivering oil, NGLs and natural gas;
- the expected rates of declining current production;
- weather conditions, including hurricanes, and other natural disasters that can affect oil, NGLs and natural gas operations over a wide area;
- the level of consumer demand;
- the price and availability of alternative fuels;
- the nature and extent of regulation relating to carbon dioxide and other greenhouse gas emissions ("**GHG**");
- technical advances affecting energy consumption;
- risks associated with operating drilling rigs;
- impact of energy conservation efforts;
- the availability of pipeline capacity and other transportation facilities;
- the price and level of foreign imports;
- domestic and foreign governmental regulations and taxes;
- the ability of the members of the Organization of Petroleum Exporting Countries ("**OPEC**") to agree to and maintain oil price and production controls;
- speculative trading in oil and natural gas derivative contracts and the high degree of risk involved in investments in the upstream sector more broadly, and of exploration and development in particular, including relying on estimates of oil and gas reserves and the impacts of regulatory and tax changes;
- the nature and extent of environmental regulations, including those relating to abandonment and reclamation and remediation;
- significant federal, state and local regulation, taxation and regulatory approval processes as well as changes in applicable laws and regulations; drilling, exploration and development risks, including encountering unexpected formations or pressures, premature declines of reservoirs, blow outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and

other environmental risks, any of which could lead to environmental damage, injury and loss of life or the destruction of property;

- political or economic instability or armed conflict in oil and natural gas producing regions, including the Middle East, Africa, South America and Russia and its neighbouring countries;
- value of the U.S. dollar relative to the currencies of other countries; and
- the overall domestic and global economic environment.

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

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

Exploration, Production and General Operational Risks

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

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

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

The Company may not be able to Develop Oil and Natural Gas Reserves on an Economically Viable Basis

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

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

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shutdowns of connected wells resulting from extreme weather conditions, problems in storage and distribution and adverse geological and mechanical conditions. While the Company may obtain liability insurance in an amount which is expected to be adequate to cover any such adverse conditions, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or we might not elect to insure ourselves against such liabilities due to high premium costs or other reasons, in which event we could incur significant costs that could have a material adverse effect upon the Company's financial condition. While the Company will endeavour to effectively manage these conditions, it cannot be assured of doing so optimally, and it will not be able to eliminate them completely in any case. Therefore, these conditions could diminish the Company's revenue and cash flow levels and result in the impairment of our oil and natural gas interests.

Estimated Oil Resources and Gas Reserves are Based on Assumptions that may Prove Inaccurate

Petrotech prepared the Petrotech Report, effective December 31, 2021 and Petrotech Engineering prepared the Oil Resources Report, effective February 28, 2022.

Although classified as "proved reserves", the reserves estimate set forth in the Petrotech Report and the Company's F1, and the prospective resources estimate in the Oil Resources Report, are based on certain assumptions that may prove inaccurate. Petrotech's and Petrotech Engineering’s primary economic assumptions in estimates included oil and gas sales prices determined according to the guidelines described in the Petrotech Report and the Oil Resources Report, respectively, future expenditures and other economic assumptions (including interests, royalties and taxes) provided by the Company and its subsidiaries.

Reservoir engineering is a subjective process of estimating accumulations of oil and gas that cannot be measured in an exact way and estimates of other engineers may differ materially from those set out in the Petrotech Report and the Oil Resources Report. Numerous assumptions and uncertainties are inherent in estimating quantities of proved oil resource and gas reserves, including projecting future rates of production, timing and amounts of development expenditures and prices of oil and gas, many of which are beyond the Company's control. Results of drilling, testing and production after the date of the estimate may require revisions to be made. The estimate of the Company's oil resources and gas reserves would be impacted if, for example, the Company were unable to sell the oil and natural gas produced. Accordingly, reserves and resource estimates are often materially different from the quantities of oil and gas that are ultimately recovered, and if such recovered quantities are sold. As a result, resource and reserve estimates will be inherently imprecise. The reserves and resources disclosed by the Company should not be interpreted as assurances of property life or of the profitability of current or future operations given that there are numerous uncertainties inherent in the estimation of economically recoverable oil resources and natural gas reserves. Actual future production, oil and natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil resources and gas reserves may vary substantially from those estimated. If actual production results vary substantially from resource and reserve estimates, this could materially reduce the Company's revenues and result in the impairment of its oil and natural gas interests.

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

Delays in Production, Marketing and Transportation

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

In addition, marketing demands, which tend to be seasonal, may reduce or delay production from wells. The marketability and price of oil and natural gas that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. The ability of the Company to market its oil and natural gas may depend upon its ability to acquire space on pipelines that deliver oil and natural gas to commercial markets.

The Company is also subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of its resources to adequate pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, licences, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. Moreover, weather conditions may impede the transportation and delivery of oil and natural gas.

Drilling Costs and Availability of Equipment

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

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities. The reduced availability of equipment and services may delay the Company's ability to exploit reserves and adversely affect its operations and profitability.

Drilling Wells Could Result in Liabilities

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

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

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

Insurance

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

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

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

Inability to Obtain Necessary Facilities

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

Decommissioning Costs

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

Licenses and Permits

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

Competition

The oil and gas industry is highly competitive in all its phases. Other oil and gas companies will compete with the Company by bidding for exploration and production licenses and other properties and services that the Company will need to operate its business in the countries in which it operates. This competition is increasingly intense as prices of oil and natural gas on the commodities markets have risen in recent years.

Additionally, other companies engaged in the same line of business may compete with the Company from time to time in obtaining capital from investors. Competitors include larger, foreign owned companies, which, in particular, may have access to greater resources than the Company, may be more successful in the recruitment and retention of qualified employees and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests.

Difficulty Transporting and Distributing Production

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

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

Environmental, Health and Safety Risks

All phases of the oil and natural gas business present a wide range of environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, departmental and municipal laws and regulations. Environmental, health and safety legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation, including that relating to climate change, is evolving in a manner that the Company expects may result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. The application of environmental laws to the Company's business may cause the Company to curtail our production or increase the costs of our production, development or exploration activities.

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

Climate Change

Climate change poses new challenges and opportunities for the Company's business. More stringent environmental regulations can result in the imposition of costs associated with GHG, either through environmental agency requirements relating to mitigation initiatives or through other regulatory measures such as GHG emissions taxation and market creation of limitations on GHG emissions that have the potential to increase our operating costs. As governments around the world become increasingly focused on regulating GHG emissions and addressing the impacts of climate change, GHG emissions legislation is emerging and is subject to change.

For example, on an international level, almost 200 nations agreed in December 2015 to an international climate change agreement in Paris, France (the "**Paris Agreement**"), that calls for countries to set their own GHG emission targets and be transparent about the measures each country will use to achieve its GHG emission targets. Colombia signed the Paris Agreement. In addition, Colombia has established the National Energy Efficiency Program, which calls for electric utilities, oil and gas companies, and other energy service companies to develop Energy Efficiency Plans to meet goals set forth by the Ministry and the Mining and Energy Planning Unit. Additionally, at the 26th UN Climate Change Conference of the Parties in Glasgow in November 2021, the United States and the European Union jointly announced the launch of the Global Methane Pledge, an initiative supported by Colombia, which is committed to a collective goal of reducing global methane emissions by at least 30% (from 2020 levels) by 2030, including "all feasible reductions" in the energy sector.

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

Natural Disasters and Weather-Related Risks

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

Operations in Emerging Market Country

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

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

Economic and Political Developments in Colombia

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

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

The Company's financial condition and results of operations may also be affected by changes in the political climate in Colombia to the extent that such changes affect the nation's economic policies, growth, stability or regulatory environment. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, wealth taxes, expropriation of property, environmental legislation and site safety. There can be no assurance that the government of Colombia will continue to pursue business friendly and open-market economic policies or policies that stimulate economic growth and social stability. Any changes in this economy or the government’s economic policies, in particular as they relate to the oil and gas industries, may have a negative impact on the Company's business, financial condition and results of operations.

Oil and Natural Gas Companies in Colombia do not own any of the Oil and Natural Gas Reserves in the Country

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

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

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

Sanctions by the United States on Colombia

Colombia is among several nations whose eligibility to receive foreign aid from the United States is dependent on its progress in stemming the production and transit of illegal drugs, which is subject to an annual certification by the President of the United States of America. Although Colombia has received a current certification, there can be no assurance that, in the future, Colombia will receive certification or a national interest waiver. The failure to receive certification or a national interest waiver may result in any of the following: all bilateral aid, except anti-narcotics and humanitarian aid, would be suspended; the Export-Import Bank of the United States and the Overseas Private Investment Corporation would not approve financing for new projects in Colombia; United States representatives at multilateral lending institutions would be required to vote against all loan requests from Colombia, although such votes would not constitute vetoes, and the President of the United States and Congress would retain the right to apply future economic and trade sanctions.

Each of these outcomes could result in adverse economic consequences in Colombia, could further heighten the political and economic risks associated with operations there, and could threaten the Company's ability to obtain any necessary financing to develop its Colombian properties. There can be no assurance that the United States will not impose sanctions on Colombia in the future, nor can the effect in Colombia that these sanctions might cause be accurately predicted.

Violence and Instability in Colombia

Colombia has experienced periods of violence over the past five decades, primarily due to armed conflict between government forces, guerrillas, paramilitary groups and drug cartels. Insurgents' activity continues in many parts of the country, despite the Colombian government efforts and security policies. Any possible escalation of the violence associated with these activities may have a negative impact on the Colombian economy and the Company's operations.

On November 24, 2016, the Colombian government and the Revolutionary Armed Forces of Colombia ("**FARC**") signed a peace agreement (the "**Peace Agreement**") and, on November 30, 2016, the Peace Agreement was ratified by Colombia's government. The Peace Agreement and the Colombian government's programs and policies implementing it, have reduced guerrilla and criminal activity, particularly in the form of terrorist attacks, homicides, kidnappings and extortion.

The FARC became a legal political party with representation in the Colombian Congress, but the implementation of the Peace Agreement entails some risks, such as the emergence of new criminal structures composed of dissident members of the FARC, and the continuing guerrilla activity of the Ejército de Liberación Nacional. The peace negotiations are intended to bring further institutional strengthening and development, particularly to rural regions. The government's biggest challenge is perceived to be to ensure that the negotiations lead to a long-lasting peace and that demobilized members of the FARC rejoin civilian life, rather than regrouping in criminal bands.

Continuing attempts to reduce or prevent drug related crime and guerrilla and paramilitary activity may not be successful and a possible escalation of such criminal activities may have a negative impact on the Colombian economy and disrupt the Company's operations in the future. The Company may not be able to establish or maintain the safety of its operations and personnel in Colombia and this violence may affect its operations in the future. Continued or heightened security concerns in Colombia could also result in a significant loss to the Company or costs exceeding current expectations. The perception that matters have not improved in Colombia may hinder the Company's ability to access capital in a timely or cost-effective manner.

The Peace Agreement has increased the request for restitution of land stripped during the conflict, the formation of new political forces and the strengthening of social pressure groups, which could bring changes in regulations or shifts in political attitudes that are beyond the Company's control and may adversely affect its business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and site safety.

Natural Gas Industry in Colombia is Less Developed

The oil and gas industry in Colombia is not as efficient or developed as the oil and gas industry in Canada. As a result, the Company's exploration, development and production activities may take longer to complete and may be more expensive than similar operations in Canada. The availability of technical expertise, specific equipment and supplies may be more limited than in Canada. The Company expects that such factors will subject its operations to economic and operating risks that may not be experienced in Canada.

In the event of a dispute arising in connection with the Company's operations in Colombia, it may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's exploration, development and production activities in Colombia could be substantially affected by factors beyond the control of the Company, any of which could have a material adverse effect on the Company.

Acquiring interests and conducting exploration and development operations in foreign jurisdictions often require compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Land, Communities, Prior Consultation and Zoning Restrictions

In general, conducting exploration activities for hydrocarbons in Colombia is subject, other than to having a valid E&P contract or similar title, to other permits and authorizations, such as prior consultation with ethnic communities (which rarely entail any approval rights of such communities); zoning restrictions; environmental permits and licenses; authorizations from owners or formal occupants of land through leases, easements, purchases, etc.; areas of restitution of lands to victims or armed conflicts; co-ordination of activities with title holders of overlapping mineral or forestry rights; etc. All of those matters, which are customary, will need to be managed by the Company in order to advance its exploration activities in such areas. The Company's ability to successfully manage the aforementioned matters is subject to the continued cooperation of various third parties, none of which can be guaranteed by the Company. The inability of the Company to successfully manage said matters could cause a risk to the Company's operations.

Activities in Areas Classified as Indigenous Reserves and Afro-Colombian lands

The Company's exploration and production activities are located in areas classified by the Colombian Government as indigenous reserves (resguardos) and Afro-Colombian lands (territorios colectivos). The

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

Volatility in the Prices of Crude Oil, Oil Products and Natural Gas

A significant amount of the Company's revenue will be derived from sales of crude oil, oil products and natural gas. Factors affecting international prices for crude oil and related oil products include: political developments in crude oil producing regions, particularly the Middle East; the ability of OPEC and other crude oil-producing nations to set and maintain crude oil production levels and prices; global and regional supply and demand for crude oil, gas and related products; competition from other energy sources; domestic and foreign government regulations; weather conditions; and global and local conflicts or acts of terrorism, such as the February 24, 2022 Russian invasion of Ukraine and the international reaction to it. The Company has no control over these factors. Changes in crude oil prices generally result in changes in prices for related products. International oil prices have fluctuated widely in recent years, declining significantly since the second half of 2014 and only relatively recently surging to levels not seen since then.

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

DIVIDENDS AND DISTRIBUTIONS

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

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date of this AIF, there are 122,593,488 Common Shares issued and outstanding and no preferred shares outstanding.

The holders of Common Shares are entitled to one vote for each Common Share held and shall be entitled to dividends if and as when declared by the board of directors. Holders of Common Shares are entitled on liquidation to receive such assets of the Company as are distributable to the holders of the Common Shares. All of the Common Shares are fully paid and non-assessable. There are currently no other series or class of shares which rank senior, in priority to, or pari passu with the Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's Common Shares are traded on the Exchange under the symbol "GASX" and "GASXF" on the OTC. The following table sets out price ranges and volume of trading of the Company's Common Shares on the Exchange from January 1, 2021, to December 31, 2021. The closing price of the Common Shares on the TSXV on December 31, 2021, was $2.31

COMMON SHARES			
	Price Range		
Period	High ($)	Low ($)	Trading Volume
January 1-31, 2021	1.62	0.90	2,627,327
February 1-29, 2021	1.88	1.38	2,974,386
March 1-31, 2021	1.74	1.21	3,287,224
April 1-30, 2021	1.53	1.18	1,989,092
May 1-31, 2021	1.37	1.10	887,523
June 1-30, 2021	1.23	0.94	2,860,484
July 1-31, 2021	1.08	0.85	1,634,031
August 1-31, 2021	1.20	0.90	1,689,574
September 1-30, 2021	1.45	0.99	2,664,819
October 1-31, 2021	2.07	1.11	9,667,380
November 1-30, 2021	2.07	1.50	4,256,257
December 1-31, 2021	2.33	1.60	3,261,080

The Company's share purchase warrants are traded on the Exchange under the symbol "GASX.WT". The following table sets out price ranges and volume of trading of the Company's warrants on the Exchange from January 1, 2021, to December 31, 2021. The closing price of the warrants on the TSXV on December 31, 2021, was $0.075.

WARRANTS			
	Price Range		
Period	High ($)	Low ($)	Trading Volume
January 1-31, 2021	0.09	0.01	167,850
February 1-29, 2021	0.16	0.03	78,500
March 1-31, 2021	0.15	0.08	99,219
April 1-30, 2021	0.14	0.14	2,400

WARRANTS			
	Price Range		
Period	High ($)	Low ($)	Trading Volume
May 1-31, 2021	0.15	0.15	15,415
June 1-30, 2021	0.110	0.110	7,298
July 1-31, 2021	0.090	0.090	11,521
August 1-31, 2021	0.100	0.045	23,808
September 1-30, 2021	0.100	0.040	18,880
October 1-31, 2021	0.130	0.040	243,885
November 1-30, 2021	0.115	0.015	247,008
December 1–31, 2021	0.075	0.030	80,500

PRIOR SALES

During the year ended December 31, 2021, and up to the date of this AIF, the Company has not issued or purchased any unlisted securities other than as set out below:

Date	Number	Type of Security		Issue / Exercise Price ($) per share	Type of Issuance
February 10, 2021	4,469,650	Warrants		1.75	Private Placement
February 10, 2021	510,600	Broker Warrants		1.15	Private Placement
July 15, 2021	2,250,000	Options		0.91	Stock Option Grant
October 22,2021	8,000,000	Warrants		1.20	Private Placement
October 22,2021	141,600	Finder's Warrants		1.20	Private Placement

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

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

The terms of each director's office expires at the next annual meeting of Shareholders unless their office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the articles and by-laws of the Company.

Name and Municipality of Residence and Position with the Company	Director / Officer Since	Principal Occupation for the Past Five Years[1]
Serafino Iacono Bogotá, Colombia *Chief Executive Officer and Director*	June 3, 2019	Chief Executive Officer of the Company since June 3, 2019; Executive Chairman or Executive Co-Chairman of the Board of GCM Mining Corp. since August 20, 2010; Chief Executive Officer of Denarius Metals since February 19, 2021; Chief Executive Officer of Aris Gold from February 25, 2020 to February 4, 2021.
Gordon Keep[2][4][5] British Columbia, Canada *Director*	July 9, 2017	CEO of Fiore Management and Advisory Corp. (private financial advisory firm) from 2013 to present.
Federico Restrepo-Solano[2][3][5] Bogotá, Colombia *Director*	June 3, 2019	Partner and Corporate Director of Qvartz Capital Partners, a strategic advisory firm since November 2017 and formerly Senior Vice-President of Corporate Affairs with Frontera Energy and its predecessor, Pacific Exploration and Production Corp. from January 2008 to December 2016.
Ronald Pantin[3] Cocle, Panama *Executive Chairman and Director*	September 3, 2019	Executive Chairman of the Company since September 2019. Self-employed independent consultant prior to that.
D. Jeffrey Harder[2][4][5] British Columbia, Canada *Director*	July 15, 2021	Self-employed financial advisory professional since June 2019 and formerly a partner at Deloitte LLP from Jan 2004 to May 2019.
Humberto Calderon Berti[3][4] Madrid, Spain *Director*	July 15, 2021	Mr. Calderon was the Ambassador of Venezuela in Colombia from February 2011 to 2019. Prior thereto he was the President of the board of directors of VETRA E&P Colombia from 2015 to 2019 and the President of VETRA ENERGIA SL from 2003 to 2015. Mr. Calderon previously served as the President of Petróleos de Venezuela, S.A. from 1983 to 1984, the Minister of Mines and Hydrocarbons in Venezuela from 1979 to 1983 and the President of OPEC from 1979 to 1980. Mr. Calderon is a Geologist with a M.Sc. in Petroleum Engineering
Marianella Bernal Parada Bogotá, Colombia *Chief Financial Officer*	June 26, 2019	Chief Financial Officer of the Company since June 2019 and Private Adviser to the Ministry of ICT of Colombia from 2015-2018

Notes:

(1) The information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective individual.
(2) Member of the Audit Committee.
(3) Member of the Reserves Committee.
(4) Member of the Corporate Governance Committee.
(5) Member of the Compensation Committee.

The directors and executive officers of the Company, as a group, own, directly or indirectly, approximately 16,736,023 Common Shares representing approximately 13.65% of the total issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

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

(a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

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

Gordon Keep, was a director of Rusoro Mining Ltd. ("**Rusoro**") on May 21, 2013, when the BCSC issued a cease trade order against Rusoro for failure to file its audited financial statements for the year ended December 31, 2012 and related MD&A. On June 5, 2013, and June 7, 2013, respectively, similar cease trade orders were issued against Rusoro by the Ontario Securities Commission ("**OSC**") and the Authorite des Marches Financiers ("**AMF**"). On August 21, 2013 (BCSC), August 28, 2013 (AMF) and September 4, 2013 (OSC), regulators granted full revocations of the cease trade order issued by each of them. Rusoro was unable to file its December 31, 2012, financial statements and MD&A by the required filing deadline because it experienced significant delays in preparing them due to the nationalization by the Venezuelan government of Rusoro's gold mining assets in Venezuela.

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

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

Corporate Bankruptcies

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

(a) is a director or executive officer of any company (including NG Energy) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

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

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

Personal Bankruptcies

No director, officer or Shareholder holding a sufficient number of securities of the Company to affect the materially the control of the Company has within 10 years before the date of this AIF, become 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 the assets of such person.

Penalties or Sanctions

Other than the MCTO, no director, officer or Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company 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 investor in making an investment decision.

Conflicts of Interest

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

In particular, Gordon Keep, a director of the Company, is also the Chief Executive Officer of Fiore Management and Advisory Corp. ("**Fiore**"). The Company and Fiore entered into a corporate administration and financial advisory services agreement on June 1, 2016 providing that Fiore will provide the Company with various corporate administration services, from time to time, including assistance with the maintenance of the corporate records and files of the Company. Fiore will also act as a financial advisor to the Company and as such will work closely with the Company's management team to identify and implement various transactions.

Additionally, Federico Restrepo-Solano is a director of the Company and an advisor to Aventtus SAS, which provides environmental, social and legal development advice and services to the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management knows of no legal proceedings, contemplated or actual, involving the Company during the financial year ended December 31, 2021, or as of the date of this AIF which could materially affect the Company.

Other than the MCTO, to the best of management's knowledge, there have been no:

(a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2021;

(b) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or

(c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2021.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No: (i) director or executive officer of the Company, (ii) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; and (iii) associate or affiliate of any of the persons or companies referred to in (i) or (ii) herein, has, during the financial year ended December 31, 2021 and during the current financial year, any material interest in any transactions or any proposed transactions which has materially affected or will materially affect the Company, other than:

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

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

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

TRANSFER AGENT AND REGISTRAR

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

INTERESTS OF EXPERTS

Information of a scientific or technical nature regarding the assets in this AIF have been derived from the Petrotech Report. Petrotech, the author of the Petrotech Report owns, directly or indirectly, less than 1% of the Common Shares.

Information of a scientific or technical nature regarding the assets in this AIF have been derived from the Oil Resources Report. Petrotech Engineering, the author of the Oil Resources Report owns, directly or indirectly, less than 1% of the Common Shares.

Information of a scientific or technical nature regarding the assets in this AIF have been derived from the Oil Resources Report. John Yu, P. Eng., as consultant to Petrotech Engineering in connection with the preparation of the Oil Resources Report, owns, directly or indirectly, less than 1% of the Common Shares.

KPMG LLP is the auditor of the Company and has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

AUDIT COMMITTEE INFORMATION

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

MATERIAL CONTRACTS

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

In October 2021, the Company entered into an agreement with TGI for the tie in of the Maria Conchita Block, enabling the Company to transport gas produced from the Aruchara-1 well and subsequent wells at the Maria Conchita Block through TGI's main pipeline and sell it in central consumption centers in Colombia. For more information concerning the Company's agreement with TGI see "*Business of the Company – Maria Conchita Block*".

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the management information circular of the Company dated October 20, 2021, prepared in connection with the annual general and special meeting of the Company held on November 29, 2021, which is available on SEDAR at www.sedar.com. Additional financial information about the Company can be found in the Company's financial statements and management's discussion and analysis for the financial year ended December 31, 2021, which are also available on SEDAR.

SCHEDULE "A" - AUDIT COMMITTEE DISCLOSURE (FORM 52-110F2)

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

PURPOSE

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

COMPOSITION, PROCEDURES AND ORGANIZATION

(1) The Audit Committee shall consist of at least three members of the Board.

(2) At least two (2) members of the Audit Committee shall be independent, and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment. At least one (1) member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

(3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.

(4) Unless the Board shall have appointed a chair of the Audit Committee, the members of the Audit Committee shall elect a chair and a secretary from among their number.

(5) The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

(6) The Audit Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

(7) Meetings of the Audit Committee shall be conducted as follows:

   (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;

   (b) the external auditors shall receive notice of and have the right to attend all meetings of the Audit Committee; and

(c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

(8) The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

(1) The overall duties and responsibilities of the Audit Committee shall be as follows:

(a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;

(b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;

(c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfilment of its duties and responsibilities.

(2) The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;

(b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

(c) review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review with the external auditors, upon completion of their audit:

A. contents of their report;

B. scope and quality of the audit work performed;

C. adequacy of the Corporation's financial and auditing personnel;

D. co-operation received from the Corporation's personnel during the audit;

E. internal resources used;

F. significant transactions outside of the normal business of the Corporation;

G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

H. the non-audit services provided by the external auditors;

(e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and

(f) to implement structures and procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.

(3) The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Corporation are to:

(a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate;

(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

(d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

(4) The Audit Committee is also charged with the responsibility to:

(a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(b) review and approve the financial sections of:

A. the annual report to shareholders;

B. the annual information form, if required;

C. annual and interim management's discussion and analysis;

D. prospectuses;

E. news releases discussing financial results of the Corporation; and

F. other public reports of a financial nature requiring approval by the Board,

and report to the Board with respect thereto;

(c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

(d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(e) review and report on the integrity of the Corporation's consolidated financial statements;

(f) review the minutes of any audit committee meeting of subsidiary companies;

(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

(h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

(i) develop a calendar of activities to be undertaken by the Audit Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.

(5) The Audit Committee shall have the authority:

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

(b) to set and pay the compensation for any advisors employed by the Audit Committee; and

(c) to communicate directly with the internal and external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

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

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

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

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

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

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

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's financial year ended December 31, 2021, was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, KPMG LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

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

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

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

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Corporation by Ernst & Young Global Limited, in the fiscal year ended December 31, 2020 and KPMG LLP in the fiscal year ended December 31, 2021 are as follows:

	FYE 2021	FYE 2020
Audit-related services for the year ended December 31[1]	$123,050	$185,000
Tax fees [2]	Nil	Nil
All other fees (non-tax)	Nil	Nil
Total Fees:	**$123,050**	**$185,000**

Notes:

(1) These fees are for the annual audit engagements, quarterly reviews completed for the Corporation, statutory audits required for the Corporation's subsidiaries, and other assurance engagements required for regulatory filings.

(2) These fees are for preparation and filing of the tax returns of the Corporation or the Corporation's subsidiaries.

ITEM 8: EXEMPTION

In respect of the financial year ended December 31, 2021, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110.