QUESTERRE

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 15, 2026

AND

MANAGEMENT INFORMATION CIRCULAR

DATED DECEMBER 12, 2025

QUESTERRE ENERGY CORPORATION
SUITE 1650, 801 – 6TH AVENUE S.W.
CALGARY, ALBERTA
T2P 3W2

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a Special Meeting (the "**Meeting**") of the holders ("**Shareholders**") of Class "A" Common voting shares (the "**Common Shares**") of Questerre Energy Corporation (the "**Corporation**") will be held at the offices of the Corporation at Suite 1650, 801 - 6 Avenue SW , Calgary, Alberta, on January 15, 2026, at 9:00 A.M. (Calgary time) for the following purposes:

1. to fix the number of directors to be elected at the Meeting at seven (7);
2. to elect the directors of the Corporation until the next annual meeting of Shareholders or until their successors are elected or appointed;
3. to amend the articles of the Corporation to: (i) change the designation of the existing Common Shares to "Class "A-1" Common voting shares"; (ii) create a new class of Class "A" Common voting shares (the "**New Common Shares**"); (iii) exchange each Common Share for one (1) New Common Share and one (1) Preferred Share, Series 2; and (iv) upon the exchange of Common Shares into New Common Shares and Preferred Shares, Series 2, cancel the Common Shares; and
4. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

Only shareholders of record as of December 16, 2025, the record date, are entitled to receive notice of the Meeting.

DATED at Calgary, Alberta, this 12th day of December 2025.

BY ORDER OF THE BOARD OF DIRECTORS
(signed) "*Michael R. Binnion*"
President and Chief Executive Officer

IMPORTANT

A shareholder may attend the Meeting in person or may be represented thereat by proxy. It is desirable that as many common shares as possible are represented at the Meeting. If you would like your common shares represented, please complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. In accordance with the by-laws of the Corporation, all proxies, to be valid, must be deposited with the Corporation's transfer agent, Global Companies Registrars Section, DNB Bank ASA, PO Box 1600 Sentrum, 0021 Oslo, Norway, EMAIL: vote@dnb.no no later than January 13, 2026 1200 CET.

QUESTERRE ENERGY CORPORATION

SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JANUARY 15, 2026

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Questerre Energy Corporation ("**Questerre**" or the "**Corporation**") for use at the Special Meeting of the holders ("**Shareholders**") of Class "A" Common voting shares (the "**Common Shares**") of the Corporation to be held at the offices of the Corporation at Suite 1650, 801 - 6 Avenue SW , Calgary, Alberta, on the 15th day of January, 2026 at 9:00 A.M. (Calgary time), or at any adjournment thereof (the "**Meeting**"), for the purposes set forth in the accompanying Notice of Meeting. The information contained herein is given as of the 12th day of December 2025, except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting. Each shareholder who is entitled to attend meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with the Corporation's transfer agent, Global Companies Registrars Section, DNB Bank ASA, PO Box 1600 Sentrum, 0021 Oslo, Norway, EMAIL: vote@dnb.no **no later than January 13, 2026 1200 CET**. A proxy must be executed by the shareholder or by his or her attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

Each shareholder submitting a proxy has the right to appoint a person to represent him, her or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with the Corporation's transfer agent at the place and within the time specified above for the deposit of proxies.

A proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his or her attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with the registered office of the Corporation or with the Corporation's Transfer Agent, Global Companies Registrars Section, DNB Bank ASA, PO Box 1600 Sentrum, 0021 Oslo, Norway.

The close of business on December 16, 2025 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the "**Record Date**").

Solicitation of proxies is not subject to the requirements of Section 14(a) of the Securities Exchange Act of 1934 (the "**U.S. Exchange Act**"), by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" as defined in Rule 3b-4 under the U.S. Exchange Act. The solicitation of proxies is being made by or on behalf of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Management Information Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders should be aware that requirements under such Canadian laws and such disclosure requirements are different from requirements under United States corporate and securities laws relating to United States corporations.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders. Shareholders that hold their Common Shares in Euronext Securities Oslo ("**ESO**") ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent in Canada as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are held in the ESO, those Common Shares will, in all likelihood, not be registered in the shareholder's name with the transfer agent in Canada, Computershare Trust Company of Canada ("**Computershare**"). The Common Shares held by Beneficial Shareholders are registered in Canada through DnB Bank's nominee (the "**Nominee**"). Common Shares held by the Nominee on behalf of the Beneficial Shareholders can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, the Nominee is prohibited from voting these shares. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to Global Companies Registrars Section, DNB Bank ASA, PO Box 1600 Sentrum, 0021 Oslo, Norway, EMAIL: vote@dnb.no and, ultimately to the Nominee, well in advance of the Meeting. If you have any questions respecting the voting of Common Shares, please contact Global Companies Registrars Section, DNB Bank at +47 23 26 80 16 for assistance.**

The form of proxy supplied to a Beneficial Shareholder by the Corporation is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing DnB Bank to instruct the Nominee how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder cannot use the form of proxy provided to vote Common Shares directly at the Meeting. The voting instruction form must be returned to DNB Bank (as detailed above) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares, please contact Global Companies Registrars Section, DNB Bank at +47 23 26 80 16 for assistance**.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to DnB Bank as detailed above**.

All references to shareholders in this Management Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

EXERCISE OF DISCRETION WITH RESPECT TO PROXIES

The Common Shares represented by the enclosed proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such shares will be voted FOR the resolutions referred to in items 1, 2 and 3 of the proxy.

If any Articles of Amendment or variation to matters identified in the Notice of Meeting is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the enclosed proxy confers discretionary authority to vote on such Articles of Amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Management Information Circular, the management of the Corporation is not aware of any Articles of Amendments or variations or other matters to come before the Meeting.

Signature on Proxies

The form of proxy must be executed by the shareholder or his or her duly appointed attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer whose title must be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following that person's signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Solicitation of Proxies

This solicitation is made on behalf of the management of the Corporation. This Management Information Circular and forms of proxy are not being sent to registered or beneficial owners using the Notice and Access procedures contained in National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*. The costs incurred in the preparation and mailing of both the form of proxy and this Management Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

The Corporation will be sending these materials directly to its registered shareholders and indirectly to all non-registered shareholders through their intermediaries.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date of this Management Information Circular, Questerre had 428,515,836 issued and outstanding Common Shares. Each Common Share confers upon the holder thereof the right to one vote. Only those shareholders of record on the Record Date are entitled to receive notice of and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of Computershare not later than 10 days before the Meeting that his, her or its name be included in the list of persons entitled to attend and vote at the Meeting.

Two or more holders of five (5%) percent of the Common Shares present in person or represented by proxy constitutes a quorum for the Meeting, irrespective of the number of persons actually present at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the issued and outstanding Common Shares of the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Objectives and Process

The Compensation and Nominating Committee (previously the ESG, Compensation, Corporate Governance and Nominating Committee) of the board of directors of the Corporation (the "**Board**") makes recommendations to the Board regarding compensation to be provided to the executive officers and directors of the Corporation and, in doing so, receives input from the President and the Chief Executive Officer of the Corporation (the "**CEO**") in respect of all executive officers other than the CEO. Compensation of all executive officers, including the CEO, is based on the underlying philosophy that such compensation should be competitive with other corporations of similar size and should be reflective of the experience, performance and contribution of the individuals involved and the overall performance of the Corporation.

The Corporation's executive compensation program is available to the Named Executive Officers of the Corporation which is defined by the securities legislation to mean each of the following individuals, namely: (i) the Chief Executive Officer of the Corporation; (ii) the Chief Financial Officer of the Corporation; (iii) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year-end (the "**Named Executive Officer**" or "**NEO**").

The objectives of the Corporation's executive compensation program are twofold, namely: (i) to enable the Corporation to attract and retain highly qualified and experienced individuals to serve as Named Executive Officers; and (ii) to align the compensation levels available to the Named Executive Officers to the successful implementation of the Corporation's strategic plans. The Corporation's executive compensation program is designed to reward the Named Executive Officers where they have contributed to the prosperity and growth of the Corporation.

Elements of Compensation

The Corporation's executive compensation program consists of a combination of the following significant elements, namely: base salary, the payment of bonuses where appropriate under the bonus plan and participation in the Stock Option Plan (as hereinafter defined). These elements contain both short-term incentives, comprised of cash

payments, being those provided by way of base salaries and under the bonus plan, as well as long-term incentives, comprised of equity-based incentives, being those provided under the Stock Option Plan. Extended health care, dental and insurance benefits are provided to all employees, including the Named Executive Officers. The process for determining perquisites and approval of benefits for the Named Executive Officers is, firstly, to implement perquisites and benefits which are comparable to those usually offered by other corporations of a similar size to the Corporation and secondly, to make those perquisites and benefits available to each Named Executive Officer, equally. The Corporation chooses to pay each element of its executive compensation program in order to maintain its competitive position in the marketplace. The amount for each element of the Corporation's executive compensation program is determined based upon compensation levels provided by the Corporation's competitors as well as upon the discretion of the Board, where applicable, as described below. Each element of the Corporation's executive compensation program is intended to contribute to an overall total compensation package which is designed to provide both short-term and long-term financial incentives to the Named Executive Officers and to thereby assist the Corporation to successfully implement its strategic plans. The Compensation and Nominating Committee annually assesses how each element fits into the overall total compensation package and makes recommendations to the Board relating thereto from time to time.

Base Salaries

Base salaries for the Named Executive Officers are reviewed annually and are set to be competitive with industry levels. In addition, in its annual review of base salaries, the Compensation and Nominating Committee has regard to the contributions made by the Named Executive Officers, how their compensation levels relate to compensation packages that would be available to such officers from other employment opportunities, commercially available salary survey data and information publicly disclosed by some of the Corporation's competitors and peers. This enables the Corporation to establish base salaries which attract and retain highly qualified and experienced individuals. Other than as set out immediately above, the base salaries of the Named Executive Officers are not determined based on benchmarks, performance goals or a specific formula.

Effective February 2024, the Corporation revised the Base Salaries for the NEOs as follows.

Name	Base Salary effective February 2023 to January 2024 ($)	Base Salary effective February 2024 ($)
Michael Binnion, President and Chief Executive Officer	322,000	322,000
Jason D'Silva, Chief Financial Officer	220,000	231,000
Peter Coldham, Vice President, Engineering	168,000	210,000
Rick Tityk, Vice President, Land	210,000	210,000
John Brodylo Vice President, Exploration	168,000	210,000

Note:

(1) Effective February 2023, Base Salaries for all Named Executive Officers except the Vice President, Land reflects a four-day work week. Effective February 2024, Base Salaries for all NEOs except the Chief Executive Officer and Chief Financial Officer reflects a five-day work week. Effective February 2025, Base Salary for the Chief Financial Officer was increased to $288,750 to reflect a five-day work week.

Bonus Plan

In addition to base salaries, the Board may award cash bonuses to employees, including executive officers. The award of a bonus is recommended, in the case of employees, by senior management, for approval by the

Compensation and Nominating Committee. Bonus levels for Vice Presidents are established by the Compensation and Nominating Committee in consultation with the CEO, and the CEO's bonus is established by the Compensation and Nominating Committee in consultation with the independent members of the Board. In the case of non-executive employees, bonuses are based on the employee's contribution in adding share value, reducing costs and the employee's contribution to overall corporate goals. In the case of executive officers, including the CEO, bonus awards are based on actual corporate and individual performance as assessed by the Compensation and Nominating Committee and/or the independent members of the Board, as applicable. The Corporation has not adopted a formal bonus plan.

For the year ended December 31, 2024, payments totalling $0.4 million were made in 2025 under the bonus plan to recognize the contribution by employees to the Corporation's financial and operating performance and advancing the Corporation's strategic plans. For the year ended December 31, 2023, payments totalling $0.31 million were made in 2024 under the bonus plan to recognize the contribution by employees to the Corporation's financial and operating performance. For the year ended December 31, 2022, payments totalling $0.46 million were made in 2023 under the bonus plan to recognize Management efforts to strategically position the Corporation to capitalize on the improved commodity prices.

Risks of Compensation Policies and Practices

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Compensation and Nominating Committee noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk:

- the Corporation's current financial strength, operating strategy and related compensation philosophy;
- the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance; and
- the Corporation's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives.

Based on this review, the Compensation and Nominating Committee believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Financial Instruments

The Corporation's insider trading policy prohibits directors, officers, consultants, employees and those persons deemed to have a "special relationship" with the Corporation from buying or selling any derivative securities that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Stock Option Plan

The stock option plan of the Corporation (the "**Stock Option Plan**") permits the granting of stock options to the Corporation's employees, officers, directors and consultants and certain other eligible persons for the purpose of developing the interest of the participants in the growth and development of the Corporation and to better enable the Corporation to attract and retain persons of desired experience and ability. The Stock Option Plan facilitates the alignment of the compensation levels of the Named Executive Officers to the successful implementation of the Corporation's strategic plans by resultant increases in the price of the Common Shares. For a description of the process used by the Corporation to grant stock options, see the section herein entitled "**Option-Based Awards**". Other than as set out therein, the number of options granted are not based on benchmarks, performance goals or a specific formula.

The aggregate number of Common Shares issuable pursuant to stock options granted under the Stock Option Plan and under any other security-based compensation arrangement, if any, issued to insiders within any one year period and, issuable to insiders, shall in either case, not exceed 10% of the issued and outstanding Common Shares. The aggregate number of Common Shares granted to any one person may not exceed 5% of the issued and outstanding Common Shares. In addition, the Stock Option Plan provides that the maximum number of Common Shares issuable pursuant to stock options granted shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. The Stock Option Plan provides for the exercise price to be determined by the Board provided that the exercise price of the options may not be less than that permitted by the Toronto Stock Exchange (the "**TSX**") being the closing price on the last business day preceding the date of grant. Vesting of the stock options is determined by the Board in its sole discretion. Substantially all of the Corporation's stock options have been granted so as to vest in equal quarterly amounts over a three-year period starting at the grant date or one year from the grant date.

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

The Stock Option Plan includes a put right (the "**Put Right**") which allows an optionee, from time to time, to require the Corporation to purchase all or any part of the then vested options of the Optionee for an amount equal to the market price of the Common Shares less the option price of the Option Shares. Notwithstanding the foregoing, the Corporation may, at its sole discretion, decline to accept and, accordingly, has no obligations with respect to the exercise of a Put Right at any time.

In order to comply with the withholding requirements pursuant to the *Income Tax Act* (Canada) upon the exercise of stock options, the Stock Option Plan permits the Corporation to take all reasonable and necessary steps,

including the sale of any Optioned Shares issued upon the exercise of stock options, to satisfy any tax remittance obligations of the Corporation.

The Stock Option Plan provides an automatic extension of the expiry date of options issued pursuant to the Stock Option Plan during a Blackout Period (as defined below). As a result of the Articles of Amendment, in the event that an optionee is subject to a restriction on trading in the securities of the Corporation as a result of the policies of the Corporation (the period during which such restriction is in effect being referred to as a "**Blackout Period**") and if any stock options granted under the Stock Option Plan expire during such Blackout Period, then without any further action, the expiry date of such Option(s) shall be extended to the date that is ten (10) business days after the conclusion of the Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options.

The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the shareholders of the Corporation, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of stock options granted under the Stock Option Plan, subject to any required approval of any applicable regulatory authority or the TSX. Disinterested shareholder approval will be required for any reduction in the exercise price, or the expiry date of stock options granted to insiders. The approval of the shareholders of the Corporation will be required for future Articles of Amendments to the Stock Option Plan which amend the number of Common Shares issuable pursuant to stock options issued thereunder or which change the class of participants which may broaden or increase participation by insiders of the Corporation.

As of the date hereof: (i) the Corporation has issued under the Stock Option Plan stock options pursuant to which 36,365,000 Common Shares are issuable which represents 8.49% of the currently outstanding Common Shares; and (ii) there remains for issuance under the Stock Option Plan stock options pursuant to which 6,486,584 Common Shares may be issued which represent 1.51% of the currently outstanding Common Shares.

The Stock Option Plan burn rate is expressed as a percentage and is calculated in accordance with Section 316(p) of the TSX Company Manual, by dividing: (i) the number of securities granted under the Stock Option Plan during the applicable fiscal year; by (ii) the weighted average number of securities outstanding for the applicable fiscal year. The burn rate is subject to change based on the number of stock options granted and the weighted average number of Common Shares issued and outstanding for the applicable financial year. The Stock Option Plan is not subject to a multiplier that may increase the number of shares to be issued on settlement based on performance or any other measure.

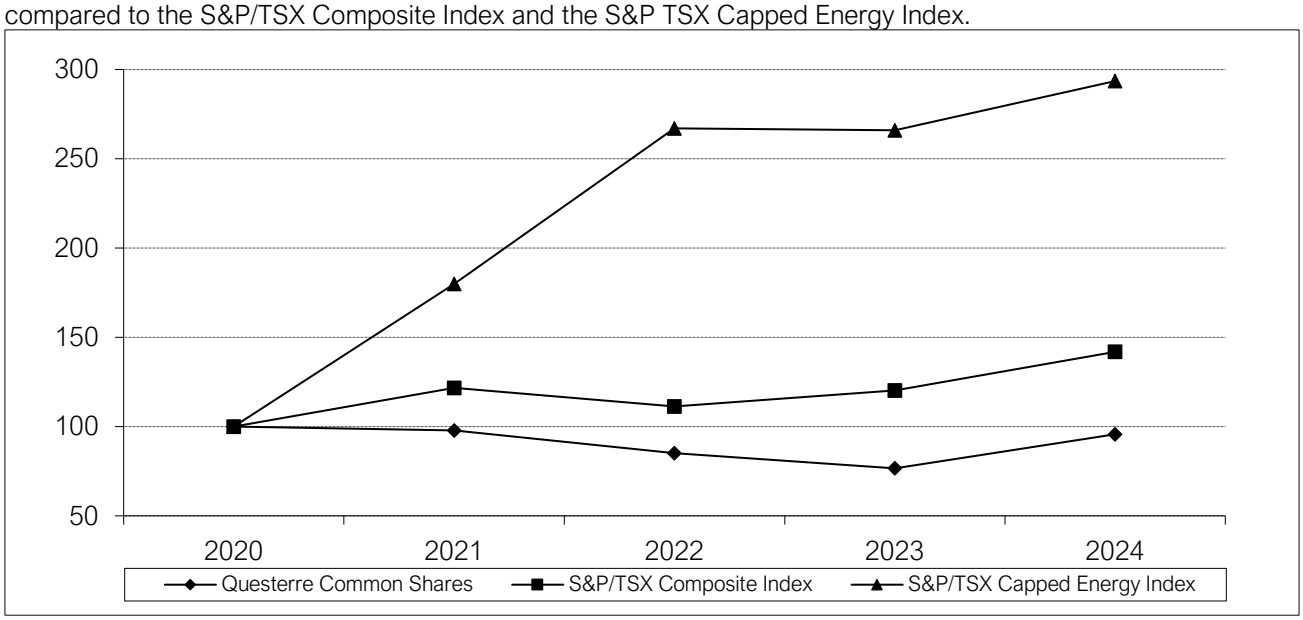
	2024	2023	2022
Stock Options Outstanding, beginning of year	38,140,000	35,297,500	30,307,500
Stock Options Granted	6,950,000	6,000,000	11,490,000
Stock Options Exercised	—	—	—
Stock Options Forfeited	(620,000)	—	—
Stock Options Expired	(6,175,000)	(3,157,500)	(6,500,000)
Stock Options Outstanding, end of year	38,295,000	38,140,000	35,297,500
Weighted Average Number of Common Shares	428,515,836	428,515,836	428,033,644
Annual Burn Rate	1.62 %	1.40 %	2.68 %
Annual Option Exercise Rate[(1)]	—	—	—

Note:

(1) The exercise rate is calculated based on the total number of options exercised divided by the weighted average number of Common Shares issued and outstanding during the year.

Performance Graph

The following graph illustrates cumulative shareholder return, as measured by the closing price of the Common Shares at the end of each financial year indicated, assuming an initial investment of $100 on December 31, 2020, compared to the S&P/TSX Composite Index and the S&P TSX Capped Energy Index.



	2020	2021	2022	2023	2024
Questerre Common Shares	100	98	85	77	96
S&P/TSX Composite Index	100	122	111	120	142
S&P/TSX Capped Energy Index	100	180	267	266	294

Executive Compensation Alignment with Shareholder Value

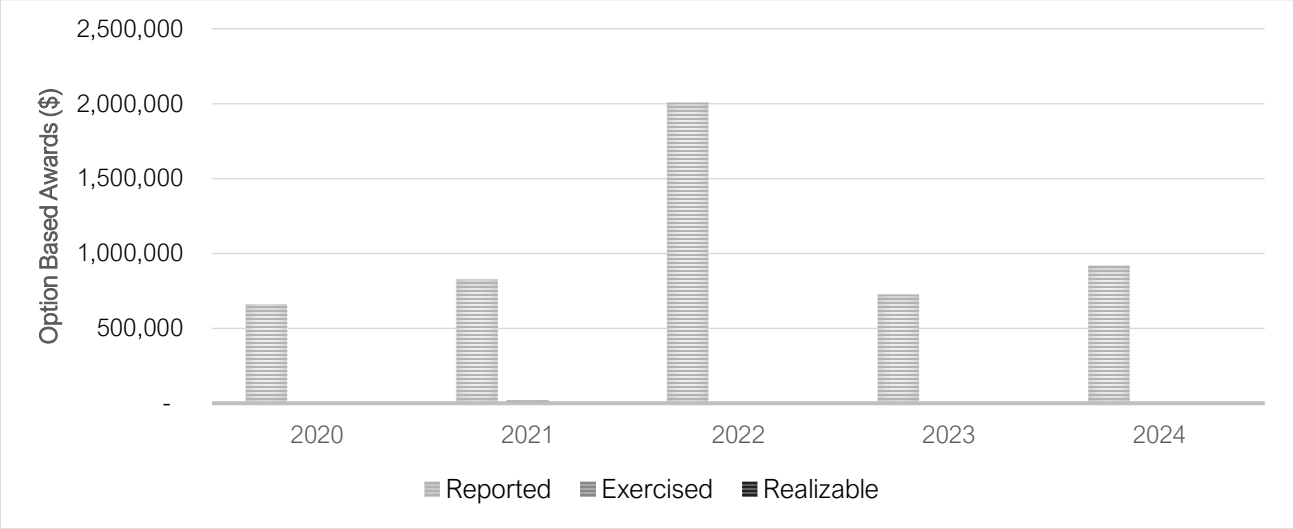
The Corporation's compensation strategy is designed to pay for performance and includes the following components:

- Base salaries are not dependent on share performance; they are determined by competitiveness with industry levels, internal relativity and performance;
- Payments under the bonus plan are based on the employee's contribution in adding shareholder value, reducing costs and their contribution to overall corporate goals. In the case of executive officers, payments are based on actual corporate and individual performance;
- Awards under the Stock Option Plan are designed to facilitate the alignment of compensation to the successful implementation of the Corporation's strategic plans by resulting increases in the price of Common Shares. The value realized from stock options is entirely dependent on the Corporation's share price performance, creating alignment between NEO compensation and shareholder returns. If the Corporation's share price appreciates from the date the stock options were granted, they will accrue additional value for the NEOs; if the share price does not appreciate, these incentives will accrue no value to the NEOs.

The material discrepancy between the Reported Option Based awards and the Realizable Option Based awards in the last six years reflects the out of the money status of the vast majority of options in the current year. Except for 2021, there have been no stock options exercised by NEOs in the last five years resulting in a material difference between the Reported amount and the Exercised and the Realizable amount. The net impact to shareholders over this time has been near-zero dilution from stock options as the options have either been out of the money and/or

have yet to vest. In February 2025, the Corporation cash settled 4.75 million options with a payment of $0.14 million to the NEOs.

The relatively high percentage of at-risk compensation for the NEOs, of which Option Based awards represent the majority, allows the Corporation to compensate its NEOs such that value actually received is ultimately aligned with returns to shareholders.



Option Based Awards ($)	2020	2021	2022	2023	2024
Reported	661,662	827,223	2,005,342	726,836	919,296
Exercised	—	20,000	—	—	—
Realizable	—	—	—	—	—

Notes:

(1) Reported Option Based Awards are the value of option-based awards for the NEOs based on the Black-Scholes option pricing model for stock options granted in the year as reported in the Summary Compensation Table.

(2) Exercised Option Based Awards is the difference between the exercise price of the options and the closing price on the date of exercise for options exercised by the NEOs in the year.

(3) Realizable Option Based Awards is the value of unexercised in the money options based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX as of December 31, 2024, of $0.225. The amount at December 31, 2024, is reported in the year the options were granted to illustrate the realizable value relative to the reported value.

Option-Based Awards

The process that the Corporation uses to grant option-based awards to executive officers, including the Named Executive Officers, and the factors that are taken into account when considering new grants under the Stock Option Plan, is based upon a number of criteria, including the performance of the executive officers, the number of stock options available for grant under the Stock Option Plan, the number of stock options anticipated to be required to meet the future needs of the Corporation, as well as the number of stock options previously granted to each of the Named Executive Officers. It is the entire Board, as opposed to the Compensation and Nominating Committee, which determines the need for any Articles of Amendments to the Stock Option Plan and it is the entire Board, based on the recommendation of the Compensation and Nominating Committee, which determines the number of stock option grants to be made under the Stock Option Plan. The CEO provides input and recommendations to the Board regarding the granting of stock options, from time to time. The CEO, in turn, and where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. Other than as set out immediately above, the grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula.

During the last three years, stock options were awarded to the Named Executive Officers as part of the usual practice of making annual awards.

Compensation Governance

The policies and practices adopted by the Board to determine the compensation of the Corporation's executive officers and directors is described under "**Statement of Executive Compensation – Compensation Discussion and Analysis**" and "**Statement of Executive Compensation –Director Compensation**", respectively.

The Compensation and Nominating Committee is currently comprised of three independent directors, being Ms. Fontaine, Ms. Kitto, and Mr. Tonnessen. The skills and experience of each of the Compensation and Nominating Committee members in executive compensation that is relevant to his responsibilities and the making of decisions on the suitability of the Corporation's compensation policies and practices is as follows:

Member	Independent	Skills and Experience
Bjorn Inge Tonnessen, Chair	Yes	An independent businessperson, Mr. Tonnessen is executive chair and board member of Transitus Energy and Executive Director of Geothermal Energy Nordic. Previously he has been Chief Executive Officer of several private companies focusing on the North Sea including Edge Petroleum and Spike Exploration. Mr. Tonnessen has more than 35 years' experience in the oil and gas industry.
Mireille Fontaine	Yes	Partner, Lapointe Rosenstein Marchand Melancon, a Quebec based business law firm since December 1, 2023. Prior thereto, a partner at a Quebec based law firm since 2016. She has over 30 years' experience and currently is practicing in the private equity, venture capital, mergers and acquisition and securities sectors.
Jauvonne Kitto	Yes	An independent businessperson. Chief Executive Officer of the Saa Dene Group, a holding company for several Indigenous-owned or controlled businesses since May 2019.

The Compensation and Nominating Committee's mandate is to prepare policies and make recommendations to the Board regarding: (i) compensation policies and guidelines for senior officers, as well as supervisory and management personnel of the Corporation and its subsidiaries; (ii) corporate benefits; (iii) incentive plans, including bonus plans; (iv) the evaluation of the performance and compensation of the CEO and other senior management; (v) the granting of stock options to members of the Board, management and employees of the Corporation; (vi) compensation levels for members of the Board and Committees; (vii) succession plans for the CEO and for key employees of the Corporation; and (viii) material changes in human resources policy, procedure, remuneration and benefits.

Summary Compensation

Securities legislation requires the disclosure of the compensation received by each NEO of the Corporation for the three most recently completed financial years. The following table sets forth, for each NEO of the Corporation, for the financial years ended December 31, 2024, 2023, and 2022 a summary of total compensation:

Name and principal position	Year	Salary[1] ($)	Share based awards ($)	Option-based awards[2] ($)	Non-equity incentive plans[3] ($)		Pension Value ($)	All other[4] compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Michael Binnion,	**2024**	322,000	Nil	290,304	80,500	Nil	Nil	Nil	692,804
President and	2023	322,000	Nil	218,051	80,500	Nil	Nil	Nil	620,551
Chief Executive Officer [4]	2022	257,600	Nil	621,374	120,750	Nil	Nil	Nil	999,724
Jason D'Silva,	**2024**	231,000	Nil	193,536	57,500	Nil	Nil	Nil	482,036
Chief Financial	2023	220,000	Nil	181,709	55,000	Nil	Nil	Nil	456,709
Officer	2022	176,000	Nil	451,908	82,500	Nil	Nil	Nil	710,408
Peter Coldham,	**2024**	210,000	Nil	145,152	43,750	Nil	Nil	Nil	398,902
Vice President,	2023	168,000	Nil	109,025	28,000	Nil	Nil	Nil	305,025
Engineering	2022	140,770	Nil	310,687	50,000	Nil	Nil	Nil	501,457
Rick Tityk,	**2024**	210,000	Nil	145,152	43,750	Nil	Nil	Nil	398,902
Vice President,	2023	210,000	Nil	109,025	35,000	Nil	Nil	Nil	354,025
Land	2022	159,917	Nil	310,687	55,417	Nil	Nil	Nil	526,021
John Brodylo,	**2024**	210,000	Nil	145,152	43,750	Nil	Nil	Nil	398,902
Vice President,	2023	168,000	Nil	109,025	28,000	Nil	Nil	Nil	305,025
Exploration	2022	152,000	Nil	310,687	50,000	Nil	Nil	Nil	512,687

Notes:

(1) Each of the NEOs is a party to an executive employment agreement with the Corporation. See the section herein entitled "Termination and Change of Control Benefits."

(2) The value of the option-based awards represents the value calculated using the Black-Scholes option pricing model of stock options granted during the year. The option grant values reflect assumptions for expected life, volatility, risk-free interest and forfeiture rate. The aggregate number of options held by each of the Named Executive Officers, including the number of options granted to each NEO during the financial year ended December 31, 2024, is set out in the table under the heading entitled "Incentive Plan Awards". The Black-Scholes option pricing model values and assumptions used by the Corporation are listed below.

	2024	2023	2022
Fair Value ($)	0.19	0.18	0.26
Risk Free Rate (%)	3.54	3.18	1.63
Expected Life (years)	5.00	5.00	5.00
Expected Volatility (%)	103.47	103.83	101.83
Expected Forfeiture Rate	8.85	9.35	10.24

(3) In 2024, $0.27 million was earned by the NEOs under the Bonus Plan and paid in the first quarter of 2025. In 2023, $0.24 million was earned by the NEOs under the Bonus Plan and paid in the first quarter of 2024. In 2022, $0.36 million was earned by the NEOs under Bonus Plan and paid in the first quarter of 2023.

(4) In 2025, $0.14 million was paid to the NEOs on the cash settlement of 4.75 million expiring options representing the difference between the exercise and market price on the date of the settlement.

(5) Mr. Binnion also serves as a director of the Corporation. All of the compensation paid to Mr. Binnion relates to his position as a Named Executive Officer and none of the compensation paid to Mr. Binnion relates to his role as a director.

Incentive Plan Awards

Outstanding Option–Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2024, to the Named Executive Officers of the Corporation. The Corporation has not granted any share-based awards.

	Option-based Awards			
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[1]
Michael Binnion, President and Chief Executive Officer	1,500,000	0.25	February 4, 2029	—
	1,200,000	0.235	February 6, 2028	—
	2,420,000	0.34	January 23, 2027	—
	1,900,000	0.18	January 25, 2026	85,500
	1,500,000	0.20	February 3, 2025[2]	37,500
Jason D'Silva, Chief Financial Officer	1,000,000	0.25	February 4, 2029	—
	1,000,000	0.235	February 6, 2028	—
	1,760,000	0.34	January 23, 2027	—
	1,300,000	0.18	January 25, 2026	58,500
	1,000,000	0.20	February 3, 2025[2]	25,000
Peter Coldham, Vice President, Engineering & Operations	750,000	0.25	February 4, 2029	—
	600,000	0.235	February 6, 2028	—
	1,210,000	0.34	January 23, 2027	—
	950,000	0.18	January 25, 2026	42,750
	750,000	0.20	February 3, 2025[2]	18,750
Rick Tityk, Vice President, Land	750,000	0.25	February 4, 2029	—
	600,000	0.235	February 6, 2028	—
	1,210,000	0.34	January 23, 2027	—
	950,000	0.18	January 25, 2026	42,750
	750,000	0.20	February 3, 2025[2]	18,750
John Brodylo, Vice President, Exploration	750,000	0.25	February 4, 2029	—
	600,000	0.235	February 6, 2028	—
	1,210,000	0.34	January 23, 2027	—
	950,000	0.18	January 25, 2026	42,750
	750,000	0.20	February 3, 2025[2]	18,750

Notes:

(1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX as of December 31, 2024, of $0.225.

(2) In February 2025, the Corporation cash settled 4.75 million options with an expiry date of February 3, 2025.

Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's financial year ended December 31, 2024, of option-based awards for Named Executive Officers of the Corporation if the options under the option-based award had been exercised on the vesting date.

Name	Option-based awards – Value vested during the year ($)[1]	Non-equity incentive plan compensation – Value earned during the year ($)
Michael Binnion, President and Chief Executive Officer	16,375	Nil
Jason D'Silva, Chief Financial Officer	11,875	Nil
Peter Coldham Vice President, Engineering & Operations	8,188	Nil
Rick Tityk, Vice President, Land	8,188	Nil
John Brodylo Vice President, Exploration	8,188	Nil

Note:

(1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on the vesting date of the options.

Pension Plan Benefits

The Corporation does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement. The Corporation does not have a deferred compensation plan.

Termination and Change of Control Benefits

Other than as described herein, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to the Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Corporation or a change in the Named Executive Officer's responsibilities.

The Corporation has entered into written executive employment agreements with each of the Named Executive Officers of the Corporation. Each of these written agreements provides that in the event of a change of control of the Corporation, or a termination without just cause, each of the Named Executive Officers is entitled to eighteen months of the applicable base salary for Named Executive Officers excluding the Chief Executive Officer and twenty-four months of the applicable base salary for the Chief Executive Officer.

The written agreements provide that the NEOs shall provide the Corporation with thirty to ninety days' notice of the termination of their employment. The written agreements also provide that the Corporation shall reimburse the NEOs for all reasonable business expenses incurred in the performance of his duties on behalf of the Corporation. The written agreements further provide that the NEOs will not, for a period of eighteen months after the effective date of their termination of employment, solicit any employees of the Corporation to become an employee of any enterprise that competes with the Corporation. The estimated incremental payments, payables and benefits which might be paid by the Corporation for the five NEOs of the Corporation, assuming a change of control or termination without just cause occurred on the last business day of the most recently completed financial year of the Corporation, would be, in aggregate, approximately $2.18 million.

The Stock Option Plan provides that in the event of a change of control, all unexercised and unvested outstanding stock options issued shall immediately vest and be exercisable. If an Offer is made but not completed, the Optioned Shares issued in connection therewith shall be returned by the optionee to the Corporation in exchange for the exercise price therefor and the options shall be reinstated on the same terms.

Estimated Incremental Payments and Benefits as of December 31, 2024

The following table sets forth the estimated incremental payments and benefits that would be received by NEOs following a "change of control" of the Corporation, had such event occurred on December 31, 2024.

Name	Employment Agreements[1] ($)	Stock Option Plan[2] ($)	Non-equity incentive plan compensation ($)	Pension Value ($)	Total ($)
Michael Binnion, President and Chief Executive Officer	644,000	123,000	Nil	Nil	767,000
Jason D'Silva, Chief Financial Officer	345,000	83,500	Nil	Nil	428,500
Peter Coldham, Vice President, Engineering	315,000	61,500	Nil	Nil	376,500
Rick Tityk, Vice President, Land	315,000	61,500	Nil	Nil	376,500
John Brodylo Vice President, Exploration	315,000	61,500	Nil	Nil	376,500

Notes:

(1) As provided in the employment agreement with each of the relevant Named Executive Officers assuming a change of control, change of responsibilities, termination without just cause or such other events as further described above, on December 31, 2024.

(2) As provided for in the Plan, assuming a change of control on December 31, 2024, with all unvested stock options held by Named Executive Officers vesting and becoming immediately exercisable. Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2024, being the last trading day in the Corporation's fiscal year ended December 31, 2024, of $0.225.

Director Compensation

Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the Corporation's financial year ended December 31, 2024.

Name[1]	Fees earned ($)[2]	Share-based awards ($)	Option-based awards[3] ($)	Non-equity incentive plan compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Mireille Fontaine	50,000	Nil	19,354	Nil	Nil	Nil	69,354
Hans Jacob Holden	59,500	Nil	19,354	Nil	Nil	Nil	78,854
Dennis Sykora	63,750	Nil	19,354	Nil	Nil	Nil	83,104
Jauvonne Kitto	42,000	Nil	48,384	Nil	Nil	Nil	90,384
Bjorn Inge Tonnessen	99,250	Nil	29,030	Nil	Nil	Nil	128,280

Notes:

(1) Compensation information for Michael R. Binnion, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "Summary Compensation Table".

(2) The following table sets forth the fees payable to directors of the Corporation in 2024 for annual retainers, committee memberships and attendance at Board meetings.

Annual Retainer		effective February 2024
Chairman	$	72,000
Audit Committee Chair	$	12,000
Director	$	36,000
Committee Membership		
Chair	$	6,000
Member	$	3,000
Attendance per Board meeting	$	1,250

Notes:

(1) The value of the option-based awards represents the value calculated using the Black-Scholes option pricing model of stock options granted during the year. The option grant values reflect assumptions for expected life, volatility, risk-free interest and forfeiture rate. For the Black-Scholes option pricing model assumptions used by the Corporation, please refer to Note (2) under the Summary Compensation table for the Named Executive Officers. The aggregate number of options held by each of the directors of the Corporation, including the number of options granted to each director of the Corporation during the financial year ended December 31, 2024, is set out in the table under the heading entitled "Outstanding Option-Based Awards".

(2) Ms. Kitto was appointed to the Board effective February 2024.

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the Corporation's financial year ended December 31, 2024, to the directors of the Corporation. The Corporation has not granted any share-based awards.

	Option-based Awards			
Name[1]	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[2] ($)
Mireille Fontaine	100,000	0.25	February 4, 2029	—
	200,000	0.235	February 6, 2028	—
	330,000	0.34	January 23, 2027	—
	250,000	0.18	January 25, 2026	11,250
	250,000	0.15	June 9, 2025	18,750
Hans Jacob Holden	100,000	0.25	February 4, 2029	—
	200,000	0.235	February 6, 2028	—
	330,000	0.34	January 23, 2027	—
	250,000	0.18	January 25, 2026	11,250
	150,000	0.20	February 3, 2025[4]	3,750
Dennis Sykora	100,000	0.25	February 4, 2029	—
	200,000	0.235	February 6, 2028	—
	330,000	0.34	January 23, 2027	—
	250,000	0.18	January 25, 2026	11,250
	150,000	0.20	February 3, 2025[4]	3,750
Jauvonne Kitto[3]	250,000	0.25	February 4, 2029	—
Bjorn Inge Tonnessen	150,000	0.25	February 4, 2029	—
	300,000	0.235	February 6, 2028	—
	550,000	0.34	January 23, 2027	—
	400,000	0.18	January 25, 2026	18,000
	250,000	0.20	February 3, 2025[4]	6,250

Notes:

(1) Compensation information for Michael Binnion, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "Incentive Plan Awards".

(2) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX as of December 31, 2024, of $0.225.

(3) Ms. Kitto was appointed to the Board effective February 2024.

(4) In February 2025, the Corporation cash settled 4.75 million options with an expiry date of February 3, 2025.

Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's financial year ended December 31, 2024, of option-based awards for directors of the Corporation if the options under the option-based awards had been exercised on the vesting date.

Name[1]	Option-based awards Value vested during the year ($)[2]	Non-equity incentive plan compensation – Value earned during the year ($)
Mireille Fontaine	2,312	Nil
Dennis Sykora	2,312	Nil
Hans Jacob Holden	2,312	Nil
Jauvonne Kitto	—	Nil
Bjorn Inge Tonnessen	3,625	Nil

Notes:

(1) Compensation information for Michael R. Binnion, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "Incentive Plan Awards".

(2) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on the vesting date of the options.

(3) Ms. Kitto was appointed to the Board effective February, 2024.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides details as at December 31, 2024, with respect to all compensation plans of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected herein)
Equity compensation plans approved by security holders[1]	38,295,000	$ 0.25/share	4,556,584
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	38,295,000	$ 0.25/share	4,556,584

Note:

(1) The Stock Option Plan provides that the maximum number of Common Shares issuable pursuant to stock options issued and outstanding under the Stock Option Plan shall not exceed 10% of the aggregate number of issued and outstanding Common Shares at the time of the grant of any stock option. As at December 31, 2024, 428,515,836 Common Shares were issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former executive officer, director or employee of the Corporation, or any proposed nominee for election as a director or any associate of any such director, officer or employee or proposed nominee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation, nor, at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation is required to include in this Management Information Circular the disclosure required under Form 58-101F1 with respect to the matters set out under National Policy 58-201 *Corporate Governance Guidelines*.

1. Board of Directors

Questerre's Board, which has the statutory responsibility to oversee the conduct of the business of the Corporation and to supervise management, who are responsible for the daily conduct of the business of the Corporation, is comprised of six directors, of which five are independent and accordingly a majority of the directors are independent. The independent directors are Mireille Fontaine, Hans Jacob Holden, Dennis Sykora, Jauvonne Kitto, and Bjorn Inge Tonnessen. The CEO of the Corporation, Michael Binnion, is not independent by virtue of being an executive officer of the Corporation.

Mr. Binnion is presently a director of the following reporting issuers: Rupert's Crossing Capital Inc. and High Arctic Energy Services Inc. Mr. Sykora is also a director of Dominion Lending Centres Inc.

During the year ended December 31, 2024, the independent directors of the Corporation regularly met without members of Management present for a portion of regularly scheduled Board meetings. In order to provide leadership for the independent directors, the Board encourages communication among the independent directors. Mr. Tonnessen has been appointed as Chairman to provide leadership to the directors, manage the affairs of the Board and ensure that the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman presides at each meeting of the Board and is responsible for coordinating with management and the corporate secretary to ensure that documents are delivered to directors in sufficient time in advance of Board meetings for a thorough review, that matters are properly presented for the Board's consideration at meetings, and that the Board has an appropriate opportunity to discuss issues at each meeting. The Chairman is responsible for communicating with each Board member, ensuring that each director has the opportunity to be heard, that each director is accountable to the Board, and that the Board and each Committee is discharging its duties. The Chairman is also responsible for organizing the Board to function independently of management and arranges for the independent directors, from time to time, to meet without non-independent directors and management present. Most importantly, the Chairman is the Board's role model for responsible, ethical and effective decision-making.

2. Board Mandate

The text of the Board's written mandate (the "**Board Mandate**") is attached hereto as Schedule "A".

3. Position Descriptions

The Board has developed written position descriptions for the chair of the Board and for the chair of each Board committee. The Board together with the CEO has developed a written position description for the CEO the text of which is available from the Corporation on request.

As of the date of this Management Information Circular, the Board has established the following Board committees comprised of the members and chaired by the individuals set out in the following table:

Committee	Members	Independent
Audit Committee	Dennis Sykora - Chair	Yes
	Hans Jacob Holden	Yes
	Bjorn Tonnessen	Yes
Compensation and Nominating Committee	Bjorn Inge Tonnessen - Chair	Yes
	Mireille Fontaine	Yes
	Jauvonne Kitto	Yes
Reserves Committee	Hans Jacob Holden - Chair	Yes
	Dennis Sykora	Yes
	Bjorn Inge Tonnessen	Yes
Oversight and Governance Committee	Bjorn Inge Tonnessen - Chair	Yes
	Michael Binnion	No
	Mireille Fontaine	Yes
	Hans Jacob Holden	Yes
	Jauvonne Kitto	Yes
	Dennis Sykora	Yes

Attendance

The following table sets forth the attendance during 2024 of each director at meetings of the Board and, as applicable, the attendance of members of the committees of the Board at committee meetings which committees of the Board have been reconstituted as noted above as of the date hereof:

Director	Board	Audit Committee	ESG, Compensation, Corporate Governance & Nominating Committee[(1)]	Reserves Committee
Michael Binnion	7/7	—	—	—
Mireille Fontaine	6/7	1/1	1/1	—
Hans Jacob Holden	7/7	4/4	—	1/1
Dennis Sykora	6/7	4/4	—	1/1
Jauvonne Kitto[(2)]	6/7	—	—	—
Bjorn Inge Tonnessen	7/7	4/4	1/1	1/1

Notes:

(1) The ESG, Compensation, Corporate Governance & Nominating Committee was split into the Compensation and Nominating Committee and the Oversight and Governance Committee in November 2025.

(2) Ms. Kitto was appointed to the Board effective February 2024.

4. Orientation and Continuing Education

The Corporation has developed an orientation program for new directors as set out in the Corporation's director's manual ("**Director's Manual**") which contains information regarding the roles and responsibilities of the Board, each Board committee, the Board chair, the chair of each Board committee and the CEO of the Corporation. The Director's Manual contains information regarding the nature and operation of the Corporation's business, its organizational structure, governance policies including the Board Mandate and each Board committee mandate, and the Corporation's code of business conduct and ethics. The Director's Manual is to be updated as the Corporation's business, governance documents and policies change. The Corporation arranges for presentations to be made to the Board to inform directors regarding corporate developments and changes in legal, regulatory and industry requirements affecting the Corporation. As well, directors are encouraged to visit the Corporation's

facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Corporation.

5. Ethical Business Conduct

The Corporation has adopted a Code of Conduct Policy (the "**Code**") in written form containing the conduct expectations and ethical obligations of the Corporation's directors, officers, management, employees, consultants and agents. The Board takes reasonable steps to monitor compliance with the Code and all of the Corporation's employees were required to sign an acknowledgement that they have read, understood and will comply with the Code and the Respectful Workplace Policy. The Code encourages all parties who engage in business with the Corporation to contact the Corporation regarding any perceived and all actual breaches by the Corporation's directors, officers and employees of the Code. The Board is responsible for investigating complaints and developing a plan for promptly and fairly resolving complaints. The Code prohibits retaliation by the Corporation, its directors, executive officers and management, against complainants who raise concerns in good faith and requires the Corporation to maintain the confidentiality of complainants to the greatest extent practicable. Complainants may also submit their concerns anonymously in writing.

In addition to the Code, the Corporation has an Audit Committee Charter regarding the collection and dissemination of accounting information, a Whistleblower Protection Policy with respect to reporting accounting and auditing irregularities, and a Respectful Workplace Policy, copies of which are available on the Corporation's website at www.questerre.com.

Since the beginning of the Corporation's most recently completed financial year, no material change reports have been filed that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

Exercise of Independent Judgment

The Board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and are expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The Board is required to satisfy itself that the CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Corporation.

The Board is responsible for reviewing departures from the Code by executive officers, management, employees and consultants, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. The Board is also responsible for responding to conflict of interest situations involving directors, particularly with respect to existing or proposed transactions and agreements in respect of which directors advise they have a material interest.

Conflicts of Interest

The Corporation's directors and officers abide by the disclosure of conflict of interest provisions contained in the *Business Corporations Act (Alberta)* and in the Code. By taking these steps the Board strives to ensure that directors at Board meetings exercise independent judgment, unclouded by the relationships of the directors and officers to each other and the Corporation, in considering transactions and agreements in respect of which directors and executive officers have an interest.

6. Nomination of Directors

The Compensation and Nominating Committee is comprised entirely of independent directors and is required to monitor the succession of Board members, identify suitable candidates for nomination to the Board, and

recommend nominees to the Board for election at meetings of the Corporation at which directors are to be elected. The Compensation and Nominating Committee passively searches for suitable nominees to join the Board.

7. Compensation and Nominating Committee

The Compensation and Nominating Committee annually recommends the compensation to be received by the Corporation's executive officers and directors. This Committee is comprised entirely of independent directors. Compensation is determined in the context of the Corporation's goals, shareholder returns and other achievements, and considered in the context of position descriptions, goals and the performance of each individual director and officer. The Committee also makes recommendations with respect to directors' compensation, reviewing the level and form of compensation received by directors, members of each Committee, and the Chairman of the Board and each Committee, considering the duties and responsibilities of each member, his or her past service and continuing duties in service to the Corporation. The compensation of directors, the CEO, executive officers and management of competitors are considered, to the extent publicly available, in determining compensation and the Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation. See also "Compensation Governance".

8. Other Board Committees

Other than the Audit Committee and the Compensation and Nominating Committee, the only other standing committees of the Board are the Reserves Committee and the Oversight and Governance Committee.

The function of the Reserves Committee is to recommend the engagement of a reserves evaluator, ensure the reserve evaluator's independence, review the procedures for disclosure of reserves evaluation, meet independently with the reserves evaluator to review the scope of the annual review of reserves, discuss findings and disagreements with management, annually assess the work of the reserves evaluator and approve the Corporation's annual reserve report and consent forms of management and the reserves evaluator thereto. The mandate of the Reserves Committee is available on the Corporation's website at www.questerre.com.

The function of the Oversight and Governance Committee is to recommend governance policies for adoption by the Corporation, including the Code, Respectful Workplace Policy and other policies, and to amend, administer and monitor compliance with the Corporation's governance policies and Code. All of the Corporation's employees are required to sign an acknowledgment that they have read, understood and will comply with the Code and the Respectful Workplace Policy.

9. Assessments

The Board is responsible for conducting an annual evaluation and assessment of the performance, contribution and effectiveness of individual directors and the Board as a whole. The evaluation and review includes a Board questionnaire which asks directors to identify their own skills, their contributions to the Board and to Committees of the Board. The results of the annual review are submitted to the Chairman and the results are discussed with the Board in order to make improvements in Board effectiveness.

10. Director Term Limits and other Mechanisms of Board Renewal

The Board has not adopted term limits for the directors on the Board or other mechanisms of Board renewal. Instead, the Compensation and Nominating Committee has the mandate and responsibility to ensure that a process is in place for the annual assessment of the composition, skills, size and tenure of the Board in advance of Annual General Meetings and whenever individual directors indicate that their status may change. This Committee also considers new members for nomination to the Board while taking into account potential nominees' independence, financial acumen, skills and available time to devote to the duties of the Board. Through this annual assessment process, such committee determines whether an individual director is able to continue to make an effective

contribution. The Board is of the view that such annual review process is more effective than terms limits or other mechanisms of Board renewal such as a mandatory retirement age.

11. Policies Regarding the Representation of Women on the Board

The Board has not adopted a written policy relating to the identification and nomination of women directors. The Board annually assesses the composition, skill, size and tenure of the Board members and considers the individual qualifications of nominees to the Board by assessing the anticipated skills required to round out the capabilities of the Board, including their independence, knowledge, financial acumen, skills, diversity, and available time to devote to the duties of the Board.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

The Compensation and Nominating Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. The Board annually assesses the composition, skill, size and tenure of the Board members and considers nominees to the Board by assessing their independence, knowledge, financial acumen, skills, diversity, and available time to devote to the duties of the Board.

Consideration Given to the Representation of Women in Executive Officer Appointments

The Board considers the level of representation of women in executive officer positions when making executive officer appointments. Questerre is committed to the fundamental principles of equal employment opportunities which are prescribed in its policies which further provide for Questerre's commitment to treating people with respect and dignity. Questerre offers equal employment opportunities based upon an individual's qualifications and performance and selects candidates based on the primary considerations of experience, skill and ability.

Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Questerre has not adopted a target regarding women on its Board. In its annual assessment of the Board and potential nominees to the Board, the Compensation and Nominating Committee focuses on the current Board composition, skills, size and tenure of the Board members.

Questerre has not adopted a target regarding women in executive officer positions as it is an equal employment opportunity employer whereby candidates are selected based on the primary considerations of experience, skill and ability.

Number of Women on the Board and in Executive Officer Positions

As at the date hereof, Questerre has two women on its Board (33%) and one member of the executive management of Questerre is a woman (16%).

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as described in this Management Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Corporation.

AUDIT COMMITTEE

Under National Instrument 52-110 *Audit Committees*, the Corporation is required to include in its Annual Information Form ("**AIF**") the disclosure required under Form 52-110F1 with respect to its Audit Committee, including the text of its Audit Committee charter, the composition of the Audit Committee and the fees paid to the external auditor and to include in its management information circular a cross-reference to the sections in the AIF that contain the required information. Questerre's disclosure with respect to the foregoing is contained in the section of the AIF dated March 26, 2025, entitled "Audit Committee". The AIF is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

MATTERS TO BE ACTED UPON AT MEETING

1. Fixing Number of Directors to be Elected at the Meeting

The Corporation is required to have a minimum of three and a maximum of eleven directors. The Board presently consists of six (6) directors, each of whose term expires at the Meeting. At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at seven (7).

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at seven (7). In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at seven (7) must be passed by a majority of the votes cast by shareholders who vote in respect of this ordinary resolution.

2. Election of Directors

At the Meeting it is proposed that seven (7) directors be elected to hold office until the next Annual Meeting or until their successors are elected or appointed. There are presently six directors of the Corporation. Those directors not re-elected at the Meeting will cease to hold office at the conclusion of the Meeting.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the election as directors of the seven (7) nominees hereinafter set forth. Management has no reason to believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the accompanying form of proxy reserve the right to vote for other nominees in their discretion unless the shareholder has specified in the accompanying form of proxy that such shareholder's Common Shares are to be withheld from voting on the election of directors. Subject to the Corporation's majority voting policy (described below under the heading "*Majority Voting For Directors*"), each director elected will hold office until the next annual general meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation or with the provisions of the Alberta *Business Corporations Act*.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, their province and country of residence, their principal occupation, the period served as a director and the number of voting Common Shares that each proposed nominee beneficially owns, or exercises control or direction over, directly or indirectly, as of the Record Date. The information as to Common Shares owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.

Director's name, Province and Country of Residence	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly [1]	Director Since	Principal Occupation
Michael Binnion[2][6] Alberta, Canada	19,326,591	November 2000	President, Chief Executive Officer and director of the Corporation since 2000.
William Con Steers	Nil	Proposed Director	Independent business consultant and strategic advisor.
Hans Jacob Holden[3][4][6] Oslo, Norway	25,000	April 2017	Independent businessperson. Business Development at AF Gruppen, a Norwegian contracting and industrial group from January 2018 to March 2022. Prior thereto, Director, Seatankers Group, a private investment company from January to November 2017. From 2004 to 2016, corporate finance at Pareto Securities AS, a Norwegian based brokerage firm.
Dennis Sykora[3][4][6] Alberta, Canada	443,750	March 2013	Independent businessperson. Director and Chair of the Audit Committee of Dominion Lending Centres Inc., a TSX listed company that is the largest independent mortgage broker in Canada. From 2007 to 2014, served as an Executive of High Arctic Energy Services Inc. including Executive Vice President, General Counsel and Chief Executive Officer.
Jauvonne Kitto[5][6] Alberta, Canada	Nil	February 2024	Independent businessperson. Chief Executive Officer of the Saa Dene Group, a holding company for several Indigenous-owned of controlled businesses since May 2019.
Ramon Reis	Nil	Proposed Director	Principal and founder of Nimofast Group, a leading private fuel importer and distributor in Brazil since 2013.
Bjorn Tonnessen [3][4][5][6] Oslo, Norway	45,000	November 2007	Independent businessperson. Executive Chair of Transitus Energy and Geothermal Energy Nordic, private energy transition companies. Former President and CEO of Edge Petroleum, a private Norwegian exploration and production company from June 2017 to March 2019. President and Chief Executive Officer of Spike Exploration, a private Norwegian exploration and production company from June 2012 to May 2016.

Notes:

(1) In addition to the Common Shares beneficially owned, controlled, or directed, directly or indirectly, the nominees for directors hold stock options to acquire an aggregate of up to 13,910,000 Common Shares.
(2) 4,786,464 Common Shares are held by Rupert's Crossing, an investment corporation controlled by Mr. Binnion, 1,964,980 Common Shares are held by Rupert's Crossing Ltd., a private investment corporation controlled by Mr. Binnion and 906,420 Common Shares are held by Rupert's Developments Ltd., a private investment corporation controlled by Mr. Binnion.
(3) Member of the Audit Committee.
(4) Member of the Reserves Committee.
(5) Member of the Compensation and Nominating Committee.
(6) Member of the Oversight and Governance Committee.
(7) The directors as a group, own, control or exercise direction over 19,840,823 Common Shares representing 4.63% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the 10 years before the date of this Management Information Circular has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

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

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

To the knowledge of management of the Corporation, no proposed director of the Corporation:

(a) is, at the date of this Management Information Circular or has been within the 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Management Information Circular, 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 the proposed director.

To the knowledge of management of the Corporation, no proposed director of the Corporation has:

(a) been subject to 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 the securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Majority Voting for Directors

The Board has adopted a majority voting policy for the election of directors. Under such policy, in the event that any nominee for election receives more "withheld" votes than "for" votes at any meeting at which shareholders vote on the uncontested election of directors, the nominee shall forthwith submit his or her resignation to take effect immediately upon acceptance by the Board.

Upon receipt of such a conditional resignation, the Compensation and Nominating Committee shall consider the matter and, as soon as possible, make a recommendation to the full Board regarding whether or not such resignation should be accepted. In the absence of exceptional circumstances, the Board expects the Compensation and Nominating Committee will recommend accepting such resignation. After considering the recommendation of the Compensation and Nominating Committee, the Board shall decide whether or not to accept

the tendered resignation and shall, not later than 90 days after the relevant shareholders' meeting, promptly issue a press release regarding such decision which either confirms that they have accepted the resignation or provides an explanation for why they have refused to accept such resignation. The director tendering his or her resignation will not participate in any meeting of the Compensation and Nominating Committee or any meeting of the Board which considers the resignation.

Subject to any restrictions or requirements contained in applicable corporate law or Questerre's constating documents, the Board may: (a) leave a resulting vacancy unfilled until the next annual meeting of shareholders; (b) appoint a replacement director whom the Board considers merits the confidence of the shareholders; or (c) call a special meeting of shareholders to elect a replacement director nominated by management.

Advance Notice Policy

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

3. Approval of the Articles of Amendment

Purpose of the Articles of Amendment

The Corporation's primary objective with respect to its assets in Quebec is the implementation of a business and political solution for the development of its natural gas discovery in the province. Concurrently, it is protecting its legal rights through its claim against the Government of Quebec (the "**Litigation**").

To ensure that current Shareholders receive the benefit of the Corporation's operations related to its Quebec assets (the "**Quebec Business**"), the Corporation proposes to issue a new series of preferred shares (the "**Series 2 Preferred Shares**") to all Shareholders as of the Record Date (as defined below). These Series 2 Preferred Shares are generally designed to track the economic performance and value of the Quebec Business. The issuance of the Series 2 Preferred Shares is generally intended to ring-fence the value of the Quebec Business for the benefit of current Shareholders, while continuing to provide an investment opportunity in the business of the Corporation, other than the Quebec Business (the "**Core Business**").

Upon the Articles of Amendment (as defined below) becoming effective, each existing Common Share will be exchanged for one new common share, which will possess economically the same rights and obligations as the original Common Share, together with one Series 2 Preferred Share. For a description of the Series 2 Preferred Shares, see "*Summary of the Series 2 Preferred Share Terms*" below.

The Corporation intends on adopting an option plan with respect to the issuance of Series 2 Preferred Shares after the Articles of Amendment have been filed.

Articles of Amendment

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, pass, with or without variation, a special resolution, to approve, Articles of Amendment to the Corporation's current articles of the Corporation (the "**Articles of Amendment**") in order to give effect to the following:

(i) change the designation of the existing Common Shares to "Class "A-1" Common voting shares";

(ii) create a new class of Class "A" Common voting shares (the "**New Common Shares**");

(iii) exchange each Common Share for one (1) New Common Share and one (1) Series 2 Preferred Share; and

(iv) upon the exchange of the Common Shares into New Common Shares and Series 2 Preferred Shares, cancel the Common Shares.

Upon the cancellation of the Common Shares, the stated capital maintained in respect of the Common Shares shall be reduced by an amount equal to the stated capital attributable to such Common Shares immediately before the exchange in paragraph (iii) above and, pursuant to Section 28 of the *Business Corporations Act* (Alberta), the stated capital account maintained for:

(i) the Series 2 Preferred Shares shall be the lesser of:

   a. the fair market value of the Series 2 Preferred Shares at the time of filing of the Articles of Amendment; and

   b. the stated capital attributable to the Common Shares immediately before the exchange in paragraph (iii) above; and

(ii) the New Common Shares shall be the lesser of:

   a. the fair market value of the New Common Shares at the time of filing of the Articles of Amendment; and

   b. the balance remaining of the stated capital attributable to the Common Shares immediately before the exchange in paragraph (iii) above after the Series 2 Preferred Shares have been allocated their stated capital in paragraph a immediately above.

For greater certainty, the aggregate stated capital for the Series 2 Preferred Shares and the New Common Shares at the time of filing of the Articles of Amendment shall not exceed the aggregate stated capital of the Common Shares immediately before the exchange in paragraph (iii) above. The fair market value determination of the Series 2 Preferred shares will be made by the Board, acting in good faith.

No fractional New Common Shares or Series 2 Preferred Shares will be distributed to the Shareholders and as a result, all fractional amounts arising under the Articles of Amendment will be rounded down to the next whole number without any compensation therefor. Any New Common Shares or Series 2 Preferred Shares not distributed because of such rounding down will be cancelled by the Corporation.

Proposed Timeline

The anticipated timetable for the filing of the Articles of Amendment and the key dates as proposed are as follows:

Meeting:	January 15, 2026
Distribution Record Date:	January 16, 2026 (anticipated only)
Effective Date:	January 19, 2026 (anticipated only)

Other than the date of the Meeting, each of the dates above are an anticipated date and may be amended by the Corporation. The Board will determine the Effective Date and the Distribution Record Date, at its own discretion, based on its determination of when the Articles of Amendment can be filed. Notice of the actual Effective Date and Distribution Record Date will be given to Shareholders through one or more press releases issued by the Corporation.

The Effective Date is distinct from the Distribution Record Date. The Distribution Record Date determines the Shareholders entitled to participate in the Corporation and the Effective Date is the date on which the Articles of Amendment will be filed.

Reasons for the Articles of Amendment

The Corporation believes the Articles of Amendment are in the best interests of the Corporation and the Shareholders for a number of reasons, including:

- providing Shareholders with enhanced value by creating independent investment opportunities in two classes of shares; the New Common Shares and Series 2 Preferred Shares, which are generally intended to track the Core Business and the Quebec Business, respectively. For administrative convenience, the initial Preferred Director may be appointed by the Board in connection with the initial issuance of the Series 2 Preferred Shares without a separate action by the holders of Series 2 Preferred Shares;
- unlocking the value of the Quebec Business, which the Corporation believes is not fairly valued;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately value the Corporation's Core Business and the Quebec Business;
- Shareholders will benefit by holding two separate classes of shares; and
- enabling the Corporation to pursue independent growth and capital allocation strategies related to the Core Business and the Quebec Business.

Summary of the Series 2 Preferred Share Terms

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares and is qualified in its entirety by reference to the full text of such rights, privileges, restrictions and conditions which are attached to this Management Information Circular as Schedule "B (the "**Series 2 Share Terms**")".

Voting Rights

Other than as set forth below, the holders of Series 2 Preferred Shares shall have no right to receive notice of or to be present at or vote either in person or by proxy, at any meeting of the shareholders of the Corporation by virtue of or in respect of their holding of Series 2 Preferred Shares.

Preferred Shareholders:

- exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the

"**Preferred Director**") and the holders of record of the New Common Shares, exclusively and as a separate class, shall be entitled to elect the balance of the total number of directors of the Corporation;

- may vote as a separate class on Articles of Amendments or changes to their rights, privileges, restrictions, or conditions; and

- notwithstanding any other approval requirements under the Corporation's Articles, at any time when at least 50,000,000 Series 2 Preferred Shares are outstanding, the following decisions of the Corporation must be approved by a majority of the holders of Series 2 Preferred Shares:

    - at each meeting of the shareholders of the Corporation at which directors of the Corporation are to be elected, the election of the three (3) members of the Oversight Committee (as defined in the Series 2 Share Terms);

    - liquidating, dissolving or winding-up the business and affairs of the Corporation, effect any amalgamation or consolidation or any other Deemed Liquidation Event (as defined in the Series 2 Share Terms), or consent to any of the foregoing;

    - amending, altering or repealing any provision of the Articles or the By-laws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series 2 Preferred Shares; and

    - creating or issuing any shares in the capital of the Corporation having preferential or equal treatment as to dividends, returns of capital or sharing of assets in respect of the Quebec Business on a liquidation in relation to the existing issued and outstanding Series 2 Preferred Shares.

Dividend Rights

Subject to applicable law and to any required withholding tax deductions, the holders of the Series 2 Preferred Shares shall be entitled to share pro rata:

- subject to the conversion rights of the Corporation, if the Litigation results in proceeds to the Corporation, in a cash dividend on the Series 2 Preferred Shares equal to the Series 2 Litigation Dividend Amount (as defined in the Series 2 Share Terms); and

- if the Litigation results in the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result, in the Series 2 Operational Dividend Amount (as such terms are defined in the Series 2 Share Terms) for the immediately preceding fiscal year.

Prior to payment of the Series 2 Litigation Dividend Amount, the Corporation will be entitled to: (i) expense reimbursement related to fees and expenses related to the Litigation, the estimated asset-retirement obligations related to the Quebec Business, as well as expenses of the Technical Committee and expenses paid or payable to the Oversight Committee; and (ii) an amount equal to the sum of 5% of the Litigation Proceeds.

The Series 2 Operational Dividend Amount is based on the Quebec Business Distributable Cash, which is equal to 50% of the Operating Revenue (as such terms are defined in the Series 2 Share Terms), for the applicable fiscal year if the Corporation has drilled and completed ten (10) Test Wells in accordance with the Series 2 Share Terms, or 100% of the Operating Revenue for the applicable fiscal year otherwise.

The holders of the Series 2 Preferred Shares shall not be entitled to any dividend other than or in excess of the dividends provided for above. The determination of both the Series 2 Litigation Dividend Amount and the Series 2

Operational Dividend Amount also take into consideration the rate of tax, expressed as a percentage, under Part VI.1 of the Tax Act that the Corporation determines will be applicable to that dividend or other distribution.

Conversion by the Corporation

Provided the conclusion of the Litigation does not include the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result, at the option of the Corporation (upon approval by the Board, including the approval of the Preferred Director) and subject to the policies of the TSX and the Oslo Stock Exchange, or such other stock exchange(s) as the New Common Shares are then trading, the Series 2 Preferred Shares shall be convertible into such number of fully paid and non-assessable New Common Shares (prior to an in lieu of payment of the Series 2 Litigation Dividend Amount) as is determined by dividing:

- on the first $280,000,000 of Series 2 Litigation Proceeds Amount (as defined in the Series 2 Share Terms), the lesser of (1) $280,000,000; and (2) the Series 2 Litigation Proceeds Amount; and

- on the balance, if any, of the Series 2 Litigation Proceeds Amount, the amount determined by the formula:

$$A \times (1 - B)$$

where

"A" is the balance, if any, Series 2 Litigation Proceeds Amount; and

"B" is the Ordinary Combined Tax Rate (as defined in the Series 2 Share Terms);

by the by the ninety (90) day volume weighted trading price of the New Common Shares on the principal exchange on which they are traded on the last business day preceding the Litigation Proceeds Payment Date (or such other lower price as may be required by the principle exchange on which the New Common Shares are traded).

Liquidation Rights

In the event of any liquidation, dissolution or winding-up of the Corporation or Deemed Liquidation Event, the holders of the Series 2 Preferred Shares then outstanding are entitled to be paid out of the assets of the Corporation available for distribution to its shareholders or out of the consideration payable to shareholders in such Deemed Liquidation Event, as applicable, before any payment is made to the shareholders of the Corporation by reason of their ownership of Common voting shares of the Corporation, a pro rata an amount equal to:

- the Unpaid Series 2 Dividends (as defined in the Series 2 Share Terms) as at the date of liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event; plus

- the amount to which they would be entitled as a Series 2 Operational Dividend Amount if the reference in the definition of Series 2 Operational Dividend Amount to "Quebec Business Distributable Cash for the Relevant Year" were read to also include any Net Proceeds (without duplication of any amount included in the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount),

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

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

The holders of the Series 2 Preferred Shares shall not, as such, be entitled, upon the liquidation, dissolution or winding-up of the Corporation or on the sale of the Core Business, to share in any proceeds received by the Corporation from the disposition of the Core Business.

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

Funding of Litigation

The Corporation is required to pay legal fees and disbursements in respect of the Litigation (including any class action support arrangement entered into by the Corporation with respect to any legal proceeding or claim related to the curtailment of operations on the Farmout Lands) up to $1,000,000 (the "**Required Litigation Funding Amount**").

In addition, provided the Corporation believes the Litigation continues to be commercially viable, the Corporation may pay legal fees and disbursements in respect of the Litigation above the Required Litigation Funding Amount.

Oversight Committee

The Corporation retains the sole and exclusive authority to direct the conduct of the Litigation. However, its ability to enter into any settlement agreement is subject to the written consent of the Oversight Committee. Before agreeing to any settlement, the Corporation must promptly notify the Oversight Committee in writing when settlement discussions begin or upon receipt of any settlement offer. The Corporation and the Oversight Committee are required to consult in good faith regarding all settlement offers, proposals, and discussions, including whether to accept, reject, or counter any settlement offer. If the Oversight Committee determines that a proposed settlement may adversely affect the holders of Series 2 Preferred Shares, it may withhold its consent.

If the conclusion of the Litigation includes the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result, the Oversight Committee will also be entitled to receive certain financial and operational information related to the Quebec Business and will also be entitled to appoint a representative to the technical committee (the "**Technical Committee**"). The role of the Technical Committee shall be to advise the Board on technical and financial matters, with respect to the Quebec Business, including but not limited to Farmout Operations that are necessary or desirable to properly explore, appraise, develop, produce from and otherwise exploit the Farmout Lands in a manner appropriate in the circumstances.

Cancellation of Series 2 Preferred Shares

From and after the business day after the date that is five (5) years from the date of issuance of the last issued Series 2 Preferred Share, if the conclusion of the Litigation does not include the reinstatement or reissuance of the Corporation's exploration license agreements in Quebec or a similar result, the Series 2 Preferred Shares shall be deemed to be redeemed by the Corporation for no additional consideration after payment of the Series 2 Litigation Dividend Amount, if any, or if there are no Litigation Proceeds, on the conclusion of the Litigation.

Resolution to Approve the Articles of Amendment

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve the Amendment Resolution (as defined below). The Board unanimously approved the Articles of Amendment, authorized the submission of the Amendment Resolution to the Shareholders for approval and recommends the Shareholders vote FOR the Amendment Resolution.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the Amendment Resolution. The Amendment Resolution must be approved by a special resolution of two-thirds of the votes cast by the Shareholders, present in person or by proxy at the Meeting.

Notwithstanding the foregoing, the Amendment Resolution authorizes the Board, without further notice to or approval of the Shareholders, to decide not to proceed with the Articles of Amendment and to revoke the Amendment Resolution at any time prior to the Articles of Amendment becoming effective pursuant to the provisions of the *Business Corporations Act* (Alberta).

The complete text of the proposed special resolution of shareholders (the "**Amendment Resolution**") which management intends to place before the Meeting for the approval, adoption and ratification is set out below.

"BE IT HEREBY RESOLVED as a special resolution of the shareholders of the Corporation that:

1. the articles of the Corporation be amended to (the "Articles of Amendment"): (i) change the designation of the existing Class "A" Common voting shares to "Class "A-1" Common voting shares" (the "Common Shares"); (ii) create a new class of Class "A" Common voting shares (the "New Common Shares"); (iii) exchange each Common Share for one (1) New Common Share and one (1) Preferred Share, Series 2; and (iv) upon the exchange of Common Shares into New Common Shares and Preferred Shares, Series 2, cancel the Common Shares; and

2. even though this resolution has been duly passed by the shareholders of the Corporation, the board of directors of the Corporation may amend or decide not to proceed with the Articles of Amendment in the event the board of directors determines that to do so would be in the best interest of the Corporation and its shareholders; and;

3. any one director or officer of the Corporation is authorized, for and on behalf of the Corporation, to execute and deliver any document and take any action the director or officer determines is necessary or advisable to implement this resolution and the matters authorized hereby, and the execution and delivery of the documents or taking of the actions will conclusively evidence the officer's or director's determination."

Certain Canadian Federal Income Tax Considerations Relating to the Articles of Amendment

The following is a summary of certain Canadian federal income tax considerations relating to the Articles of Amendment generally applicable to Shareholders who, for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and at all relevant times, hold their Common Shares as capital property and will hold their New Common Shares and Series 2 Preferred Shares as capital property, are not affiliated with the Corporation or its affiliates, deal at arm's length with the Corporation and its affiliates, and immediately after the filing of the Articles of Amendment will not, either alone or together with persons with whom they do not deal at arm's length, or persons with whom they do not deal at arm's length will not, control the Corporation or beneficially own shares of Corporation having a fair market value of more than 50% of the fair market value of all the outstanding shares of Corporation (a "**Holder**").

Common Shares, New Common Shares and Series 2 Preferred Shares will generally be considered to be capital property to a Holder thereof, unless such securities are held in the course of carrying on a business or were acquired in a transaction considered to be an adventure in the nature of trade. Certain Holders who are resident in Canada

and who might not otherwise be considered to hold their Common Shares, New Common Shares and Series 2 Preferred Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have such shares, and every other "Canadian security" as defined in the Tax Act, owned by such Holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. Any Holder contemplating making a subsection 39(4) election should consult their own tax advisor regarding their particular circumstances.

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined for the purposes of the "mark-to-market property" rules in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) an interest in which is a "tax shelter investment" as defined in the Tax Act; (iv) that has acquired Common Shares, or acquires New Common Shares, or Series 2 Preferred Shares upon the exercise of an employee stock option; (v) that has made or makes a "functional currency" reporting election under section 261 of the Tax Act; or (vi) that has entered into or enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Common Shares, New Common Shares or Series 2 Preferred Shares.

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

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

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times and for purposes of the Tax Act and any applicable income tax treaty, is or is deemed to be a resident of Canada (a "**Resident Holder**").

Exchange of Common Shares for New Common Shares and Series 2 Preferred Shares

A Resident Holder who exchanges Common Shares for New Common Shares and Series 2 Preferred Shares under the Articles of Amendment will be deemed to dispose of the Common Shares for proceeds of disposition equal to the aggregate adjusted cost base of their Common Shares. The aggregate adjusted cost base of the New Common Shares and Series 2 Preferred Shares to a Resident Holder will be deemed to be equal to the aggregate adjusted cost base of the Common Shares to the Resident Holder immediately before such disposition. Accordingly, no capital gain or capital loss will be realized by a Resident Holder on such exchange.

The aggregate adjusted cost base of the New Common Shares and Series 2 Preferred Shares to a Resident Holder must be allocated between such shares in proportion to the relative fair market value of such shares immediately after the exchange (the "**Proportionate Allocation**"). The Corporation advises that the Series 2 Preferred Shares will

have an aggregate fair market value immediately after the exchange equal to $0.01 per Series 2 Preferred Share. As a result, the Corporation advises that the New Common Shares will have a fair market value immediately after the exchange equal to the aggregate fair market value of the Common Shares immediately before the Articles of Amendment less the aggregate fair market value of the Series 2 Preferred Shares. The Corporation's estimate of the Proportionate Allocation is not binding on the CRA. The fair market value of the New Common Shares and Series 2 Preferred Shares is a question of fact to be determined having regard to all of the relevant circumstances and no opinion is expressed herein as to the fair market value of such shares. Resident Holders should consult with their own tax advisors in this regard.

Dividends on New Common Shares and Series 2 Preferred Shares

In the case of a Resident Holder who is an individual, dividends received or deemed to be received on New Common Shares or Series 2 Preferred Shares will be included in computing the individual's income and will be subject to gross-up and dividend tax credit rules generally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by the Corporation as an "eligible dividend" in accordance with the Tax Act.

In the case of a Resident Holder that is a corporation, dividends received or deemed to be received on New Common Shares or Series 2 Preferred Shares will generally be included in computing the corporation's income and will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders are urged to consult their own tax advisors in this regard. A "private corporation" or "subject corporation", as defined in the Tax Act, may be liable under Part IV of the Tax Act on dividends received or deemed to be received on the New Common Shares or Series 2 Preferred Shares, which may be refunded in certain circumstances to the extent such Resident Holder pays sufficient taxable dividends.

Disposition of New Common Shares and Series 2 Preferred Shares

The disposition or deemed disposition of New Common Shares and Series 2 Preferred Shares by a Resident Holder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate adjusted cost base to the Resident Holder of those shares immediately before the disposition less any reasonable costs of disposition. See "*Holders Resident in Canada—Taxation of Capital Gains and Losses*" below for a general description of the tax treatment of capital gains and capital losses under the Tax Act.

Taxation of Capital Gains and Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year will be included in the Resident Holder's income for that taxation year. One-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year will be required to be deducted against taxable capital gains realized in that taxation year. Any excess of allowable capital losses over taxable capital gains in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward in any subsequent taxation year against net taxable capital gains in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss arising on the disposition or deemed disposition of a New Common Share or Series 2 Preferred Share by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns such shares or where a trust or partnership of which the corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares. Resident Holders to whom these rules may be relevant should consult with their own tax advisors.

Alternative Minimum Tax

A Resident Holder who is an individual (except for certain trusts) may be liable for alternative minimum tax on certain amounts including capital gains realized by the Resident Holder on a disposition or deemed disposition of New Common Shares or Series 2 Preferred Shares or dividends received or deemed to be received on such shares.

Additional Refundable Tax for Canadian-Controlled Private Corporations

A Resident Holder that is a "Canadian-controlled private corporation" throughout the relevant taxation year or a "substantive CCPC" at any point in a taxation year (each as defined in the Tax Act) may be liable to pay an additional 10 2/3% refundable tax on its "aggregate investment income" (as defined in the Tax Act), including taxable capital gains and dividends or deemed dividends not deductible in computing the corporation's taxable income for the particular year.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times and for purposes of the Tax Act and any applicable income tax treaty, is not, and is not deemed to be, a resident of Canada, and does not, and is not deemed to, use or hold the Common Shares, New Common Shares or Series 2 Preferred Shares, in or in the course of, carrying on a business in Canada and is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere (a "**Non-Resident Holder**").

Exchange of Common Shares for New Common Shares and Series 2 Preferred Shares

The discussion above, applicable to Resident Holders under the headings "*Holders Resident in Canada — Exchange of Common Shares for New Common Shares and Series 2 Preferred Shares*" also applies to a Non-Resident Holder.

Taxation of Capital Gains and Capital Losses

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain arising on a disposition or deemed disposition of New Common Shares or Series 2 Preferred Shares, unless, at the time of disposition or deemed disposition, such shares constitute "taxable Canadian property" of the Non-Resident Holder within the meaning of the Tax Act and the Non-Resident Holder is not entitled to any relief under an applicable income tax treaty.

Generally, a New Common Share will not be taxable Canadian property to a Non-Resident Holder at a particular time if such share is listed on a "designated stock exchange" (which currently includes the TSX and the Oslo Stock Exchange) as defined for purposes of the Tax Act, unless, at any particular time during the 60-month period immediately preceding the disposition (i) 25% or more of the issued shares of any class of the capital stock of the Corporation was owned or belonged to one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length for purposes of the Tax Act, partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length for purposes of the Tax Act holds a membership interest, directly or indirectly, through one or more partnerships, and (ii) more than 50% of the fair market value of the particular share was derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, "Canadian resource property" as defined in the Tax Act, "timber resource property" as defined in the Tax Act, or options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Because the Series 2 Preferred Shares will not be listed on a designated stock exchange at the time of disposition, such shares will be taxable Canadian property if the condition described in (ii) above is satisfied. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, New Common Shares or Series 2 Preferred Shares could be deemed to be taxable Canadian property to the Non-Resident Holder.

Even if a New Common Share or Series 2 Preferred Share is taxable Canadian property to a Non-Resident Holder, any capital gain realized on a disposition of such share may be exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty between Canada and the country in which such Non-Resident Holder is resident, subject to the application of The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**") of which Canada is a signatory and which affects many of Canada's bilateral tax treaties (but not the Canada-U.S. Income Tax Convention (1980), including the ability to claim benefits thereunder.

In the event a New Common Share or Series 2 Preferred Share is taxable Canadian property to a Non-Resident Holder at the time of disposition, and the capital gain realized on the disposition of such share is not exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty, including as a result of the application of the MLI, then the tax consequences described above under "*Holders Resident in Canada — Disposition of New Common Shares and Series 2 Preferred Shares*" and "*Holders Resident in Canada —Taxation of Capital Gains and Capital Losses*" will generally apply.

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

Dividends on New Common Shares and Series 2 Preferred Shares

Dividends paid or credited, or deemed to be paid or credited, to a Non-Resident Holder on New Common Shares or Series 2 Preferred Shares will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax treaty.

Eligibility for Investment

The New Common Shares and Series 2 Preferred Shares to be issued pursuant to the Articles of Amendment will be "qualified investments" under the Tax Act at the time of issuance for a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan (other than a plan where the Corporation or a non-arm's length person within the meaning of the Tax Act in relation to the Corporation is an employer and makes payments to such plan), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), tax-free savings account ("**TFSA**") and a first home savings account ("**FHSA**", collectively, "**Registered Plans**"), provided the Corporation is a "public corporation" as defined by the Tax Act on the Effective Date. The Corporation does not cease to be a "public corporation" under the Tax Act unless it files an election to that effect. The Corporation is a "public corporation" because it is a corporation resident in Canada which has a class of shares of its capital stock listed on a "designated stock exchange" in Canada (which currently includes the TSX) as defined for purposes of the Tax Act on the Effective Date. At present, the Common Shares are listed on the TSX. Neither the New Common Shares nor the Series 2 Preferred Shares are currently listed on a designated stock exchange in Canada, although the New Common Shares will be listed on the TSX following the filing of the Articles of Amendment. The Series 2 Preferred Shares will not be listed on any stock exchange.

Notwithstanding that the New Common Shares and the Series 2 Preferred Shares may be qualified investments for a trust governed by a TFSA, RRSP, RRIF, RDSP, RESP or FHSA, a holder of a TFSA, RDSP, or FHSA, an annuitant of an RRSP or RRIF, or a subscriber of an RESP, as applicable, will be subject to a penalty tax under the Tax Act with respect to the shares if the shares are "prohibited investments" for the TFSA, RRSP, RRIF, RDSP, RESP, or FHSA. New Common Shares or Series 2 Preferred Shares will generally not be prohibited investments for a TFSA, RRSP, RRIF, RDSP, RESP or FHSA provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, RDSP, or FHSA, or the subscriber of the RESP, as the case may be, deals at arm's length for purposes of the Tax Act with the Corporation, and does not have a "significant interest" as defined in the Tax Act in the Corporation. Generally, such a holder, subscriber or annuitant will not have a significant interest in the Corporation unless the holder, subscriber, or annuitant, or the holder, subscriber, or annuitant together with persons not dealing at arm's length with the holder, subscriber, or annuitant, own, directly or indirectly, New Common Shares or Series 2

Preferred Shares that have an aggregate fair market value of 10% or more of the aggregate fair market value of all of the issued and outstanding shares of the Corporation. In addition, the New Common Shares or Series 2 Preferred Shares will not be prohibited investments if such shares are "excluded properties" as defined in the Tax Act. Holders who will hold their New Common Shares and Series 2 Preferred Shares in their Registered Plans should consult their own tax advisors in regard to the application of these rules under the Tax Act in their particular circumstances.

Certain Norwegian Income Tax Considerations Relating to the Articles of Amendment

The following is a summary of certain Norwegian income tax considerations relating to the Articles of Amendment generally applicable to Shareholders who may be subject to Norwegian tax liability in connection with the Common Shares, New Common Shares and/or Series 2 Preferred Shares.

This summary is based upon the current provisions of the Norwegian legislation in force as of the date hereof and the publicly available administrative policies and assessing practices of the Norwegian tax authorities published prior to the date hereof. This summary also takes into account all specific proposals to amend the Norwegian tax legislation that have been publicly announced by the Norwegian Ministry of Finance prior to the date hereof. This summary does not otherwise take into account or anticipate any other changes in law or administrative policies or assessing practices, whether by legislative, governmental or judicial action or decision. There can be no assurance that such changes, if made, might not be retroactive.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Norwegian income tax considerations applicable to the Articles of Amendment. No representation with respect to the Norwegian income tax consequences to any particular Shareholder is made herein. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances.

The following events do not constitute taxable events under Norwegian law.

i) changing the designation of the existing Common Shares to "Class "A-1" common voting shares";

ii) creating a new class of Class "A" common voting shares (the "New Common Shares");

iii) exchanging each Common Share for one (1) New Common Share and one (1) Series 2 Preferred Share; and

iv) upon the exchange of the Common Shares into New Common Shares and Series 2 Preferred Shares, cancelling the Common Shares.

For Norwegian tax purposes, tax positions relating to the existing Common Shares must be continued on the New Common Shares and Series 2 Preferred Shares. This means i.a. that the input value on each Common Share will be split equally between each New Common Share and Series 2 Preferred Share issued.

Both the New Common Shares and Series 2 Preferred Shares will be subject to the same tax regulations in respect of capital gains, dividend distributions and wealth taxation as the current Common Shares.

Securities Laws Matters

The following discussion is only a general overview of certain requirements of Canadian, U.S. and Norwegian securities laws applicable to trades in securities of the Corporation. All Shareholders are urged to consult with their own legal counsel to determine the conditions and restrictions applicable to trades in the New Common Shares and Series 2 Preferred Shares and to ensure that any subsequent resale of New Common Shares or Series 2 Preferred Shares to be received in exchange for their Common Shares pursuant to the Articles of Amendment

complies with applicable securities legislation. This Management Information Circular does not contain any discussion of the restrictions which may be applicable in any jurisdiction other than Canada, the U.S. or Norway or to Shareholders who are not residents of Canada, the U.S. or Norway.

Canadian Securities Laws Considerations

The Corporation is a reporting issuer in each of the provinces of Canada, and the Common Shares currently trade on the TSX and the Oslo Stock Exchange. After the filing of the Articles of Amendment, the New Common Shares will continue to be listed on the TSX and the Oslo Stock Exchange. The Series 2 Preferred Shares are not currently listed on any stock exchange and are not expected to be listed on any stock exchange after the filing of the Articles of Amendment. Holders of Series 2 Preferred Shares are advised to consult their legal advisors with respect to trading in Series 2 Preferred Shares.

The issuance and distribution of the New Common Shares and Series 2 Preferred Shares pursuant to the Articles of Amendment will constitute a distribution of securities that is exempt from the prospectus requirements of Canadian securities legislation and is exempt from or otherwise is not subject to the registration requirements under applicable securities legislation.

With certain exceptions, the New Common Shares and Series 2 Preferred Shares will generally be "freely tradable" (and not subject to any "restricted period" or "hold period") and will not be legended and may be resold through registered dealers in each of the provinces of Canada if the following conditions are met: (i) the trade is not a control distribution (as defined in NI 45-102); (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (iv) if the selling securityholder is an Insider or an officer of the Corporation, the selling securityholder has no reasonable grounds to believe that the Corporation is in default of securities legislation.

U.S. Securities Law Considerations

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARTICLES OF AMENDMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE FAIRNESS OR MERITS OF THE ARTICLES OF AMENDMENT OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The following discussion is a general overview of certain U.S. federal and state securities laws matters applicable to the Articles of Amendment.

The issuance of the New Common Shares and Series 2 Preferred Shares pursuant to the Articles of Amendment have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws, and will be effected in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(9) thereof, inasmuch as the offer is to be made by the Corporation to its existing securityholders exclusively, and the Corporation does not contemplate paying a commission or other remuneration directly or indirectly for soliciting consents. Section 3(a)(9) of the U.S. Securities Act provides for an exemption from the registration requirements of the U.S. Securities Act for any security exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange.

The transferability and legend status of the New Common Shares and Series 2 Preferred Shares that a Shareholder receives in the exchange for their Common Shares will have the same character under U.S. securities laws as that

of the securities surrendered by that Shareholder. Accordingly, Shareholders that surrender restricted securities (e.g., securities bearing legends) will receive restricted securities bearing a comparable U.S. legend, whereas Shareholders that surrender unrestricted, non-legended securities will receive securities without a U.S. legend.

Additionally, persons who are, or were within 90 days prior to the Effective Date, "affiliates" of the Corporation will possess "control" securities that remain subject to applicable resale limitations under U.S. securities laws (including, as applicable, Regulation S and Rule 144) regardless of whether or not certificates or DRS statements representing the New Common Shares and Series 2 Preferred Shares delivered to such persons bear a legend restricting transfers without registration or an available exemption.

Subject to certain limitations, such affiliates (and former affiliates) and others receiving restricted securities may immediately resell such securities outside the United States without registration under the U.S. Securities Act pursuant to Regulation S. If available, such affiliates (and former affiliates) and others receiving restricted securities may also resell such securities in compliance with Rule 144 under the U.S. Securities Act, subject to, for affiliates, the availability of current public information regarding the Corporation and compliance with the volume and manner of sale limitations, aggregation rules and notice filing requirements of Rule 144.

Those who hold securities bearing a legend restricting transfers without registration under the U.S. Securities Act and applicable state securities laws will receive certificates or DRS statements bearing a legend to the same effect, and such securities, as well as "control" securities held by affiliates (and former affiliates) even if not legended, will be restricted securities as such term is defined in Rule 144(a)(3) under the U.S. Securities Act. Unless certain conditions are satisfied, Rule 144 is not available for resales of securities of issuers that have ever had: (i) no or nominal operations; and (ii) no or nominal assets other than cash and cash equivalents (a "shell company"). If the Corporation were ever to be deemed to have been such an issuer in its past, Rule 144 may be unavailable for resales of such securities unless and until the Corporation has satisfied the applicable conditions. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

You should be aware that the issuances of New Common Shares and Series 2 Preferred Shares pursuant to the Articles of Amendment may have tax consequences both in the United States and Canada. Tax considerations applicable to Shareholders subject to United States federal taxation have not been included in this Management Information Circular, and such Shareholders should consult their own tax advisors to determine the particular consequences to them of participating in the solicitation being made hereunder. For a summary of the applicable tax considerations under Canadian law, see "*Certain Canadian Federal Income Tax Considerations Relating to the Articles of Amendment*" above.

The enforcement by shareholders of civil liabilities under United States securities laws may be affected adversely by the fact that the Corporation is incorporated under the laws of a jurisdiction other than the United States, that some or all of their respective officers and directors and the experts named herein may be residents of a country other than the United States, and that all or a substantial portion of the assets of the Corporation and those persons may be located outside the United States. You may not be able to sue such persons or their respective officers or directors in a non-U.S. court for violations of U.S. securities laws. It may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon the Corporation, its officers and directors, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the securities laws of the United States or "blue sky" laws of any state within the United States. In addition, Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

The solicitation of proxies is not subject to the requirements of Section 14(a) of the United States Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Accordingly, the solicitation and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate laws and securities laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

The Series 2 Preferred Shares will not be listed for trading on any United States stock exchange. The solicitation of proxies and transactions contemplated herein are being made by a Canadian issuer in accordance with Canadian corporate and securities laws, and this Management Information Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

All audited and unaudited financial statements and other financial information included or incorporated by reference in this Circular have been prepared in Canadian dollars, and in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards, which differ from the generally accepted accounting principles in the United States ("**U.S. GAAP**") and United States auditing and auditor independence standards in certain material respects. Consequently, such financial statements and other financial information are not comparable in all respects to financial statements and other financial information prepared in accordance with U.S. GAAP and that are subject to United States auditing and auditor independence standards.

Additionally information included or incorporated by reference in this Circular regarding oil and gas operations and properties and estimates of oil and gas reserves has been prepared in accordance with Canadian disclosure standards, which differ in certain respects from the disclosure standards applicable to information included in reports and other materials filed with the United States Securities and Exchange Commission (the "**SEC**") by issuers subject to SEC reporting and disclosure requirements. The SEC generally permits United States reporting oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves and production, net of royalties and interest of others. The SEC generally does not permit reporting companies to disclose net present value of future net revenue from reserves based on forecast prices and costs. Canadian Securities Laws permit, among other things, the presentation of certain categories of resources and the disclosure of production on a gross basis before deducting royalties. Unless noted otherwise, all disclosures of reserves in this Circular are made on a gross basis using forecast price and cost assumptions.

Norwegian Securities Law Considerations

The Common Shares are currently trading on the Oslo Stock Exchange. After the filing of the Articles of Amendment, there will be no interruption in the trade of the share on the Oslo Stock Exchange as the New Common Shares will trade in direct continuation of the existing Common Share with the same ISIN number as the Common Shares. The Series 2 Preferred Shares are not currently listed on any stock exchange and are not expected to be listed on any stock exchange after the filing of the Articles of Amendment. Holders of Series 2 Preferred Shares are advised to consult their legal advisors with respect to trading in Series 2 Preferred Shares.

The issuance of the New Common Shares is not expected to trigger a requirement to file a new listing application in Norway (including a listing prospectus). The issuance and distribution of the Series 2 Preferred Shares pursuant to the Articles of Amendment will constitute a distribution of securities that is exempt from prospectus requirements applicable in Norway.

The New Common Shares will be freely tradeable on the Oslo Stock Exchange to the same extent as the Common Shares are currently freely tradeable, i.e. subject to i.a. the Norwegian Securities Trading Act, The EU Market Abuse Regulation (Regulation (EU) No 596/2014) and the Euronext Oslo Rule Books. The Series 2 Preferred Shares will

generally be freely tradable in Norway on a broker-to-broker basis, subject to applicable regulations applicable to non-listed shares in Norway.

Delivery of Share Certificates

The certificates currently representing the Common Shares will continue to represent the New Common Shares upon filing of the Articles of Amendment.

If the Articles of Amendment are filed, following the Effective Date, the Corporation will deliver to Shareholders of record on the Distribution Record, who are not U.S. residents, Date the certificates or DRS statements representing the Series 2 Preferred Shares which the Shareholders are entitled to receive under the Articles of Amendment. Shareholders are not required to deliver certificates for the Common Shares in order to receive their Series 2 Preferred Shares, as certificates representing the Common Shares are not being exchanged pursuant to the Articles of Amendment and will be deemed to represent the New Common Shares.

For Shareholders that are residents of the United States or that are, or are acting for the account or benefit of, a "U.S. Person" (as defined in Regulation S under the U.S. Securities Act), certificates or DRS statements representing New Common Shares and Series 2 Preferred Shares will be delivered with the same U.S. legend character as the securities surrendered in the exchange by such holder. Accordingly, a Shareholder that surrenders "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act will receive certificates or DRS statements bearing a legend to the effect that such securities have not been registered under the U.S. Securities Act and may not be offered, sold or otherwise transferred except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. A Shareholder that surrenders unrestricted, non-legended securities will receive certificates or DRS statements without a U.S. legend, in each case subject to applicable U.S. securities law limitations for persons who are, or were within 90 days prior to the Effective Date, "affiliates" of the Corporation.

MANAGEMENT CONTRACTS

At no time since the start of the Corporation's most recently completed financial year were management functions of the Corporation or its subsidiaries performed to any substantial degree by a person other than the directors or executive officers of the Corporation or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at www.sedar.com. Financial information relating to Questerre is provided in the Corporation's financial statements and management's discussion and analysis ("**MD&A**") for the financial year ended December 31, 2024. Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) mail to Suite 1650 - 801 Sixth Avenue S.W., Calgary, Alberta, Canada T2P 3W2; or (ii) fax to (403) 777-1578.

SCHEDULE "A"

QUESTERRE ENERGY CORPORATION

(THE "CORPORATION")

BOARD MANDATE

(National Policy 58-201 *Corporate Governance Guidelines*)

1. The Board of Directors of the Corporation ("**Board**") is responsible for:
   (a) stewardship of the Corporation;
   (b) supervising the management of the business and affairs of the Corporation; and
   (c) providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making.

2. The Board has the responsibility to:
   (a) act honestly and in good faith with a view to the best interests of the Corporation;
   (b) exercise the care, diligence and skill that a reasonably prudent Board would exercise in comparable circumstances; and
   (c) direct management to ensure legal, regulatory and exchange requirements applicable to the Corporation have been met.

3. A majority of the Board will, at all times, be independent directors as defined in then current laws applicable to the Corporation.

4. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

5. The Board is responsible to:
   (a) meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;
   (b) review all board materials provided in advance of each Board meeting;
   (c) hold meetings of the independent directors without management and non-independent directors present; and
   (d) comply with the position description applicable to individual directors.

6. The Board is responsible to annually select a member of the Board, who is independent as defined in then current laws applicable to the Corporation, to serve as Board chair.

7. The Board chair shall:
   (a) provide leadership to the directors;
   (b) manage the affairs of the Board; and
   (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

8. The Board is responsible to:

   (a) establish such committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board;
   (b) appoint directors to serve as members of each committee;
   (c) appoint a chair of each committee to:
      (i) provide leadership to the committee;
      (ii) manage the affairs of the committee; and
      (iii) ensure that the committee functions effectively in fulfilling its duties to the Board and the Corporation; and
   (d) regularly receive and consider reports and recommendations of each committee, in particular:
      (i) Audit Committee reports and recommendations, particularly with respect to the Corporation's annual audit; and
      (ii) Compensation, Corporate Governance and Nominating Committee recommendations regarding corporate goals and objectives, Board assessments and compensation.

9. The Board is responsible to:
   (a) select and appoint the Chief Executive Officer (the "**CEO**") and with the assistance of the ESG, Compensation, Corporate Governance and Nominating Committee, establish CEO goals and objectives and evaluate CEO performance;
   (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance;
   (c) maintain a succession plan for the replacement of the CEO and other executive officers; and
   (d) to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

10. The Board is responsible to:

   (a) annually review and either approve or require revisions to the mandates of the Board and each Board committee, position descriptions, the code of business conduct and ethics (the "**Code**") and all other policies of the Corporation (collectively the "**Governance Documents**");
   (b) take reasonable steps to satisfy itself that each director, the CEO and the executive officers are:
      (i) performing their duties ethically;
      (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;
      (iii) fostering a culture of integrity throughout the Corporation; and
   (c) arrange, on the advice of the Compensation, Corporate Governance & Nominating Committee, for the Governance Documents to be publicly disclosed.

11. The Board is responsible, with the assistance of the Audit Committee, to:
   (a) approve and implement a disclosure policy which provides for disclosure and communications practices governing the Corporation; and
   (b) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.

12. The Board is responsible for:
    (a) reviewing departures from the Code;
    (b) providing or denying waivers from the Code; and
    (c) disclosing departures from the Code including by filing required material change reports for material departures from the Code containing:
        (i) the date of the departure;
        (ii) the parties involved;
        (iii) the reason why the Board has or has not sanctioned the departure; and
        (iv) any measures taken to address or remedy the departure.

13. The Board has the duty to:
    (a) adopt a strategic planning process for increasing shareholder value, annually approve a strategic plan, and regularly monitor the Corporation's performance against its strategic plan;
    (b) approve capital and operating budgets to implement the strategic plan;
    (c) conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan; and
    (d) evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.

14. The Board has the duty to:
    (a) adopt a process to identify business risks and ensure appropriate systems to manage risks; and
    (b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:
        (i) disclosure controls and procedures;
        (ii) internal controls over financial reporting; and
        (iii) management information systems.

15. The Board has the duty to:
    (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
        (i) interim and annual financial statements and notes thereto;
        (ii) managements' discussion and analysis of financial condition and results of operations;
        (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
        (iv) forecasted financial information and forward looking statements; and
        (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
    (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

16. The Board has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

17. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

SCHEDULE “B”

SERIES 2 PREFERRED SHARE TERMS

(attached)

RIGHTS, RESTRICTIONS, PRIVILEGES AND CONDITIONS ATTACHING TO THE PREFERRED SHARES, SERIES 2

1. The second series of Preferred Shares shall consist of an aggregate of 600,000,000 shares designated as "Preferred Shares, Series 2" (the "**Series 2 Preferred Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares shall be as follows:

(a) **Definitions.** For the purpose of these Series 2 Preferred Shares, the following terms shall have the following meanings:

(i) "**2015 CAPL Operating Procedure**" means the 2015 Canadian Association of Petroleum Landmen Operating Procedure, as amended, supplemented or modified by written agreement of the Oversight Committee and the Corporation;

(ii) "**Accounting Procedure**" means the standard form 1996 PASC Accounting Procedure, the elections and revisions of which are attached as Exhibit "B" to these Articles;

(iii) "**Authorized Action**" has the meaning ascribed thereto in Section 1(o)(iv);

(iv) "**Board**" means the board of directors of the Corporation;

(v) "**Business Day**" means any day other than Saturday, Sunday or a statutory holiday in Alberta;

(vi) "**Cap**" means the installation of such casing, plugs and equipment as are necessary to enable a well prospective of production of Petroleum Substances in Paying Quantities to be Completed at a later date and "**Capping**" has a corresponding meaning;

(vii) **"Carbon Sequestration Well**" means a Class VI well specifically designed for the injection of carbon dioxide (CO_2) into deep rock formations for long-term storage;

(viii) "**Claims**" means any legal claims, causes of action, disputes, or rights to relief pursued, asserted, or defended by the Corporation in connection with the Litigation, including but not limited to claims for damages, enforcement of rights, equitable relief, or any other remedies available at law or in equity, as specified in these Articles;

(ix) "**Core Business**" means the operations of the Corporation excluding the Quebec Business;

(x) "**Corporation**" means Questerre Energy Corporation;

(xi) "**Court**" means the Québec Superior Court;

(xii) "**Deemed Liquidation Event**" means each of the following events unless the holders of Series 2 Preferred Shares have approved to elect otherwise by written notice sent to the Corporation prior to the effective date of any such event:

(A) an amalgamation, arrangement, consolidation, merger, reorganization or similar transaction in which:

(1) the Corporation is a constituent party; or

(2) a subsidiary of the Corporation is a constituent party and the Corporation issues shares pursuant to such amalgamation or consolidation,

except any amalgamation, arrangement, consolidation, merger, reorganization or similar transaction involving the Corporation or a subsidiary in which the shares of the Corporation outstanding immediately before such amalgamation or consolidation continue to represent, or are converted into or exchanged for shares that represent, immediately following the amalgamation or consolidation, at least a majority, by voting power, of the shares of (x) the surviving or resulting corporation; or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following the amalgamation or consolidation, the parent corporation of such surviving or resulting corporation; or

(B) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole; or (2) the sale or disposition (whether by amalgamation, consolidation or otherwise and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where the sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation; or

(C) the sale, lease, transfer, exclusive license or other disposition, in a single or series of related transactions, by the Corporation, of the Quebec Business other than to a subsidiary of the Corporation;

(xiii) "**Defendant**" means Le Procureur Général du Québec, Le Gouvernement du Québec and Le Ministre de l'Énergie et des Ressources du Québec and any other individual, corporation, partnership, government entity, organization, or other legal or natural person against whom the Corporation is engaged in legal proceedings, disputes, or any other adversarial context that is the subject of with respect to the Claims or the Litigation;

(xiv) "**Disbursements**" means the reasonable out-of-pocket costs and expenses, including of the Lawyers, relating to the Claims and Litigation including, for certainty, the costs of experts and consultants' fees in respect of the foregoing;

(xv) "**Earliest Redemption Date**" means the day that is one Business Day after the date that is five (5) years after the date of issuance of the last issued Series 2 Preferred Share;

(xvi) "**Earn-In Date**" has the meaning ascribed thereto in Section 1(p)(v);

(xvii) "**Expended Funding Amount**" means the actual amounts paid by the Corporation pursuant to these Articles in respect of the Litigation Funding Amount;

(xviii) "**Expense Reimbursement**" has the meaning ascribed thereto in Section 1(k)(i)(A)(1);

(xix) "**Farmout Lands**" means the lands associated with the Petroleum and Natural Gas Exploration Licenses described in Exhibit "C" to these Articles, including but not limited to the related Royalty Interests;

(xx) "**Farmout Operations**" means those operations and activities carried out or to be carried out by the Corporation pursuant to these Articles and includes any drilling, deepening, sidetracking, Completion, Recompletion, Reworking, Equipping, tieing-in, Abandonment or other activity provided for or conducted hereunder with respect to the exploration, appraisal, pre-development, development, production or CO_2 injectivity operations on the Farmout Lands, including: (i) the recovery of Petroleum Substances from wells; (ii) the conduct of any geological, geophysical, seismic, environmental, biophysical or engineering program or study respecting the Farmout Lands and any other lands within the scope of that approved program or study; and (iii) the capture, transmission, injection and storage of CO_2 into a reservoir within the Farmout Lands;

(xxi) "**Final Resolution**" means a resolution of the Litigation which concludes the Litigation pursuant to:

(A) a legal and valid judgment of the Court for which the appeal period has elapsed or expired and no appeal has been commenced;

(B) a final, non-appealable, legal and valid judgment of a court of competent jurisdiction;

(C) a Settlement between the Corporation and the Defendant; or

(D) a discontinuance or permanent stay of the Litigation;

(xxii) "**Fiscal Year**" shall be the twelve (12) month period commencing on January 1 of each year and ending on December 31 of the same calendar year;

(xxiii) "**GAAP**" means International Financial Reporting Standards as adopted by the Chartered Professional Accountants of Canada;

(xxiv) "**Interim Monthly Dividends**" has the meaning ascribed thereto in Section 1(c)(ii);

(xxv) "**Investment Return**" has the meaning ascribed thereto in Section 1(k)(i)(A);

(xxvi) "**Lawyers**" means any lawyers (including any substitute or additional lawyers) engaged by the Corporation with respect to the Claims or the Litigation or any lawyers (including any substitute or additional lawyers) engaged in connection with any class-action support arrangement entered into by the Corporation with respect to any legal proceeding or claim against the Defendants related to the curtailment of operations on the Farmout Lands;

(xxvii) "**Legal Fees**" means the legal fees to be incurred that are payable to the Lawyers for legal services provided to the Corporation in relation to the Claims and Litigation or in connection with any class-action support arrangement entered into by the Corporation with respect to any legal proceeding or claim against the Defendants related to the curtailment of operations on the Farmout Lands;

(xxviii) "**Lessor Royalty**" means the lessor royalty under a Title Document, described in Exhibit "C" to these Articles, and as may be amended from time to time;

(xxix) "**Litigation**" the legal proceedings and any and all claims, actions and/or proceedings relating to or arising from the case captioned Questerre Energy Corporation v. Le Procureur Général du Québec, Le Gouvernement du Québec and Le Ministre de l'Énergie et des Ressources du Québec (now Le Ministre de l'Éconmie, de L'Innovation et de l'Énergie), in the Québec Superior Court, civil division, file number 200-17-033326-224, including the judgement of the Court, and any appeal or remand therefrom or proceedings in connection therewith and any new proceedings that may arise from the Claims;

(xxx) "**Litigation Funding Amount**" has the meaning ascribed thereto in Section 1(i)(i);

(xxxi) "**Litigation Proceeds**" means any and all amounts paid or to be paid directly or indirectly to or for the benefit of the Corporation, or received directly or indirectly by or for the benefit of the Corporation, in connection with or as a result of the Claims and the Litigation, whether before or after any proceedings have been commenced and whether by judgment, settlement or otherwise, including but not limited to any costs awards;

(xxxii) "**Litigation Proceeds Payment Date**" means the date that is ten (10) Business Days from the determination of the Series 2 Litigation Dividend Amount;

(xxxiii) "**Litigation Term**" means the period beginning on the date of issuance of the first Series 2 Preferred Shares and ending on the earlier of:

(A) the Final Resolution;

(B) the date all Litigation Proceeds (if applicable) have been fully disbursed or otherwise utilized by the Corporation in accordance with these Articles; and

(C) subject to Section 1(m)(ii)(C), the date the Corporation discontinues, abandons or withdraws the Litigation or the Claims, if, acting reasonably, it believes the Litigation and the Claims are no longer commercially viable;

(xxxiv) "**Net Proceeds**" means the aggregate of all consideration received from the sale or liquidation (or partial sale or liquidation) of the Quebec Business directly, or indirectly by way of a liquidation of the entire Corporation (including any amounts paid at closing and any amounts committed to be paid in the future as part of the transaction), less

(A) any Expense Reimbursement (to the extent not otherwise paid to the Corporation pursuant to Section 1(k)(i)(A)(1)); and

(B) all costs and expenses incurred by the Corporation to complete the transaction;

(xxxv) "**Operating Income**" means all revenues derived from the production of Petroleum Substances produced from wells or from the capturing, transmission, injection and storage of CO_2 on the Farmout Lands; less

(A) any Expense Reimbursement (to the extent not otherwise paid to the Corporation pursuant to Section 1(k)(i)(A)(1));

(B) Operating Costs, inclusive of Drilling Costs, Completion Costs, Equipping Costs and Facility Fees, Abandonment and reclamation costs, marketing fees, Lessor Royalties, Crown royalties (and other direct third party costs) derived from the production of Petroleum Substances produced from wells or from CO_2 injection wells on the Farmout Lands;

(xxxvi) "**Ordinary Combined Tax Rate**" means the combined Federal and Provincial general corporate tax rate, expressed as a percentage, on active business income earned in the Province of Quebec at the time that the relevant revenue is generated by the Corporation (which, for greater certainty, shall be computed as the Tax rate applicable under Part I of the Tax Act plus the equivalent Provincial tax rate in Quebec, which as of the date of creation of the Series 2 Preferred Shares are 15% and 11.5% respectively for a total Ordinary Combined Tax Rate of 26.5%);

(xxxvii) "**Oversight Committee**" means the oversight committee elected by the holders of Series 2 Preferred Shares pursuant to Section 1(b)(iv)(A);

(xxxviii) "**Oversight Committee Agreement**" means the oversight committee agreement entered into by the Corporation and the members of the Oversight Committee on the date of issuance of the first Series 2 Preferred Shares, as such agreement may be amended from time to time;

(xxxix) "**Oversight Committee Expenses**" has the meaning ascribed thereto in Section 1(o)(viii);

(xl) "**Part VI.1 Tax Multiplier**" means the multiplier referenced in paragraph 110(1)(k) of the Tax Act that the Corporation determines will be applicable with respect to Part VI.1 Tax on the applicable dividend or other distribution contemplated by the Corporation (which, for greater certainty, would be 3.5 if the dividend or other distribution were paid on the date of creation of the Series 2 Preferred Shares);

(xli) "**Part VI.1 Tax Rate**" in respect of a dividend or other distribution contemplated by the Corporation means the rate of tax, expressed as a percentage, under Part VI.1 of the Tax Act that the Corporation determines will be applicable to that dividend or other distribution;

(xlii) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, a syndicate, an unincorporated organization, a governmental authority, an executor or administrator or other legal or personal representative, or any other juridical entity;

(xliii) "**Potsdam Group**" means all geologic formations and structures from the surface to the base of the Upper Cambriam Group and as otherwise defined by or as otherwise amended from time to time by Le Ministre de l'Éconmie, de L'Innovation et de l'Énergie (Quebec);

(xliv) "**Preferred Director**" has the meaning ascribed thereto in Section 1(b)(iii);

(xlv) "**Quarterly Reports**" has the meaning ascribed thereto in Section 1(q)(iii);

(xlvi) "**Quebec Business**" means the operations of the Corporation related to the Corporation's right to explore for and produce Petroleum Substances on the Farmout Lands as well as its Royalty Interests in the Farmout Lands;

(xlvii) "**Quebec Business Distributable Cash**" provided the Reinstatement Date has occurred:

(1) prior to the Earn-In Date, shall mean 100% of the Operating Income for any given Fiscal Year; and

(2) on and after the Earn-In Date, shall mean 50% of the Operating Income for any given Fiscal Year.

In the event that the Quebec Business Distributable Cash amount from the prior Fiscal Year is a negative amount, that negative amount shall be deducted in full from the Quebec Business Distributable Cash for the next following Fiscal Year;

(xlviii) "**Reinstatement Date**" means the date of the Final Resolution if the Final Resolution includes the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result;

(xlix) "**Required Litigation Funding Amount**" means an aggregate total amount of up to $1,000,000.00;

(l) "**Royalty Interests**" means the Corporations as the recipient of royalty interests described in Exhibit "C" to these Articles;

(li) "**Segregated Account**" means a separate bank account established by the Corporation which funds in such segregated account shall not be permitted to be commingled with any other funds that are not Litigation Proceeds;

(lii) "**Series 2 Litigation Dividend Amount**" means the amount calculated as follows:

(A) on the first $280,000,000 of Series 2 Litigation Proceeds Amount (the amount of such portion of the Series 2 Litigation Proceeds Amount being the "**First Tranche Litigation Amount**"), an amount determined by the following formula:

$$A / (1 + B)$$

where

"**A**" is the First Tranche Litigation Amount; and

"**B**" is the Part VI.1 Tax Rate;

(B) plus, on the remainder, if any, of the Series 2 Litigation Proceeds Amount (such amount being the "**Second Tranche Litigation Amount**"), an amount determined by the formula:

$$C – E – I$$

where

"**C**" is the Second Tranche Litigation Amount, if any;

"**D**" is the Ordinary Combined Tax Rate;

"**E**" is equal to C multiplied by D;

"**F**" is equal to C minus E;

"**G**" is equal to B multiplied by F;

"**H**" is equal to D multiplied by G multiplied by the Part VI.1 Tax Multiplier;

"**I**" is equal to G minus H;

(liii) "**Series 2 Litigation Proceeds Amount**" has the meaning ascribed thereto in Section 1(k)(i)(B);

(liv) "**Series 2 Liquidation Amount**" has the meaning ascribed thereto in Section 1(e);

(lv) "**Series 2 Operational Dividend Amount**" for the immediately preceding Fiscal Year (the "**Relevant Year**") means:

(A) up to the Series 2 Operational Dividend Threshold Amount in the aggregate for the Relevant Year and all preceding Fiscal Years, the amount of Quebec Business Distributable Cash for the Relevant Year (such amount being the "**First Tranche Operational Amount**") determined by the following formula:

A / (1 + B)

where

"**A**" is the First Tranche Operational Amount for the Relevant Year, if any; and

"**B**" is the Part VI.1 Tax Rate;

(B) plus, on the remainder, if any, of Quebec Business Distributable Cash for the Relevant Year (such amount being the "**Second Tranche Operational Amount**" for the Relevant Year), an amount determined by the formula:

C – E – I

where

"**C**" is the Second Tranche Operational Amount for the Relevant Year;

"**D**" is the Ordinary Combined Tax Rate;

"**E**" is equal to C multiplied by D;

"**F**" is equal to C minus E;

"**G**" is equal to B multiplied by F;

"**H**" is equal to D multiplied by G multiplied by the Part VI.1 Tax Multiplier;

"**I**" is equal to G minus H;

(lvi) "**Series 2 Operational Dividend Threshold Amount**" means:

(A) (1) prior to the Earn-In Date, shall mean the first $280,000,000 of Quebec Business Distributable Cash; and (2) on and after the Earn-In Date, shall mean the first $140,000,000 of Quebec Business Distributable Cash; less

(B) an amount equal to the First Tranche Litigation Amount;

(lvii) "**Series 2 Penalty Dividends**" has the meaning ascribed thereto in Section 1(c)(iv);

(lviii) "**Settlement**" means any compromise, discontinuance, waiver, payment (including any *ex gratia* payment), release or other form of settlement whatsoever where value passes (or it is agreed will pass in the future) from or on behalf of the Defendant to or for the benefit of the Corporation in circumstances in which the Litigation does not commence or continue as a result of or in connection with the passing of that value; and "**Settle**", "**Settles**" and "**Settled**" have corresponding meanings;

(lix) "**Settlement Offer**" means an offer received by the Corporation for Settlement of the Claims;

(lx) "**Shareholder Representative**" has the meaning ascribed thereto in Section 1(o)(i)(B);

(lxi) "**Shareholder Technical Representative**" has the meaning ascribed thereto in Section 1(r)(i);

(lxii) "**Tax Act"** means the *Income Tax Act* (Canada), as may be amended from time to time;

(lxiii) "**Taxes**" means any and all applicable taxes, duties, charges or levies of any nature imposed by any taxing or other governmental or regulatory authority, including, without limitation, income, gains, capital gains, surtax, capital, franchise, capital stock, value-added taxes, taxes required to be deducted or withheld from payments made by the payer and accounted for to any tax authority, employees' income withholding, back-up withholding, withholding on payments to foreign Persons, social security, unemployment, worker's compensation, payroll, disability, real property, personal property, sales, use, goods and services or other commodity taxes, business, occupancy, excise, customs and import duties, transfer, stamp, and other taxes (including interest, penalties or additions to tax in respect of the foregoing), and includes all taxes payable pursuant to any provision of local, provincial, federal, or foreign law;

(lxiv) "**Technical Committee**" has the meaning ascribed thereto in Section 1(r)(i);

(lxv) "**Technical Representative**" has the meaning ascribed thereto in Section 1(r)(i);

(lxvi) "**Test Wells**" has the meaning ascribed thereto in Section 1(p)(i);

(lxvii) "**Title Documents**" means the title documents (or any of them), described in Exhibit "C" to these Articles, through which the Corporation holds its interest in the Farmout Lands, and any documents issued or derived directly therefrom, including all amendments, renewals, extensions, continuations or replacements thereof (whether by operation of the applicable document, the Regulations, or other agreement of the Corporation);

(lxviii) "**Unpaid Series 2 Dividends**" means as at the relevant time, an amount equal to the amount of any accrued but unpaid Series 2 Litigation Dividend Amount or Series 2 Operational Dividend Amount (including any dividends declared on the Series 2 Preferred Shares but unpaid as at the date of liquidation, dissolution or winding-up), plus an amount equal to any accrued but unpaid Series 2 Penalty Dividends;

(lxix) **Utica Group**" means all geologic formations and structures from the surface to the base of the Utica Shale and as otherwise defined by or as otherwise amended from time to time by Le Ministre de l'Éconmie, de L'Innovation et de l'Énergie (Quebec);

(lxx) "**Vertical Contract Depth**" means a minimum depth sufficient to penetrate the Utica Group, within the Farmout Lands, in the case of a Petroleum Substances Test Well; or otherwise, in the case of a Carbon Sequestration Test Well, means a minimum depth sufficient to penetrate the Potsdam Group within the Farmout Lands; and

(lxxi) "**Work Program and Budget**" means the annual work program and budget approved by the Board that outlines the Farmout Operations proposed to be with respect to the Farmout Lands and the anticipated costs associated with such Farmout Operations.

(lxxii) In these Articles, unless specified otherwise, each accounting term has the meaning assigned to it under the Accounting Procedures.

(lxxiii) In these Articles, unless specified otherwise, operational, technical and technical practices, cost allocation, joint-operation concepts and Operator duties and shall have the meaning assigned to it under the 2015 CAPL Operating Procedure and shall not provide for any working interest, ownership, co-ownership, or right to claim property of any kind upon any holder of Series 2 Preferred Shares. In the event of any inconsistency between the 2015 CAPL Operating Procedure and these Articles, these Articles shall govern. Unless otherwise expressly provided herein, the terms set forth in Exhibit "A" to these Articles shall be interpreted consistently with the 2015 CAPL Operating Procedure and in accordance with generally accepted Canadian oil and gas industry practice. The provisions of the 2015 CAPL Operating Procedure set forth in Exhibit "A" to these Articles are incorporated herein by reference, mutatis mutandis, as may be modified by written agreement of the Oversight Committee and the Corporation.

(b) **Voting Rights.**

(i) General. Subject to Sections 1(b)(iii) and 1(b)(iv), the holders of Series 2 Preferred Shares shall have no right to receive notice of or to be present at or vote either in person or by proxy, at any meeting of the shareholders of the Corporation by virtue of or in respect of their holding of Series 2 Preferred Shares. Where applicable, the holders of Series 2 Preferred Shares entitled to receive notice of, attend at and vote at meetings of holders of Series 2 Preferred Shares, shall be entitled to one (1) vote for each Series 2 Preferred Share held.

(ii) Approval Threshold. The approval of the holders of the Series 2 Preferred Shares with respect to any and all matters referred to in these Articles may be given in writing by the holders of not less than a majority of the Series 2 Preferred Shares outstanding or by resolution duly passed and carried by not less than a majority of the votes cast on a poll at a meeting of the holders of the Series 2 Preferred Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than five percent (5%) of all Series 2 Preferred Shares then outstanding are present in person or represented by proxy; provided, however, that if at any such meeting, when originally held, the holders of at least ten percent (10%) of all Series 2 Preferred Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series 2 Preferred Shares present in person or so represented by proxy, whether or not they hold ten percent (10%) of all Series 2 Preferred Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than a majority of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series 2 Preferred Shares. Notice of any such original meeting of the holders of the Series 2 Preferred Shares shall be given not less than 21 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series 2 Preferred Shares present in person or represented by proxy shall be entitled to one vote for each of the Series 2 Preferred Shares held by such holder.

(iii) Election of Preferred Director. The holders of record of the Series 2 Preferred Shares, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the "**Preferred Director**") and the holders of record of the Common voting shares shall be entitled to elect the balance of the total number of directors of the Corporation; provided, however, for administrative convenience, the initial Preferred Director may also be appointed by the Board in connection with the initial issuance of Series 2 Preferred Shares without a separate action by the holders of Preferred Shares. If the holders of Series 2 Preferred Shares fail to elect a Preferred Director pursuant to the first sentence of this Section 1(b)(iii), then such directorship not so filled shall remain vacant until such time as the holders of the Series 2 Preferred Shares elect a person to fill such directorship by vote or written consent in lieu of a meeting; and such directorship may only be filled by the holders of Series 2 Preferred Shares, voting exclusively and as a separate class. The rights of the holders of the Series 2 Preferred Shares under the first sentence of this Section1(b)(iii) shall terminate on the first date following the date the first Series 2 Preferred Share was issued on which there are no longer any Series 2 Preferred Shares issued and outstanding.

(iv) Special Shareholder Decisions. Notwithstanding any other approval requirements under these Articles, at any time when at least 50,000,000 Series 2 Preferred Shares are outstanding, the following decisions of the Corporation must be approved by the holders of Series 2 Preferred Shares:

(A) at each meeting of the shareholders of the Corporation at which directors of the Corporation are to be elected, the election of the members of the Oversight Committee; provided, however, for administrative convenience, the initial members of the Oversight Committee may also be appointed by the Board in connection with the initial issuance of Series 2 Preferred Shares without a separate action by the holders of Preferred Shares;

(B) liquidating, dissolving or winding-up the business and affairs of the Corporation, effect any amalgamation or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

(C) amending, altering or repealing any provision of the Articles or the By-laws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series 2 Preferred Shares; and

(D) creating or issuing any shares in the capital of the Corporation having preferential or equal treatment as to dividends, returns of capital or sharing of assets in respect of the Quebec Business on a liquidation as the existing issued and outstanding Series 2 Preferred Shares.

(c) **Dividend Rights.**

(i) Dividend Right. Subject to applicable law and to any deductions required under Section 1(h), the holders of the Series 2 Preferred Shares shall be entitled to share pro rata:

(A) subject to Section 1(d), on the Litigation Proceeds Payment Date, a cash dividend on the Series 2 Preferred Shares equal to the Series 2 Litigation Dividend Amount. If no Litigation Proceeds are obtained from the Litigation, then the Series 2 Preferred Shares will not be entitled to the Series 2 Litigation Dividend Amount; and

(B) provided the Reinstatement Date has occurred, in an annual cumulative cash dividend on the Series 2 Preferred Shares equal to the Series 2 Operational Dividend Amount for the immediately preceding Fiscal Year, which shall be paid in accordance with Section 1(c)(iii); and

The holders of the Series 2 Preferred Shares shall not be entitled to any dividend other than, or in excess of, the dividends provided for above.

(ii) No Entitlement to Core Business. Subject to applicable law, the Corporation shall be entitled to pay a cash dividend to the holders of Common voting shares from the cash comprising the Core Business plus the portion of the Operating Income that is not the Quebec Business Distributable Cash, and such other amounts available to the Corporation for the payment of dividends.

(iii) Interim Monthly Dividends. Subject to applicable law, the Board shall declare and pay within each Fiscal Year in which the Operating Income is a positive amount, a cumulative monthly cash dividend on the Series 2 Preferred Shares, on or prior to the last business date of each month, in an aggregate amount determined by the Board as representing $1/12^{th}$ of the aggregate Series 2 Operational Dividend Amount payable in respect of the prior Fiscal Year pursuant to Section 1(c)(i)(B), to be shared pro rata by the holders of the Series 2 Preferred Shares (the "**Interim Monthly Dividends**").

(iv) Failure to Pay Dividends. In the event that the Corporation fails to pay any Interim Monthly Dividends payable under and within the time required under Section 1(c)(iii), then the holders of the Series 2 Preferred Shares shall be entitled to receive and the Corporation shall pay thereon, a fixed cumulative preferential dividend at the rate equal to 12% per annum on the aggregate outstanding amount of such Interim Monthly Dividends, compounded monthly, from the date that such outstanding Interim Monthly Dividends were payable under Section 1(c)(iii), and until paid in full to the holders of the Series 2 Preferred Shares, to be shared pro rata by the holders of the Series 2 Preferred Shares (the "**Series 2 Penalty Dividends**").

(v) Series 2 Preferential Dividends. So long as any of the Series 2 Preferred Shares are outstanding, the Corporation shall not declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series 2 Preferred Shares) on the Common voting shares or any other shares of the Corporation ranking junior to the Series 2 Preferred Shares with respect to payment of dividends from the cash comprising the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount.

(d) **Conversion by the Corporation**

(i) Option to Convert. Provided the Final Resolution does not include the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result, at the option of the Corporation (upon approval by the Board, including the approval of the Preferred Director) and subject to the policies of the Toronto Stock Exchange and the Oslo Stock Exchange, or such other stock exchange(s) as the Class "A" Common voting shares are then trading, on the Litigation Proceeds Payment Date but prior to and in lieu of the payment of the Series 2 Litigation Dividend Amount, the Series 2 Preferred Shares shall be convertible into such number of fully paid and non-assessable Class "A" Common voting shares as is determined by dividing:

(A) on the first $280,000,000 of Series 2 Litigation Proceeds Amount, the lesser of (1) $280,000,000; and (2) the Series 2 Litigation Proceeds Amount; and

(B) on the balance, if any, of the Series 2 Litigation Proceeds Amount, the amount determined by the formula:

$$A \times (1 - B)$$

where

"**A**" is the balance, if any, Series 2 Litigation Proceeds Amount; and

"**B**" is the Ordinary Combined Tax Rate;

by the by the ninety (90) day volume weighted trading price of the Class "A" Common voting shares on the principal exchange on which they are traded on the last business day preceding the Litigation Proceeds Payment Date (or such other lower price as may be required by the principle exchange on which the Class "A" Common voting shares are traded).

(ii) Fractional Shares. No fractional Class "A" Common voting shares shall be issued upon conversion of the Series 2 Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the number of Class "A" Common voting shares to be issued upon conversion of the Series 2 Preferred Shares shall be rounded down to the nearest whole share.

(iii) Procedural Requirements.

(A) On or prior to the Litigation Proceeds Payment Date, all holders of record of Series 2 Preferred Shares shall be sent written notice of the Corporation's election to convert and the place designated for conversion of all Series 2 Preferred Shares under this Section 1(d). Upon receipt of such notice, each holder of Series 2 Preferred Shares in certificated form shall surrender his, her or its certificate or certificates for all Series 2 Preferred Shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in the notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly signed by the registered holder or by his, her or its attorney duly authorized in writing.

(B) All rights with respect to the Series 2 Preferred Shares converted under this Section 1(d), including the rights, if any, to receive notices and vote (other than as a holder of Class "A" Common voting shares), will terminate at the Litigation Proceeds Payment Date (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or before such time), except only the rights of the holders of Series 2 Preferred Shares, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the Class "A" Common voting shares to which they are entitled to under this Section 1(d).

(C) As soon as practicable after the Litigation Proceeds Payment Date and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series 2 Preferred Shares, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full Class "A" Common voting shares issuable upon such conversion in accordance with these provisions. The converted Series 2 Preferred Shares shall be retired and cancelled and may not be reissued as shares of such class, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of Series 2 Preferred Shares accordingly.

(e) **Liquidation Rights.**

(i) Preferential Payments to Holders of Series 2 Preferred Shares. In the event of any liquidation, dissolution or winding-up of the Corporation or Deemed Liquidation Event, the holders of the Series 2 Preferred Shares then outstanding are entitled to be paid out of the assets of the Corporation available for distribution to its shareholders

or out of the consideration payable to shareholders in such Deemed Liquidation Event, as applicable, before any payment is made to the holders of Common voting shares by reason of their ownership thereof, a pro rata an amount equal to:

(A) the Unpaid Series 2 Dividends as at the date of liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event; plus

(B) the amount to which they would be entitled as a Series 2 Operational Dividend Amount if the reference in the definition of Series 2 Operational Dividend Amount to "Quebec Business Distributable Cash for the Relevant Year" were read to also include any Net Proceeds (without duplication of any amount included in the Series 2 Litigation Dividend Amount or the Series 2 Operational Dividend Amount),

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

(ii) Payments to Holders of Common Voting Shares.

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

(B) The holders of the Series 2 Preferred Shares shall not, as such, be entitled, upon the liquidation, dissolution or winding-up of the Corporation or on the sale of the Core Business, to share in any proceeds received by the Corporation from the disposition of the Core Business.

(iii) Effecting a Deemed Liquidation Event. The Corporation shall not have the power to effect a Deemed Liquidation Event unless the agreement or plan of arrangement for such transaction (in this Section 1(e), the "**Definitive Agreement**") provides that the consideration payable to the shareholders of the Corporation in such Deemed Liquidation Event shall be allocated to the holders of shares of the Corporation in accordance with Sections 1(e)(i) and if applicable, 1(e)(ii).

(iv) Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the shareholders of the Corporation upon any such amalgamation, arrangement, consolidation, merger, reorganization, sale, lease, transfer, exclusive license or other disposition in this Section 1(e) shall be the cash or the fair market value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The fair market value of such property, rights

or securities shall be determined in good faith by the Board (including the approval of the Preferred Director).

(v) Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event under Section 1(a)(xii)(A)(1), if any portion of the consideration payable to the shareholders of the Corporation is payable only upon satisfaction of contingencies (in this Section 1(e), the "**Additional Consideration**"), the Definitive Agreement shall provide that: (A) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the shareholders of the Corporation in accordance with Sections 1(e)(i) and 1(e)(ii) as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (B) any Additional Consideration which becomes payable to the shareholders of the Corporation upon satisfaction of such contingencies shall be allocated among the shareholders of the Corporation in accordance with Sections 1(e)(i) and 1(e)(ii) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 1(e), consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

(f) **Purchase for Cancellation.** Subject to applicable law and any requisite regulatory approvals, from and after the Earliest Redemption Date, the Corporation may at any time or times purchase (if obtainable) for cancellation all or any number of the Series 2 Preferred Shares outstanding from time to time:

(i) through the facilities of any stock exchange on which the Series 2 Preferred Shares are listed;

(ii) by invitation for tenders addressed to all the holders of record of the Series 2 Preferred Shares outstanding; or

(iii) in any other manner,

at the lowest price or prices at which, in the opinion of the Board, such shares are obtainable. If upon any invitation for tenders under the provisions of this Section 1(f) more Series 2 Preferred Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is willing to purchase, the Corporation shall accept, to the extent required, the tenders submitted at the lowest price and then, if and as required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, then the shares tendered at such price shall be purchased as nearly as may be *pro rata* (disregarding fractions) according to the number of Series 2 Preferred Shares so tendered by each of the holders of Series 2 Preferred Shares who submit tenders at that price. From and after the date of purchase by the Corporation of any Series 2 Preferred Shares under the provisions of this Section 1(f), the shares so purchased shall be restored to the status of authorized but unissued shares.

(g) **No Section 191.2 Tax Election**. The Corporation shall not make any election under section 191.2 of the Tax Act or any successor or replacement provision of similar effect, with respect to the Series 2 Preferred Shares, unless otherwise determined by the Corporation in its sole and absolute discretion. For greater certainty, the Series 2 Preferred Shares are "taxable preferred shares" for the purposes of the Tax Act, and certain holders of Series 2 Preferred Shares may

be subject to, and shall be fully responsible for all, Part IV.1 Tax on dividends or other distributions paid on the Series 2 Preferred Shares.

(h) **Withholding Taxes.** Notwithstanding any other provision of these Articles, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made to holders of Series 2 Preferred Shares pursuant to these Articles any amounts permitted or required by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made to holders of Series 2 Preferred Shares pursuant to these Articles is less than the amount that the Corporation is so required to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made to holders of Series 2 Preferred Shares pursuant to these Articles any amounts permitted or required by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. For greater certainty, the Corporation shall be permitted to withhold any additional amounts as it deems necessary to satisfy its withholding and remittance obligations, including such additional amount as the Corporation determines in its absolute discretion may be required to mitigate any possible fluctuation in the value of shares or other property in the event that such shares or other property must be sold in order to satisfy the Tax obligation of a holder of Series 2 Preferred Shares. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series 2 Preferred Shares pursuant to these Articles shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this Section 1(h). Holders of Series 2 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act, or any successor replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these Articles and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these Articles.

(i) **Funding of Litigation**

(i) Litigation Funding Commitment. The Corporation:

(A) will pay Legal Fees and Disbursements in respect of the Litigation up to a maximum of the Required Litigation Funding Amount; and

(B) provided the Corporation believes the Litigation and the Claims continue to be commercially viable, may pay Legal Fees and Disbursements in respect of the Litigation above the Required Litigation Funding Amount,

(the "**Litigation Funding Amount**"), subject to the terms and conditions set forth in these Articles. Funding is provided on a non-recourse basis, meaning that if no Litigation Proceeds are recovered, no holder of a Series 2 Preferred Share is obligated to pay any portion of the Expended Funding Amount by the Corporation.

(ii) Limitation of Funding Obligation. Notwithstanding anything in these Articles, in no event shall the Corporation's obligation to fund the Legal Fees and Disbursements exceed the Required Litigation Funding Amount in respect of the Litigation.

(iii) No Affirmative Liability. Except for payment of the Litigation Funding Amount, under no circumstances will the Corporation have any obligation to pay any liabilities of a

holder of Series 2 Preferred Share, including fees, costs, expenses, counterclaim, crossclaim awards or third-party awards, nor will the Corporation be otherwise liable for any obligation of a holder of a Series 2 Preferred Share whatsoever by virtue of being a holder of Series 2 Preferred Shares, except as expressly provided for in these Articles.

(j) **Receipt of Litigation Proceeds**

(i) Monetary Form. The Corporation and the Lawyers, at the Corporation's instruction, shall use all reasonable endeavours to ensure that any Litigation Proceeds are received in monetary form.

(ii) Corporation's Receipt of Litigation Proceeds. If the Corporation directly or indirectly receives any Litigation Proceeds, such Litigation Proceeds will be held by the Corporation in the Segregated Account for the benefit of the party that is intended to be the ultimate recipient thereof under these Articles, and the Corporation shall pay forthwith the Litigation Proceeds in accordance with these Articles.

(k) **Application of Litigation Proceeds**

(i) Payment Waterfall. In the event the Corporation receives any Litigation Proceeds, such Litigation Proceeds shall be deposited into the Segregated Account;

(A) the Corporation shall be entitled to

(1) an amount equal to the sum of:

1. the Expended Funding Amount;

2. the estimated asset-retirement obligations related to the Quebec Business as determined by the Corporation acting reasonably;

3. all costs and expenses reasonably incurred by the Technical Committee in connection with the performance or observance of its duties under these Articles; plus

4. the Oversight Committee Expenses paid or payable to the Oversight Committee pursuant to the Oversight Committee Agreement;

(collectively, the "**Expense Reimbursement**"); and

(2) an amount equal to the sum of 5% of the Litigation Proceeds,

(the "**Investment Return**"), and for greater certainty, may transfer an amount equal to the Investment Returns from the Segregated Account to any non-Segregated Account of the Corporation;

(B) the remaining Litigation Proceeds (the "**Series 2 Litigation Proceeds Amount**") shall be held in the Segregated Account until payment of the Series 2 Litigation Dividend Amount to the holders of the Series 2 Preferred Shares,

after which any balance may be used by the Corporation to pay its Taxes or for such other purposes as it may determine.

(l) **Conduct of Litigation and Settlement Rights.** Subject to the provisions of this Section 1(l), the Corporation will have the sole and exclusive right to direct the conduct of the Litigation. However, the Corporation will have no right to enter into a settlement agreement with respect to the Litigation unless, subject to the terms of the Oversight Committee Agreement:

(i) the Corporation immediately notifies the Oversight Committee in writing when settlement discussions commence or when the Corporation receives any Settlement Offer (but in any event no later than three (3) Business Day after receipt), and within that same three (3) Business Day period, the Corporation must also communicate in writing the amount and terms of such Settlement Offer, and all settlement proposals the Corporation intends to make in response to the Settlement Offer or proposal;

(ii) the Corporation and the Oversight Committee consult in good faith as to the appropriate course of action in connection with all Settlement Offers, proposals or discussions, including whether any Settlement Offer or proposal should be made, accepted or rejected or whether any counterproposal should be made and, if so, the terms thereof;

(iii) the Oversight Committee has at minimum seven (7) Business Days to assess the potential impact of the proposed settlement on the holders of Series 2 Preferred Shares, and if after this assessment the Oversight Committee determines that the proposed settlement may negatively affect the holders of Series 2 Preferred Shares, the Oversight Committee may withhold its consent to the settlement. Any settlement reached without the consent of Oversight Committee will be considered a breach of these Articles; and

(iv) the Corporation obtains the written consent of the Oversight Committee, before agreeing to any Settlement Offer.

(m) **Covenants of the Corporation**

(i) Co-Operation of Corporation. At all times during the Litigation Term, the Corporation shall:

(A) conduct the Litigation efficiently and effectively, and in a manner that avoids unnecessary costs and delay and shall provide full, honest and timely instructions to the Lawyers;

(B) co-operate with the Lawyers in all material matters pertaining to the Litigation and shall devote sufficient time and attention as is reasonably necessary to conclude the Litigation successfully;

(C) follow all reasonable legal advice given by the Lawyers in relation to the Litigation and the Claims;

(D) co-operate with the Oversight Committee including by being reasonably available to the Oversight Committee's reasonable request to discuss the Claim or the Litigation (to the extent permitted by law), by phone, email or in person;

(E) comply with all orders of the Court and all statutory provisions, regulations, rules and directions that apply to the Corporation in relation to the Claims and the Litigation;

(F) authorize and instruct the Lawyers to comply with their obligations, recognizing that the Lawyers must at all times comply with their professional duties to act independently and in the best interests of the Corporation and in accordance with their other professional duties;

(G) remain party to the Litigation until Final Resolution;

(H) subject to the terms of these Articles, remain responsible for all liability, costs and expenses related thereto, including all litigation costs, consisting of but not limited to Legal Fees and Disbursements relating to the Claims and the Litigation;

(I) use commercially reasonable best efforts to prevail in the Litigation and to collect the Litigation Proceeds as soon as practicable;

(J) immediately inform the Lawyers and the Oversight Committee of any information, circumstance or change in circumstances reasonably likely to affect the Claims, or any issue in the Litigation relating to the recoverability of the Litigation Proceeds; and

(K) together with the Lawyers, cause any Litigation Proceeds to be received or recovered as quickly as reasonably possible, promptly enter, enforce and execute on any judgment obtained in the Litigation and pursue the Litigation in all appropriate jurisdictions.

(ii) Negative Covenants of the Corporation. At all times during the Litigation Term, the Corporation shall not:

(A) take any steps or execute any documents which would materially or adversely affect the Claims or the recoverability of the Litigation Proceeds;

(B) engage in any acts or conduct or make any material omissions, agreements or arrangements that may jeopardize the Corporation's right to receive any Litigation Proceeds;

(C) discontinue, abandon or withdraw the Litigation or the Claims without the prior written consent of the Shareholder Representative, on behalf of the Oversight Committee;

(D) settle or reject an offer to Settle the Litigation or the Claims unless the Corporation does so in accordance with Section 1(l); or

(E) materially amend the Claims, including by pleading any new cause of action in the Litigation, without the prior written consent of the Oversight Committee.

(iii) Direction by the Corporation. The Corporation hereby irrevocably agrees to instruct the Lawyers for the duration of this Agreement to:

(A) comply with all orders of the Court and all statutory provisions, regulations, rules and directions which apply to the Corporation in relation to the Claims and the Litigation;

(B) keep the Oversight Committee fully informed of all material developments in the Litigation and in relation to the Claims, including immediately informing the Oversight Committee if, in the Lawyers' opinion, the Corporation's prospects of achieving success in the Litigation or the Defendant's capacity to pay any judgment is or is likely to be impaired;

(C) provide the Oversight Committee with a copy of all material documents given by the Lawyers or counsel to the Corporation in relation to the Litigation and the Claims and, if requested to do so by the Oversight Committee, a copy of all documents obtained from, or provided to the Defendant;

(D) immediately inform the Oversight Committee of all Settlement Offers or offers to engage in any alternative dispute resolution process received from the Defendant and allow the Shareholder Representative, on behalf of the Oversight Committee, the opportunity to attend any such alternative dispute resolution process agreed to with the Defendant; and

(E) sign any document and take any steps necessary to give full effect to and to enforce any Settlement reached in accordance with the terms of these Articles and approved by the court (if applicable).

(n) **Financial Statements and Inspection.** The Corporation shall maintain accurate and complete books and records reflecting its financial transactions and business in relation to the Claim and the subject matter thereof as applicable and will make them available for the Oversight Committee inspection upon reasonable notice.

(o) **Oversight Committee and Shareholder Representative.**

(i) Oversight Committee.

(A) The number of members of the Oversight Committee shall be fixed at three (3).

(B) The Oversight Committee shall choose amongst themselves one (1) member of the Oversight Committee who shall act as the shareholder representative (the "**Shareholder Representative**"), on behalf of the Oversight Committee.

(C) On the date of issuance of the first Series 2 Preferred Shares, the initial members of the Oversight Committee shall consist of the members set out in the Oversight Committee Agreement and the initial Shareholder Representative shall be such member of the Oversight Committee as set forth as the initial Shareholder Representative in the Oversight Committee Agreement.

(D) For the purposes of these Articles, the provisions of Section 120 of the *Business Corporations Act* (Alberta) regarding disclosure by directors and officers in relation to contracts shall apply to the Oversight Committee, with each reference to "director" deemed to refer to a "member of the Oversight Committee".

(ii) Approval Threshold. The approval of the holders of the Oversight Committee with respect to any and all matters Authorized Actions may be given in writing by the holders of not less than a majority of the member of the Oversight Committee or by resolution duly passed and carried by not less than a majority of the members of the Oversight Committee at a meeting duly called and held for the purpose of considering the subject matter of such resolution and a majority of the members of the Oversight Committee are present in person; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of the members of the Oversight Committee are not present in person within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than forty-eight (48) hours later, and to such time and place as may be fixed by the Shareholder Representative, and at such adjourned meeting the members of the Oversight Committee, whether or not they represent a majority of the members of the Oversight Committee, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than a majority of the votes cast on a poll at such adjourned meeting shall constitute the approval of the members of the Oversight Committee. Notice of any such original meeting of the members of the Oversight Committee shall be given not less than forty-eight (48) hours prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than forty-eight (48) hours prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of directors. On every poll taken at any such original meeting or adjourned meeting, each member of the Oversight Committee present in person shall be entitled to one vote.

(iii) Oversight Committee Actions. The Oversight Committee, on behalf of the holders of Series 2 Preferred Shares, shall have the full power and authority to:

(A) agree to any amendment, supplement or modification of the 2015 CAPL Operating Procedure pursuant to Section 1(a)(i);

(B) direct the Corporation pursuant to Sections 1(l) and 1(m);

(C) provide written approval pursuant to Sections 1(a)(lxxiii), 1(l) and 1(m);

(D) receive all notices, information and other deliverables pursuant to Sections, 1(l), 1(m), 1(n), 1(q) and 1(r); and

(E) appoint a Shareholder Technical Representative pursuant to Section 1(r).

(iv) Authorized Actions. The Corporation shall be entitled to rely on any action taken by the Shareholder Representative, on behalf of the Oversight Committee, acting on behalf of the holders of Series 2 Preferred Shares, in accordance with this Section 1(o) (each, an "**Authorized Action**"), and each Authorized Action shall be binding on each holder of Series 2 Preferred Shares as fully as if such Person had taken such Authorized Action.

(v) Shareholder Representative as Exclusive Authorized Representative. The Corporation shall be entitled to deal exclusively with the Shareholder Representative on all matters

relating to an Authorized Action and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Series 2 Preferred Shares by the Shareholder Representative, and on any other action taken or purported to be taken on behalf of any Series 2 Preferred Shares by the Shareholder Representative, as being fully binding upon such Person. Any decision or action by the Shareholder Representative hereunder, including any agreement between the Shareholder Representative and Corporation relating to the defense, payment or settlement of any Claims or Litigation hereunder, shall constitute a decision or action of all holders of Series 2 Preferred Shares and shall be final, binding and conclusive upon each such Person. No holder of Series 2 Preferred Shares shall have the right to object to, dissent from, protest or otherwise contest the same.

(vi) Appointment of Shareholder Representative. The Person that is the Shareholder Representative as of the date of these Articles shall be deemed for all purposes hereunder to be the Shareholder Representative unless and until the earlier of:

(A) the Corporation's receipt of written notice of approval of the Oversight Committee in accordance with these Articles of the appointment of a new Shareholder Representative, subject to such new Shareholder Representative executing a joinder to the Oversight Committee Agreement. For certainty, to the extent until such written notice has been received, the Corporation shall be entitled to continue to treat the then-current Person appointed as Shareholder Representative as the Shareholder Representative for all purposes hereunder; and

(B) the date of resignation in the written notice of resignation received by the Corporation from the Shareholder Representative. If a successor Shareholder Representative has not been appointed by the members of the Oversight Committee in accordance with these Articles within thirty (30) days from the date of resignation, the ceasing Shareholder Representative shall be entitled to designate a successor Shareholder Representative until a new Shareholder Representative has been appointed by the Oversight Committee in accordance with these Articles.

(vii) No Fiduciary Duties. Under no circumstances shall the members of the Oversight Committee be construed as acting as agent or in any fiduciary or similar capacity for the holders of the Series 2 Preferred Shares in connection with these Articles.

(viii) Oversight Committee Expenses. The Oversight Committee is under no obligation to expend its own funds in the execution of its duties as the Oversight Committee. The Corporation shall fund all costs and expenses reasonably incurred by the Oversight Committee in connection with the performance or observance of its duties under these Articles in accordance with the terms of the Oversight Committee Agreement (the "**Oversight Committee Expenses**").

(p) **Quebec Business Drilling Commitment and Earn-In**

(i) Drilling Commitment.

(A) Upon the Reinstatement Date and in accordance with the Work Program and Budget prepared by the Technical Committee and approved by Board, the Corporation may, at the Corporation's sole cost and expense, elect to Drill to

either Vertical Contract Depths at the location(s) as determined by the Corporation in consultation with the Technical Committee on the Farmout Lands, commence the construction of one or more locations for Well Pads and Spud ten (10) vertical wells to the desired Vertical Contract Depth in any combination and Drill, case Complete and/or Abandon such well(s) (the "**Test Wells**"). All right, title and interest in the Farmout Lands, wells, facilities and associated assets shall at all times remain with the Corporation. For greater certainty, the holders of the Series 2 Preferred Shares shall only have an indirect economic interest in the Quebec Business by way of the Series 2 Operational Dividend Amount payable pursuant to Section 1(c)(i)(B), and not any legal or beneficial title to the Farmout Lands or wells.

(B) Nothing herein shall prevent the Corporation from drilling deeper or longer than a Vertical Contract Depth as chosen, at its own discretion.

(C) The Corporation is hereby named Operator pursuant to the 2015 CAPL Operating Procedure.

(D) The obligation to Spud a Test Well(s) is subject to:

(1) availability of a rig and the related supplies and services, surface access and receipt of all; licences, approvals and similar authorizations required under the Regulations, provided that the Corporation has diligently been using reasonable efforts to obtain them; and

(2) the application of the provisions hereof pertaining to Force Majeure.

(ii) Corporation's Obligations to Drill and Evaluate the Test Well. The Corporation will, for a Test Well:

(A) diligently and continuously drill it to the desired Vertical Contract Depth using a well design that would allow that Test Well to be Completed in due course;

(B) evaluate it to the reasonable satisfaction of the Corporation in the applicable formations of the Farmout Lands and any obligation to conduct one or more production tests injectivity tests thereunder as part of the Completion of that Test Well;

(C) Complete, Cap or Abandon it; and

(D) in the case to Abandonment of the Test Well, it shall be Abandoned by the Corporation at its sole discretion.

(iii) Corporations Obligations for Evaluation of a Test Well. If the Corporation has drilled a Test Well to a Vertical Contract Depth, and Petroleum Substances or injectivity capabilities are not reasonably anticipated to be present in Paying Quantities or meet reasonable economic thresholds in that well from any formation included in the Farmout Lands after the review of the drilling information or after a Completion that is not successful in the relevant formation(s), the Corporation will Abandon the well.

(iv) Earn-In. If the Corporation has fulfilled its obligations to Drill, test, produce or inject, as the case may be, or Abandon, any and all of the ten (10) Test Wells and the Corporation has tied-in and produced/injected at least one Test Well, the Corporation will earn a fifty percent (50%) interests in the Farmout Lands and Test Wells, effective as of the drilling rig release date for the tenth (10^{th}) Test Well and will be entitled to a portion of the Operating Income in accordance with Section 1(p)(v).

(v) Entitlement to Operating Income. Upon completion of the Test Wells in accordance with Section 1(p)(i) (the "**Earn-In Date**"), the Corporation shall be entitled to attribute the remainder of the Operating Income for the relevant Fiscal Year to the Core Business after deducting the Series 2 Operational Dividend Amount for the relevant Fiscal Year payable to the holders of Series 2 Preferred Shares pursuant to Section 1(c)(i)(B).

(vi) Incomplete Fulfillment of Test Wells. If the Corporation does not complete its Test Well obligations in accordance with Section 1(p)(i) or elects to not pursue the remaining Drilling of Test Wells then it shall not be entitled to attribute any portion of Operating Income to the Core Business that is payable to the holders of Series 2 Preferred Shares pursuant to Section 1(c)(i)(B) and 100% of Operating Income shall continue to be attributed to the Quebec Business for the benefit of the holders of the Series 2 Preferred Shares effective at that time, in accordance with Section 1(c)(i)(B).

(q) **Right to Information.** From and after the Reinstatement Date, at the request of the Oversight Committee, and subject to the terms of the Oversight Committee Agreement, the Corporation shall provide the Oversight Committee with:

(i) monthly exploration reports updating the status of the Work Program and Budget including, but not limited, reasonable access to the Corporation's scientific and technical data, work plans and programs, permitting information and results of operations. The Corporation shall not be obligated to provide a monthly exploration report if one has not been prepared for internal use;

(ii) monthly financial reports related to the Quebec Business, including unaudited monthly balance sheet, income statements and cash flow statements of the Quebec Business, all prepared in accordance with GAAP along with the Corporation's calculations of Operating Income and the Quebec Business Distributable Cash;

(iii) a quarterly report that includes a complete written statement of charges and expenditures or other supporting documentation, if any, available for Farmout Operations to be rendered in accordance with an approved Work Program and Budget or portion thereof ("**Quarterly Reports**"); and

(iv) such other information relating to the operational condition, financial condition, business or corporate affairs related to the Quebec Business as the Oversight Committee may from time to time reasonably request.

Following the delivery of each report the Corporation shall use commercially reasonable efforts to respond to reasonable questions and inquiries from the Oversight Committee with respect to the report and the contents thereof.

(r) **Technical Committee**

(i) Technical Committee Formation. From and after the Reinstatement Date, in order to facilitate communication between the Corporation and the Oversight Committee with respect to technical, operating, exploration, sustainability and external relations matters, the Corporation shall form an advisory committee (the "**Technical Committee**"). The Technical Committee shall be composed of up to **three (3)** members (each member, a "**Technical Representative**"). The Oversight Committee shall have the right (but not the obligation) to appoint one Technical Representative (a "**Shareholder Technical Representative**") whose mandate shall be to advise the Board with respect to the overall supervision and direction of the Farmout Operations. The Corporation shall appoint the remaining members of the Technical Committee. Each of the Shareholder Representative and the Corporation may appoint or remove its respective Technical Representative by written notice to the other.

(ii) Alternate Technical Representative. Any Technical Representative may designate an alternate to attend a meeting of the Technical Committee in their place, and such alternate shall be deemed to be a Technical Representative for that meeting. Each of the Corporation and the Shareholder Representative may also designate one or more observers to attend Technical Committee meetings, subject to the prior consent of the other (not to be unreasonably withheld). Observers shall be identified by prior written notice, and the designating party shall be responsible for distributing meeting materials to its observers.

(iii) Role of the Technical Committee. The role of the Technical Committee shall be to advise the Board on technical and financial matters, with respect to the Quebec Business, including but not limited to Farmout Operations that are necessary or desirable to properly explore, appraise, develop, produce from and otherwise exploit the Farmout Lands in a manner appropriate in the circumstances. Without limiting the generality of the foregoing, the Technical Committee shall:

(A) provide for the planning, design, engineering and implementation of Work Programs and Budgets;

(B) prepare, review, discuss and present the Work Programs and Budgets to be considered by the Board;

(C) prepare and deliver to the Oversight Committee all Quarterly Reports, as required;

(D) update the Board and the Oversight Committee, as requested, on the status of Farmout Operations on a technical basis;

(E) review and analyze the most recently available data produced from Farmout Operations;

(F) make recommendations concerning any matters and/or revise Work Programs and Budgets as directed by the Board;

(G) have day to day decision-making authority to determine the content of the Work Programs and Budgets, with ultimate authority being reserved exclusively to the Board; and

(H) have no final decision-making authority, that authority being reserved exclusively to the Board.

(iv) Meetings of the Technical Committee. From and after the Reinstatement Date, unless otherwise agreed upon by the Technical Representatives, the Technical Committee shall hold regular meetings at least quarterly and otherwise on 15 days' notice delivered to the Technical Representatives by either the Corporation or the Oversight Committee. Meetings may be held in person at the offices of the Corporation, telephonically or at other mutually agreed places. Subject to the Corporation's obligations and restrictions under applicable law, at each meeting of the Technical Committee, the Corporation shall report to the Technical Representatives on all matters relevant to the Corporation's exploration and operations, in such form and with such detail as is requested by the Technical Committee. Notwithstanding anything to the contrary, the Shareholder Technical Representatives shall have no obligation to attend any Technical Committee meeting. In lieu of meetings in person, the Technical Committee may conduct meetings by telephone or video conference or by other means of electronic communication by which all persons participating in the meeting are able to hear the entire meeting and be heard by all other persons attending the meeting, in each case as the Technical Committee determines.

(v) Access to Information. Subject to the Oversight Committee Agreement and applicable law, the Corporation shall provide each Technical Representative with access to all technical, resource, exploration, sustainability, and operational information relating to the Quebec Business, which, for greater certainty, shall include internal reports in addition to the data and conclusions produced therefrom.

(s) **Payment Procedure.** Notwithstanding any other right, privilege, restriction or condition attaching to the Series 2 Preferred Shares, the Corporation may, at its option, make any payment due to registered holders of Series 2 Preferred Shares by way of cheque, a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series 2 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series 2 Preferred Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series 2 Preferred Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

(t) **Cancellation of Series 2 Preferred Shares.** From and after the Earliest Redemption Date, if the Final Resolution does not include the reinstatement or reissuance of the Corporation's Petroleum and Natural Gas Exploration Licenses and/or Royalty Interests on the Farmout Lands or a similar result:

(i) if there are Litigation Proceeds upon the Final Resolution, the Series 2 Preferred Shares shall be deemed to have been redeemed by the Corporation for no additional consideration on the later of:

(A) the Business Day after the Litigation Proceeds Payment Date; and

(B) the Earliest Redemption Date,

and such redeemed Series 2 Preferred Shares shall be cancelled. From and after the date of cancellation, the holders of the Series 2 Preferred Shares are not entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Series 2 Litigation Dividend Amount is not made to the holders of the Series 2 Preferred Shares in accordance with Section 1(c)(i)(A), in which case the rights of the holders thereof remain unaffected until payment of such amounts is made; and

(ii) if there are no Litigation Proceeds upon the Final Resolution, the Series 2 Preferred Shares shall be deemed to have been redeemed by the Corporation for no additional consideration on the later of:

(A) the Business Day after the date of the Final Resolution; and

(B) the Earliest Redemption Date,

and such redeemed Series 2 Preferred Shares shall be cancelled. From and after the date of cancellation, the holders of the Series 2 Preferred Shares are not entitled to exercise any of the rights of shareholders in respect thereof.

EXHIBIT “A”

2015 CAPL OPERATING PROCEDURE

The following provisions of the standard form 2015 CAPL Operating Procedure are incorporated herein by reference, mutatis mutandis, as may be modified more specifically below:

1.01 "Abandonment";
" Accounting Procedure", and refers to the standard form 1996 PASC Accounting Procedure as part of a Schedule (*), if cost classifications in the 2015 CAPL Operating Procedure and the 1996 PASC Accounting Procedure conflict, the Accounting Procedure shall govern financial accounting, and the Operating Procedure shall govern operational classification;
"Affiliate";
"Business Day";
"Commenced";
"Completion";
"Completion Costs";
"Deepen";
"Drilling Costs", which will also include any of those costs associated with the initial well if a well is drilled as a substitute well under Clause 3.02 to hold an interest Farmout Lands that include the location of that initial well;
"Environmental Liabilities";
"Equipping";
"Equipping Costs";
"Facility Fees", with "Clause 15.01" replacing "Article 21.00" in the second last line;
"Facility Usage", with "Farmee's" replacing "Party's" in the first line and "from a Royalty Well" replacing "of a Non-Taking Party under Article 6.00 or those produced from an Independent Well" in the second and third lines;
"First Point of Measurement";
"Force Majeure";
"Gross Negligence or Wilful Misconduct";
"HSE";
"Losses and Liabilities";
"Market Price", in which the optional sentence therein will_/will not X (Specify) be selected to apply;
"Operating Costs";
"Operation";
"Operator";
"Paying Quantities";
"Petroleum Substances";
"Recompletion";
"Regulations";
"Reworking";
"Schedule";
"Sidetracking";
"Spud",
"Title Administrator";
"Vertical Stratigraphic Wellbore"; and
"Working Interest", in which the phrase "a Production Facility; or" is deleted;

1.02 "References And Interpretation";

1.04 "Conflicts", with "Article 11 .00" replacing the phrase "Article 4.00" in the ninth line of Subclause 1.04A;

1.06 "Governing Law";

1.07 "Extension Under Alberta Limitations Act",

1.08 "Time Of Essence";

1.09 "No Amendment Except In Writing";
1.10 "Waiver";
1.14 "Term";
3.04 "Proper Practices In Joint Operations",
3.05 "Health, Safety And The Environment",
3.06 "Protection From Liens",
3.07 "Records And Accounts";
3.09 "Surface Rights And Regulatory Licences";
3.10 "Maintenance Of Title Documents",
3.11 "Insurance" - Alternate A (Specify (a) or (b)) in Subclause 3.11 C;
3.14 "Measurement";
15.01 "Responsibility For Additional Encumbrances";
15.02 "Certain Encumbrances Continue To Apply To Working Interest";
16.01 "Suspension Of Obligations Due To Force Majeure";
16.02 "Obligation To Remedy Force Majeure";
17.01 "Sharing Of Certain Incentives And Benefits", with the addition of the following at the end of Subclause 17.01A: "All royalty incentives accruing to an Test Well under the Regulations due to the Farmee's activities under this Head Agreement will accrue to the benefit of the Parties in proportion to their respective Working Interests in the applicable Test Well at the relevant time(s). Insofar as the royalties payable under the Title Documents to the grantor thereof are a function of a Party's capital base, costs incurred under this Farmout & Royalty Procedure with respect to any Test Well will be regarded as having been incurred by the Parties in proportion to their respective Working Interests therein at the relevant time(s)";
18.01 "Confidentiality Requirement";
18.02 "Proprietary Information Disclosed By A Party";
18.04 "Interpretive Data";
18.05 "Confidentiality Requirement To Continue";
18.06 "Warranty Disclaimer Respecting Information Disclosures";
19.01 "Parties To Discuss Public Announcements";
22.01 "Service Of Notice", with the deletion of the last sentence of Subclause 22.01A;
22.02 "Addresses For Service"-The Parties' addresses for service will be as set forth in the 2015 CAPL Operating Procedure or in the Head Agreement, as applicable;
25.01 "Parties To Supply Further Assurances";
25.03 "Enurement";
25.06 "Waiver Of Relief'; and
25.07 "Conflict Of Interest".

In those incorporated provisions, "Joint Lands" will be read as "Farmout Lands", "Joint Operations" will be read as "Operations" or Farmout Operations", , "Operator" will be read as "Corporation", as applicable, Nothing in any of those incorporated provisions requires the Preferred Shareholders to assume any cost, risk or expense associated with an Operation conducted hereunder unless otherwise provided herein.

EXHIBIT "B"

1996 PASC ACCOUNTING PROCEDURE ELECTIONS

The following clauses of the 1996 PASC Accounting Procedure are modified to include the indicated election, alternate, option or value:

Clause 105 Operating Fund **10%**

Clause 110 Approvals Clause **7**; from **2** or more Owners having interests in the Joint Property totaling **60%** or more

Clause 112 Expenditure Limitations (a) not in excess of **$50,000**
(c) not in excess of **$50,000**

Clause 202 Employee Benefits (b) not to exceed **25%**

Clause 213 Camp and Housing (b) shall _____ / shall not **x**

Clause 216 Warehouse Handling the last sentence should read "on a percentage assessment basis of 2.5% of the cost of tubular goods in excess of $5.000 and 5% of the cost of all other Material.

Clause 221 Allocation Options Deleted – N/A

Clause 302 Overhead Rates

(a) Exploration Project
- (1) **5%** of the first **$50,000**; plus
- (2) **3%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(b) Drilling of a well
- (1) **3%** of the first **$50,000**; plus
- (2) **2%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(c) Initial Construction
- (1) **5%** of the first **$50,000**; plus
- (2) **3%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(d) Subsequent Construction Project
- (1) **3%** of the first **$50,000**; plus
- (2) **2%** of the next **$100,000**; plus
- (3) **1%** of cost exceeding sum of (1) and (2)

(e) Operation and Maintenance:
- (1) _____% of cost; and/or
- (2) **$500** per Producing Well per month; or
- (3) Flat rate of _____ dollars per month

Subclause 302(e)(2) and 302(e)(3) hereof shall _____ / shall not **X** be adjusted

Clause 406 Dispositions **$50,000**

EXHIBIT "C"

FARMOUT LANDS

#	Petroleum and Natural Gas Licenses	Working Interest	Royalty Interests	AREA/Wells
1.	2008PG959 PNG Permit dated May 6, 2008 All PNG – M01174	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
2.	2008PG960 PNG Permit dated May 6, 2008 All PNG – M01175	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
3.	2008PG961 PNG Permit dated May 6, 2008 All PNG – M01176	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
4.	2008PG962 PNG Permit dated May 6, 2008 All PNG – M01177	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Saint-Edouard No. 1 Saint-Edouard HZ No. 1a
5.	2008PG963 PNG Permit dated May 6, 2008 All PNG – M01178	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 82.353% Terrenex Ventures Ltd. 17.647%	Lowlands
6.	2008PG964 PNG Permit dated May 6, 2008 All PNG – M01179	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Fortierville HZ No. 1
7.	2008PG965 PNG Permit dated May 6, 2008 All PNG – M01180	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
8.	2006PG907 PNG Permit dated May 6, 2006 All PNG – M00147	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Sainte-Gertrude HZ No. 1 Gentilly No. 1 Gentilly HZ No. 2
9.	2008PG966 PNG Permit dated May 6, 2008 All PNG – M01181	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
10.	2008PG967 PNG Permit dated May 6, 2008 All PNG – M01182	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
11.	2008PG968 PNG Permit dated May 6, 2008 All PNG – M01183	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands

#	Petroleum and Natural Gas Licenses	Working Interest	Royalty Interests	AREA/Wells
12.	2008PG969 PNG Permit dated May 6, 2008 All PNG – M01184	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
13.	2008PG970 PNG Permit dated May 6, 2008 All PNG – M01185	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
14.	2008PG971 PNG Permit dated May 6, 2008 All PNG – M01186	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands La Visitation No. 1
15.	2008PG972 PNG Permit dated May 6, 2008 All PNG – M01187	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands Saint David No. 1
16.	2008PG973 PNG Permit dated May 6, 2008 All PNG – M01188	100%	Crown LOR 5% NC GORR on 100% production Paid by: QEC 100% Paid to: Questerre Energy Corporation 85% Terrenex Ventures Ltd. 15%	Lowlands
17.	2002PG625 PNG Permit dated March 19, 2002 All PNG – M01541	100%	Crown LOR 15% NC GORR on 100% production Paid by: QEC 100% Paid to: Altai Resources Inc. 53.5% Petro St-Pierre Inc. 46.5%	Lowlands Saint-Francois-du-Lac No. 1
18.	2008PG974 PNG Permit dated February 21, 2008 All PNG & Gas Storage Rights – M01537	80% PNG 20% Gas Storage	Crown LOR	Lowlands Leclercville No. 1 Leclercville HZ No. 1a
19.	2005PG794 PNG Permit dated December 12, 2005 All PNG – M01538	100%	Crown LOR	Lowlands
20.	2005PG795 PNG Permit dated December 12, 2005 All PNG – M01539	100%	Crown LOR	Lowlands
21.	2005PG796 PNG Permit dated December 12, 2005 All PNG – M01540	100%	Crown LOR	Lowlands
22.	2005PG773 PNG Permit dated March 1, 2005 All PNG – M00156	100%	Crown LOR	Saint Jean Saint Jean Sur Richelieu No. 1
23.	2006RS150 Underground Reservoir PNG Permit dated July 14, 2006 All PNG – M00133	20% - ALL PNG TBO Utica Shale 100% - ALL PNG BBO Utica Shale	Crown LOR	Yamaska Saint Francois Du Lac No. 1; HZ No. 1 A253, A260
24.	2006RS151 Underground Reservoir PNG Permit dated July 14, 2006 All PNG – M00134	20% - ALL PNG TBO Utica Shale 100% - ALL PNG BBO Utica Shale	Crown LOR	Yamaska Saint Louis De Richelieu No. 1; HZ No.1, A254, A254-R1

#	Petroleum and Natural Gas Licenses	Working Interest	Royalty Interests	AREA/Wells
25.	2009PG496 PNG Permit dated April 28, 2009 ALL PNG – M01203	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
26.	2009PG497 PNG Permit dated April 28, 2009 ALL PNG – M01204	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Bourque No. 1 Bourque No. 2
27.	2009PG498 PNG Permit dated April 28, 2009 ALL PNG – M01205	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
28.	2009PG499 PNG Permit dated April 28, 2009 ALL PNG – M01206	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
29.	2009PG502 PNG Permit dated April 28, 2009 ALL PNG – M01212	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
30.	2009PG503 PNG Permit dated April 28, 2009 ALL PNG – M01213	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
31.	2009PG504 PNG Permit dated April 28, 2009 ALL PNG – M01214	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
32.	2005RS111 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01215	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
33.	2005RS112 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01216	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe
34.	2009PG505 PNG Permit dated April 28, 2009 ALL PNG – M01217	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Le Ber No. 1
35.	2005RS120 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01218	Royalty Interest Only	5% NC GORR on 100% production Paid by: Cuda Oil 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Wakeham No. 1
36.	2005RS122 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01219	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Petrolia Haldimand Well No. 1; Petrolia Haldimand Well No. 2; Petrolia Haldimand Well No. 3; Petrolia Haldimand Well No. 4
37.	2005RS123 Underground Reservoir PNG Permit dated November 21, 2005 ALL PNG – M01242	Royalty Interest Only	5% NC GORR on 100% production Paid by: Pieridae Quebec 100% Paid to: Questerre Energy Corporation 50% Terrenex Ventures Ltd. 50%	Gaspe Petrolia Haldimand Well No. 1