PRAIRIE
PROVIDENT
RESOURCES

**Annual and Special Meeting
of Shareholders to be held on
May 26, 2022**

NOTICE OF MEETING
and
INFORMATION CIRCULAR

April 12, 2022

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NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual and special meeting (the "**Meeting**") of the shareholders of **PRAIRIE PROVIDENT RESOURCES INC.** (the "**Company**") will be held at the Calgary Petroleum Club at 319 – 5th Avenue S.W., Calgary, Alberta, on May 26, 2022, at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020, together with the auditor's report thereon;
2. to elect directors of the Company for the ensuing year;
3. to appoint Ernst & Young LLP, Chartered Professional Accountants, as the auditor of the Company for the ensuing year, at such remuneration as may be determined by the directors;
4. to consider, and if thought advisable, pass an ordinary resolution approving unallocated entitlements under the Company's stock option plan and incentive security plan; and
5. to transact such other business as may properly come before the Meeting.

More detailed information regarding the matters proposed to be placed before the Meeting is set forth in the accompanying information circular of the Company dated April 12, 2022 (the "**Circular**").

Only shareholders of record at the close of business on April 12, 2022 are entitled to receive notice of and to attend and vote at the Meeting or any adjournment thereof, except that a shareholder (including a person who did not hold any common shares on April 12, 2022) may vote common shares transferred to it after that date if the shareholder produces properly endorsed share certificates evidencing the transfer or otherwise establishes that it owns the transferred common shares, and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders eligible to vote.

A registered shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return it, or another acceptable instrument of proxy, in accordance with the instructions set forth in the Circular**. A proxy will not be effective for the Meeting or any adjournment thereof unless it is completed and received by the Company's registrar and transfer agent, Alliance Trust Company, by mail, fax or email, at #1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, fax (403) 237-6181 (Attention: Proxy Department), email inquiries@alliancetrust.ca, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting or adjournment. A person appointed as proxyholder need not be a shareholder.**

As noted in the Circular and described in the notice-and-access notification sent to beneficial holders of common shares, the Company elected to distribute the Circular to beneficial shareholders through electronic access by posting the Circular on its website at www.ppr.ca in accordance with applicable securities laws. The Circular will remain on the Company's website for one year thereafter and will also be available under the Company's issuer profile on SEDAR at www.sedar.com. A paper copy of the Circular will be sent to registered shareholders in accordance with corporate law requirements.

Shareholders with questions about voting their shares may contact Kingsdale Advisors by toll-free telephone in North America at 1-855-476-7989, by collect call outside North America at 1-416-867-2272, or by email at contactus@kingsdaleadvisors.com.

DATED at Calgary, Alberta this 12th day of April, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Tony Berthelet"

Remi Anthony (Tony) Berthelet
President and Chief Executive Officer
Prairie Provident Resources Inc.

PRAIRIE PROVIDENT RESOURCES

INFORMATION CIRCULAR

Annual and Special Meeting of Shareholders to be held on May 26, 2022

This information circular dated April 12, 2022 (the "**Information Circular**") is furnished in connection with the solicitation of proxies by management of Prairie Provident Resources Inc. ("**Prairie Provident**" or the "**Company**") for use at the annual and special meeting of the holders ("**Shareholders**") of common shares of the Company ("**Common Shares**") to be held on Thursday, May 26, 2022, at 9:00 a.m. (Calgary time) (the "**Meeting**") or at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

Unless specifically stated otherwise, information contained in this Information Circular is given as of March 31, 2022.

SOLICITATION OF PROXIES BY MANAGEMENT

Enclosed with this Information Circular sent to registered Shareholders is a form of proxy for use at the Meeting. Shareholders are entitled to vote and are encouraged to participate in the Meeting, either in person or by proxy.

The enclosed proxy is solicited by and on behalf of management of the Company, and the persons named in the form are executive officers of the Company.

The costs incurred in the preparation and mailing of the Notice of Meeting, this Information Circular and the form of proxy will be borne by the Company. Management does not contemplate a solicitation of proxies other than by mail, though it may also solicit by telephone, electronic communication, or other direct contact.

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with intermediaries to forward proxy materials to the beneficial owners of Common Shares held of record by such intermediaries, and the Company may reimburse the reasonable fees and disbursements they incur in doing so.

The Company has engaged Kingsdale Advisors ("**Kingsdale**") to provide strategic shareholder advisory and proxy solicitation services in connection with the Meeting, and will pay fees of approximately $50,000 to Kingsdale for the proxy solicitation service in addition to certain out-of-pocket expenses. Prairie Provident may also reimburse brokers and other persons holding shares in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies.

Shareholders with questions about voting their shares may contact Kingsdale by toll-free telephone in North America at 1-855-476-7989, by collect call outside North America at 1-416-867-2272, or by email at contactus@kingsdaleadvisors.com.

APPOINTMENT AND REVOCATION OF PROXIES

A Shareholder entitled to vote at the Meeting may attend in person or appoint a nominee (who need not be a Shareholder) other than the persons designated in the management proxy form to represent them at the Meeting, by inserting the name of their chosen nominee in the blank space provided for that purpose on the management proxy form or by submitting another proper instrument of proxy. Such a Shareholder should notify the chosen nominee of their appointment, obtain the nominee's consent to act as proxyholder, and instruct the nominee on how the Shareholder's shares are to be voted. In any case, the proxy should be dated and executed by the Shareholder or their attorney authorized in writing.

A proxy will not be effective for the Meeting or any adjournment thereof unless it is completed and received by the Company's registrar and transfer agent, Alliance Trust Company, by mail, fax or email, at #1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, fax (403) 237-6181 (Attention: Proxy Department), email inquiries@alliancetrust.ca, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting or adjournment. If you are a registered Shareholder, you may also cast your vote by proxy using the internet at www.alliancetrust.ca/shareholders, which will require that you input the 12-digit control number printed on your form of proxy and is subject to the same deadline.

In addition to revocation by any other manner permitted by law, a Shareholder who has given a proxy may revoke it, at any time before it is exercised, by instrument in writing executed by the Shareholder or by attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney duly authorized, and deposited at the registered office of the Company at Suite 4500, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4K7 (Attention: Corporate Services/CRP) up to and including the last business day before the day of the Meeting (or adjournment, as applicable) at which the proxy is to be used, or with the chair of the Meeting on the date thereof.

NOTICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information above regarding the appointment and revocation of proxies is generally applicable only to registered Shareholders, being persons who are recorded as holders of Common Shares in the register of shareholders maintained by the Company's registrar and transfer agent. Only registered Shareholders or the persons they validly appoint as proxyholders are permitted to vote at the Meeting.

The information in this section is directed to beneficial owners of Common Shares who do not hold their Common Shares in their own name. Persons who beneficially own Common Shares but do not appear on the records of the Company as the registered holders thereof are referred to in this Information Circular as "**Beneficial Holders**". Common Shares owned by Beneficial Holders are often registered in the name of an intermediary (such as a broker, securities dealer, bank, trust company or trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans) or in the name of a depository of which the intermediary is a participant (or an agent or nominee of any of the foregoing). Common Shares listed in an account statement provided by a broker or other intermediary will typically (though not necessarily) be registered in this manner.

Only proxies deposited by a person whose name appears on the records of the Company as a registered holder of Common Shares will be recognized and acted upon at the Meeting.

In accordance with securities regulatory requirements, the Company will distribute copies of the Notice of Meeting, this Information Circular and the enclosed form of proxy (collectively, the "meeting materials") to applicable depositories and intermediaries (or their delegates) for onward distribution to Beneficial Holders.

Existing regulatory policy requires brokers and other intermediaries holding Common Shares on behalf of others to seek voting instructions from Beneficial Holders in advance of shareholder meetings. Each intermediary has its own mailing and delivery procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting.

The voting instruction form or other proxy document supplied to a Beneficial Holder by its broker or other intermediary (or its agent or nominee) may be very similar to the management proxy form provided by the Company for use by registered Shareholders. Its purpose, however, is limited to instructing the registered Shareholder (the broker or intermediary, or its agent or nominee) how to vote on behalf of the Beneficial Holder.

In Canada, most brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails that form to Beneficial Holders, and asks Beneficial Holders to return the form to Broadridge or otherwise communicate voting instructions to Broadridge (by way of internet or telephone-based procedures, for example). Broadridge then aggregates the results of all instructions received from Beneficial Holders and provides appropriate instructions for the voting of their Common Shares by proxy at the Meeting. **A Beneficial Holder who receives a voting instruction form from Broadridge (or otherwise from their broker or other intermediary) cannot use that form to vote Common Shares directly at the Meeting. Voting instruction forms must instead be returned, or voting instructions must otherwise be communicated, to Broadridge (or otherwise in accordance with the directions of the relevant broker or other intermediary) well in advance of the Meeting in order for the Common Shares to which the instructions relate to be properly voted at the Meeting.**

Although a Beneficial Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares that are registered in the name of their broker or other intermediary (or an agent or nominee thereof), a Beneficial Holder may, if properly appointed, attend the Meeting as proxyholder for the registered Shareholder and vote their Shares in that capacity. **Beneficial Holders 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 voting instruction form or other proxy document provided to them and return the same to their broker or other intermediary (or its agent or nominee) in accordance with the instructions provided by such party.**

If you are a Beneficial Holder and have questions regarding the voting of your Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Unless specifically stated otherwise, all references to holders of Common Shares in the Notice of Meeting, this Information Circular and the enclosed form of proxy are to registered Shareholders (i.e., persons recorded in the Company's share registers as being a holder of Common Shares).

If you are not sure whether you are a registered Shareholder or non-registered Beneficial Holder, please contact Kingsdale by toll-free telephone in North America at 1-855-476-7989, by collect call outside North America at 1-416-867-2272, or by email at contactus@kingsdaleadvisors.com.

VOTING OF PROXIES

Shareholders using the enclosed management proxy form may instruct the proxyholder (whether the executive officers named in the form or such other person as the Shareholder may appoint) how to vote their Common Shares by completing the voting directions contained therein.

On any vote that may be called for at the Meeting or any adjournment thereof, the persons named in the enclosed proxy form will vote or withhold from voting the Common Shares in respect of which they are appointed proxyholder in accordance with the instructions of the Shareholder appointing them. **In the absence of any such direction, the Common Shares to which the proxy relates will be voted FOR each of the matters referred to in the Notice of Meeting and in this Information Circular.**

The enclosed management proxy form (in the absence of any alteration to the form) confers discretionary authority upon the persons named therein to vote Common Shares and otherwise act in the proxyholder's discretion with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting or any adjournment thereof. In the event of any such amendment, variation or other matter, the Common Shares represented by proxies in favour of management will be voted in accordance with the proxyholder's judgment.

At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

NOTICE-AND-ACCESS

Applicable Canadian securities laws permit the use of a "notice-and-access" system for the distribution of proxy-related materials to securityholders, pursuant to which reporting issuers may effect the delivery of proxy-related materials for a meeting by posting them on SEDAR as well as another website, and sending a notice package to the securityholders receiving such materials under the notice-and-access system. The notice package must include (i) a voting instruction form, (ii) basic information about the meeting and the matters to be voted on at the meeting, (iii) instructions how to obtain a paper copy of the proxy-related materials, and (iv) a plain-language explanation of how the notice-and-access system operates and how the materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send the notice package electronically. The notice package must otherwise be mailed.

Prairie Provident has elected to distribute the Notice of Meeting and this Information Circular to Beneficial Holders using the notice-and-access system. Accordingly, Prairie Provident will send the required notice package to Beneficial Holders, including instructions on how to access this Information Circular online and request a paper copy. Distribution of proxy-related materials using the notice-and-access system substantially reduces printing and mailing costs to the Company and lessens the environmental impact of unnecessarily producing and distributing unwanted paper copies.

Notwithstanding the notice-and-access system, Prairie Provident is still required under the *Business Corporations Act* (Alberta) to send paper copies of its annual financial statements and proxy materials to registered Shareholders (except registered Shareholders who have given written consent to electronic delivery or, in the case of financial statements, have informed the Company in writing that they do not want a copy). For corporate law compliance, registered Shareholders who have not yet consented to electronic delivery will be mailed a copy of the Notice of Meeting and this Information Circular.

Prairie Provident will not send its proxy-related materials directly to "non-objecting beneficial owners" under NI 54-101, and will not pay for proximate intermediaries to forward proxy-related materials and voting instruction forms to "objecting beneficial owners" under NI 54-101. Accordingly, objecting beneficial owners will not receive such materials unless their intermediary assumes the cost of delivery.

VOTING SHARES, PRINCIPAL HOLDERS AND QUORUM

The Company is authorized to issue an unlimited number of Common Shares. As of March 31, 2022, 128,881,511 Common Shares were issued and outstanding. On all matters to be voted upon at the Meeting, Shareholders are entitled to one vote for each Common Share held. The Common Shares are the only voting securities of the Company.

The Company's directors fixed April 12, 2022 as the record date (the "**Record Date**") for determining Shareholders entitled to receive notice of the Meeting. A registered Shareholder of record at the close of business on the Record Date shall be entitled to vote the Common Shares registered in its name on that date, except to the extent that (i) it transfers any Common Shares after the Record Date, and (ii) the transferee of such Common Shares produces properly endorsed share certificates (or otherwise establishes ownership of the transferred Common Shares) and makes a demand to the registrar and transfer agent of the Company, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

To the knowledge of the directors and officers of the Company, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the votes that may be cast at the Meeting.

At the Meeting, two or more persons present and holding or representing by proxy at least 10% of the outstanding Common Shares will constitute a quorum.

MATTERS TO BE ACTED UPON AT THE MEETING

To the Company's knowledge, the only matters proposed to be placed before the Meeting are those identified in the Notice of Meeting and more particularly discussed below.

1. Annual Financial Statements

The audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020, together with the auditor's report thereon, will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the Board of Directors, sent to registered Shareholders and filed on SEDAR at www.sedar.com, all in accordance with applicable legal requirements. A copy of the annual financial statements is also available electronically from the Company's website at www.ppr.ca. Questions regarding the financial statements may, however, be brought forward at the Meeting.

2. Election of Directors

The Board of Directors is currently comprised of the following six (6) individuals:

Patrick McDonald (Chair)	Remi Anthony (Tony) Berthelet
Derek Petrie	Bettina Pierre-Gilles
Ajay Sabherwal	Rob Wonnacott

The current term of office of each sitting director ends at the close of the Meeting.

Mimi Lai, who was elected as a director in June 2021, recently retired as Executive Vice President, Finance and Chief Financial Officer of the Company as well as from the Board of Directors effective March 31, 2022.

At the Meeting, management proposes to nominate each of the current directors for re-election as a director of the Company, and submit to the Shareholders an ordinary resolution to elect each nominee as a director for the ensuing year, to hold office until the close of the next annual meeting of Shareholders.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the election of each such nominee as a director of the Company for the ensuing year.

The following table sets forth, for each proposed director nominee, their name and jurisdiction of residence, the date since which they have served as a director, their principal occupation, business or employment currently and during the past five years, and their equity holdings in the Company at March 31, 2022.

Name, Jurisdiction of Residence and Position with the Company	**Principal Occupations**	**Director Since (1)**	**Equity Holdings at March 31, 2022 (2)**
Patrick McDonald Colorado, USA *Independent Chairman of the Board*	Chief Executive Officer of Carbon Energy Corporation (oil and gas exploration and production) since 2011 and of its predecessor, Nytis Exploration, since 2004	March 2011	124,656 Common Shares 507,567 DSUs
Remi Anthony (Tony) Berthelet Alberta, Canada *President, Chief Executive Officer and a Director*	President and Chief Executive Officer of the Company since June 2021; prior thereto, Chief Operating Officer at Grand Tierra Energy Inc. (oil and gas exploration and production) from October 2019 to January 2021; prior thereto, President and Chief Executive Officer at Strategic Oil & Gas Ltd. (oil and gas exploration and production) from May 2018 until October 2019; prior thereto, Vice President, Development and Operations of Obsidian Energy Ltd. (oil and gas exploration and production) from December 2014 until May 2018	June 2021	320,000 Common Shares (3)

Name, Jurisdiction of Residence and Position with the Company	Principal Occupations	Director Since [(1)]	Equity Holdings at March 31, 2022 [(2)]
Derek Petrie [(4)] Alberta, Canada *Independent Director*	Director of Finance, MILS Group since July 2018; prior thereto, President of R2 Design & Manufacturing (oilfield services and equipment) since February 2016; prior thereto, retired businessman from April 2014 to February 2016	September 2016	1,064,305 Common Shares 457,567 DSUs
Bettina Pierre-Gilles [(5)] Alberta, Canada *Independent Director*	Founder, President and Chief Executive Officer of Luxeum Renewables Group Inc. (solar power production) since February 2016; prior thereto Owner and Chief Executive Officer of Phansis Consulting since 2003	March 2022	nil
Ajay Sabherwal Washington, DC, USA *Independent Director*	Chief Financial Officer of FTI Consulting, Inc. (business advisory services) since August 2016; prior thereto, Executive Vice President and Chief Financial Officer of FairPoint Communications, Inc. (telecommunications) from July 2010 to August 2016	January 2014	31,271 Common Shares 457,567 DSUs
Rob Wonnacott Alberta, Canada *Independent Director*	Principal of NVB Financial Corp. (financial advisory) since 2015; Chief Executive Officer of Pendo Petroleum Inc. (oil and gas exploration and production) from June 2012 to July 2013	September 2011	31,271 Common Shares 457,567 DSUs

Notes:

(1) For each of Messrs. McDonald, Sabherwal and Wonnacott, the commencement month referred to in this column refers to the month in which he was first appointed as a director of Lone Pine Resources Inc., as predecessor of the Company.

(2) Comprised of both Common Shares and deferred share units (DSUs) beneficially owned, or controlled or directed, directly or indirectly, by each non-executive director. See "*Statement of Executive Compensation – Director Compensation*" and "*Equity Compensation Arrangements – Incentive Security Plan*" below.

(3) As of April 1, 2022, Mr. Berthelet also holds 730,000 stock options and 482,500 restricted share units granted under the Company's equity compensation plans. See "*Equity Compensation Arrangements*" below.

(4) Mr. Petrie was previously a director of Arsenal Energy Inc. and was appointed to the Board of Directors in connection with the Company's acquisition of Arsenal effective September 12, 2016.

(5) Ms. Bettina Pierre-Gilles was appointed to the Board of Directors on March 3, 2022.

Each person elected as a director of the Company will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, or his office is earlier vacated, in accordance with the *Business Corporations Act* (Alberta) and the articles and by-laws of the Company.

For information on each nominee's current membership on committees of the Board of Directors, see "*Corporate Governance – Board Committees*" below.

Cease Trade Orders or Bankruptcies

Except as set out below, no proposed director nominee:

(a) is, or has within the past ten years been, a director, chief executive officer or chief financial officer of any entity that was the subject of a cease trade or similar order, or an order that denied it access to any exemption under securities legislation, that was in effect for more than 30 consecutive days and was either issued (i) while the nominee was acting in that capacity, or (ii) after the nominee ceased to act in that capacity but resulted from an event that occurred while the nominee was so acting;

(b) has 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 a securities regulatory authority;

(c) is, or has within the past ten years been, a director or executive officer of any entity that, while the nominee was acting in that capacity or within a year of ceasing to so act, became bankrupt, made a proposal under any bankruptcy or insolvency legislation 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

(d) has, within the past ten years, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Messrs. McDonald and Wonnacott were directors of one or more of Lone Pine Resources Inc. and its affiliates at the time they commenced restructuring proceedings under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") and Chapter 15 of the United States Bankruptcy Code in September 2013, and continued in such capacities through successful implementation of a comprehensive capital reorganization and financial restructuring on January 31, 2014.

Mr. McDonald was President and Chief Executive Officer of Forest Oil Corporation at the time of its business combination with Sabine Oil & Gas LLC in December 2014, and continued as a director of that company (renamed Sabine Oil & Gas Corporation) until July 2016. In July 2015, Sabine Oil & Gas Corporation and certain of its subsidiaries commenced proceedings under Chapter 11 of the United States Bankruptcy Code, which concluded upon its plan of reorganization thereunder becoming effective in August 2016.

Mr. Berthelet was President and Chief Executive Officer and a director of Strategic Oil & Gas Ltd. ("**SOG**"), a public oil and gas company experiencing liquidity constraints in late 2018 and into 2019, at the time of it commencing creditor protection proceedings under the CCAA in April 2019. In the circumstances, SOG did not file its annual financial statements and management's discussion and analysis for the year ended December 31, 2018, which would otherwise have been filed by the prescribed deadline, and became subject to a cease trade order issued in May 2019 as a result (which remains in effect). Mr. Berthelet resigned as a director and officer of SOG in October 2019. In January 2020, the CCAA proceedings of SOG were transitioned to a receivership.

Majority Voting Policy

The Board of Directors has adopted a Majority Voting Policy that applies to an uncontested director election, which for purposes of the policy means an election of directors at a shareholders' meeting at which the number of nominees proposed for election as a director of the Company is not greater than the number of directors to be elected. A copy of the Majority Voting Policy is available electronically from the Company's website at www.ppr.ca.

The Majority Voting Policy provides that if less than a majority of the total votes cast or withheld from voting with respect to the election of any director nominee are not voted in favour of his or her election, but he or she is nevertheless duly elected as a matter of corporate law, then that director shall promptly tender his or her resignation, subject to and only effective upon acceptance by the Board of Directors. The Board of Directors will refer the resignation to the Nominating and Corporate Governance Committee (or such other board committee as is determined, based on its composition and other relevant factors, to be appropriate in the circumstances) for consideration.

In considering any resignation tendered pursuant to the policy, the designated committee shall consider all factors deemed relevant by its members including, without limitation, the circumstances of the vote, any stated reasons for Shareholders withholding from voting for the director, the director's qualifications, competencies, skills and contribution to the Board of Directors and the Company, the consequences of the resignation to the Company (including, without limitation, pursuant to any material contract or concerning the Company's compliance with any applicable laws or regulatory requirements), and whether the resignation would be in the best interests of the Company. The committee will then make a recommendation to the Board of Directors whether to accept the tendered resignation and, if acceptance is recommended, whether to do so on an immediate or delayed basis. A director who has tendered a resignation pursuant to the policy shall not participate in any meeting of the committee or the Board of Directors at which the resignation is considered.

The Board of Directors will determine whether to accept the tendered resignation within 90 days after the date of the shareholders' meeting. Subject at all times to their fiduciary duty to the Company, the Board of Directors is expected to accept a resignation tendered pursuant to the Majority Voting Policy in the absence of exceptional circumstances.

The Company will announce the Board of Director's decision by news release. If the Board of Directors does not accept the resignation, the news release shall address the reasons for that decision.

Advance Notice By-law

The Company has adopted an advance notice by-law, which applies to the nomination of directors at the Meeting and is intended to provide a clear process for director nominations. A copy of the Company's advance notice by-law is available electronically from the Company's website at www.ppr.ca and is filed on SEDAR at www.sedar.com.

Among other things, the advance notice by-law requires that any Shareholder wishing to nominate a candidate for election as a director at an annual meeting of Shareholders (or at a special meeting at which directors will be elected) must provide notice thereof to the Corporate Secretary of the Company not less than 30 days prior to the meeting date (or 40 days where the Company uses notice-and-access to send proxy-related materials to Shareholders in connection with the meeting); provided, however, that if the meeting is to be held less than 50 days after the date on which first public announcement of the meeting date is made, then the required notice may be given not later than the close of business on the 10th day following announcement in the case of an annual meeting or the 15th day following announcement in the case of a special meeting.

The by-law also specifies the information and accompanying documentation that a nominating Shareholder must provide with respect to itself and the nominee candidate in order for the nomination notice to be effective. No person nominated by a Shareholder will be eligible for election as a director of the Company unless nominated in accordance with the advance notice by-law.

The Board of Directors reserves discretion to waive any requirement of the advance notice by-law.

3. Appointment of Auditor

Ernst & Young LLP, Chartered Professional Accountants, has served as the auditor of the Company and its predecessor, Lone Pine Resources Inc., since November 2011. The auditor's report of Ernst & Young LLP on the Company's consolidated financial statements for the financial years ended December 31, 2021 and 2020 will be placed before the Meeting.

At the Meeting, management proposes to submit to the Shareholders an ordinary resolution to appoint Ernst & Young LLP as the auditor of the Company, to hold office until the close of the next annual meeting of Shareholders, at such remuneration as may be determined by the directors.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the appointment of Ernst & Young LLP as the auditor of the Company for the ensuing year, at such remuneration as may be determined by the directors.

Following is a summary of the professional service fees billed to the Company by Ernst & Young LLP for each of the last two financial years.

	Financial Year ended December 31,	
(in $000s)	**2020**	**2021**
Audit Fees (1)	$191	$196
Audit-Related Fees (2)	—	—
Tax Fees (3)	—	—
All Other Fees (4)	$1	$1
Total Fees	$192	$197

Notes:

(1) Audit Fees were paid, or were payable for the audit of the Company's annual financial statements and reviews of the quarterly financial statements.

(2) Audit-Related Fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements but are not reported as "audit fees".

(3) Tax Fees were fees paid or payable for corporate tax return filings, tax advice and tax planning services.

(4) All Other Fees were paid for subscriptions to auditor-provided and supported tools.

4. Approval of Unallocated Entitlements under Equity Compensation Arrangements

The Company's equity compensation arrangements consist of its stock option plan ("**Option Plan**") and incentive security plan ("**Incentive Security Plan**" and, together with the Option Plan, the "**Plans**"). The Plans were implemented following approval by Shareholders at a special meeting held on September 8, 2016. For a description of the Plans, see "*Equity Compensation Arrangements*" below.

The Plans are "rolling plans" pursuant to which the maximum number of Common Shares issuable thereunder at any given time is not a fixed number but rather a function of the number of Common Shares outstanding at the time. Specifically, the aggregate number of Common Shares available for issuance under the Plans shall not exceed 8% percent of the total number of Common Shares outstanding (on a non-diluted basis) at the time of grant, with Common Shares issuable under the Incentive Security Plan not to exceed 3% of the number of Common Shares then issued and outstanding. Assuming a maximum 3% allotment of Common Shares under the Incentive Security Plan, not more than 5% of the number of outstanding Common Shares are available for future issuance under the Option Plan.

Pursuant to the Plan terms, a change in the number of outstanding Common Shares results in an automatic change in the maximum number of Common Shares issuable thereunder based on the percentage limits set out above. Additionally, Common Shares underlying any incentive stock options ("**Options**") granted under the Option Plan or share unit awards ("**Unit Awards**") granted under the Option Plan that are exercised or settled, or expire or terminate for any reason, will be available for purposes of further grants thereunder.

Common Shares available for issuance pursuant to Options or Unit Awards that are not granted and outstanding are referred to as unallocated entitlements.

The following table sets forth information regarding unallocated entitlements under the Option Plan and Incentive Security Plan as of April 1, 2022 based on there being 128,881,511 Common Shares outstanding on that date and assuming (i) a maximum allotment of Common Shares issuable under the Incentive Security Plan equal to 3% of the number of Common Shares outstanding and (ii) a resulting allotment of Common Shares issuable under the Option Plan equal to 5% of the number of Common Shares outstanding.

	Maximum Number of Common Shares Issuable (1) ***(a)***	**Common Shares Underlying Outstanding Awards as of April 1, 2022** (2) ***(b)***	**Unallocated Entitlements** (2) ***(a) – (b)***
Option Plan	6,444,075 (3)	3,509,046 (5) (2.72% of the number of Common Shares outstanding)	2,935,029 (2.28% of the number of Common Shares outstanding)
Incentive Security Plan	3,866,445 (4)	2,875,489 (6) (2.23% of the number of Common Shares outstanding)	990,956 (0.77% of the number of Common Shares outstanding)

Notes:

(1) The maximum number of Common Shares available for issuance under the Plans is 8% percent of the total number of Common Shares outstanding (on a non-diluted basis) at the time of grant, with Common Shares issuable under the Incentive Security Plan not to exceed 3% of the number of Common Shares then issued and outstanding. Assuming a maximum 3% allotment of Common Shares under the Incentive Security Plan, not more than 5% of the number of outstanding Common Shares are available for future issuance under the Option Plan.

(2) Reflects the cumulative effect of Option and Unit Award cancellations, exercises, settlements and grants that occurred between January 1, 2022 and April 1, 2022 and therefore differs from the year-end numbers set out under "*Equity Compensation Arrangements – Securities Authorized for Issuance under Equity Compensation Arrangements*" below.

(3) Calculated as 5% of the 128,881,511 Common Shares outstanding at April 1, 2022.

(4) Calculated as 3% of the 128,881,511 Common Shares outstanding at April 1, 2022.

(5) Comprised of 3,509,046 Options, pursuant to which up to 3,509,046 Common Shares are potentially issuable on exercise.

(6) Comprised of 2,140,221 restricted share units (RSUs) plus 735,268 deferred share units (DSUs) that can be settled through an issue of new Common Shares from treasury, pursuant to which up to an aggregate of 2,875,490 Common Shares are potentially issuable on settlement. See "*Statement of Executive Compensation – Equity Incentive Plan Awards*" and "*Equity Compensation Arrangements*" below.

See also "*Equity Compensation Arrangements – Securities Authorized for Issuance under Equity Compensation Arrangements*" below for information regarding the number of Common Shares authorized for issuance pursuant to the Option Plan and the Incentive Security Plan at December 31, 2021.

Pursuant to requirements of the Toronto Stock Exchange ("**TSX**") applicable to listed issuers, unallocated rights, options or other entitlements under a security-based compensation arrangement that does not have a fixed maximum number of securities issuable thereunder must be approved by a majority of the issuer's directors and by a majority of the issuer's securityholders every three years after institution. Shareholder approval in respect of the Plans (being, together with Options and Unit Awards granted thereunder, the only security-based compensation arrangements of the Company) is therefore subject to renewal under this requirement every three years.

The Plans were instituted on September 13, 2016, and unallocated entitlements thereunder were most recently approved by Shareholders on May 16, 2019. The current Shareholder approval in respect of the Plans will therefore expire on May 16, 2022, being the third anniversary of the last approval.

At the Meeting, management proposes to submit to the Shareholders an ordinary resolution to approve unallocated entitlements under the Plans and authorize further grants of Options and Unit Awards thereunder, upon and subject to the provisions thereof, as follows:

> "BE IT RESOLVED AS AN ORDINARY RESOLUTION of the holders of common shares ("Shares") of Prairie Provident Resources Inc. (the "Company") that: (i) all unallocated entitlements to acquire or otherwise receive newly issued Shares pursuant to stock options granted under the Company's stock option plan and share unit awards granted under the Company's incentive security plan, respectively, as more particularly described in the Information Circular of the Company dated April 12, 2022, are approved, ratified and confirmed; and (ii) in furtherance of the foregoing, the Company is authorized to make further grants of stock options and share unit awards under such plans, upon and subject to the provisions thereof, during the three-year period ending May 26, 2022 (being the third anniversary of this resolution)."

Passage of this resolution will, in accordance with current TSX requirements, operate to renew the Shareholders' approval of the Plans and the continued grant of Options and Unit Awards thereunder for a three-year period.

To be passed, the resolution must be approved by a simple majority of the votes cast in respect of that resolution, in person or by proxy, at the Meeting.

The Board of Directors unanimously approved the unallocated entitlements under the Plans on April 12, 2022, and recommends that Shareholders similarly vote FOR the above resolution.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the foregoing ordinary resolution to approve unallocated entitlements under the Plans and authorize further grants of Options and Unit Awards thereunder.

If the above resolution is passed, Shareholder approval in respect of the Plans will remain in effect until the third anniversary of its passage – namely May 26, 2025 assuming that the Meeting is not postponed or adjourned to a later date. If the resolution is not passed and the Shareholders do not otherwise approve unallocated entitlements under the Plans, no new Common Shares will be issuable on exercise or settlement of Options or Unit Awards granted after May 16, 2022.

Any determination of the Shareholders at the Meeting with respect to unallocated entitlements will not affect outstanding Options or Unit Awards granted prior to May 16, 2022.

In the event that Shareholders do not approve unallocated entitlements under the Plans, the Company may continue to grant Unit Awards to be settled through cash payment or delivery of previously-issued Common Shares acquired on the secondary market on the holder's behalf, and the Board of Directors will have to consider alternate forms of performance based compensation, which may include additional cash bonus programs, by which to attract, motivate and retain qualified personnel. A compensation program requiring settlement of Unit Awards otherwise than through delivery of new Common Shares issued from treasury, or that includes additional bonus programs, may result in higher cash costs to the Company going forward.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Each individual who served as an executive officer of the Company during 2021 is a ''named executive officer'' ("**NEO**") for whom compensation information is provided in this Statement of Executive Compensation. This group is comprised of the following individuals, each of whom held the office set forth opposite their name for some period during 2021:

Name	*Office(s) held*
Remi Anthony (Tony) Berthelet (1)	President and Chief Executive Officer
Mimi Lai (2)	Executive Vice President, Finance and Chief Financial Officer
Ryan Rawlyk (3)	Vice President, Production and Operations
Allison Massey (3)	Vice President, Land and Commercial
Tony van Winkoop (4)	Former President and Chief Executive Officer
Brad Likuski (5)	Former Vice President, Operations
Gjoa Taylor (6)	Former Vice President, Land

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Notes:

(1) Mr. Berthelet was appointed President and Chief Executive Officer effective June 28, 2021, and was not previously employed by the Company or any of its subsidiaries.

(2) Ms. Lai served as Chief Financial Officer throughout 2021, and as Interim Chief Executive Officer from March 30, 2021 until June 28, 2021. Effective March 31, 2022, Ms. Lai retired as Executive Vice President, Finance and Chief Financial Officer as well as from the Board of Directors.

(3) Mr. Rawlyk and Ms. Massey were appointed to their respective offices with the Company on September 13, 2021, and were not previously employed by the Company or any of its subsidiaries.

(4) Mr. van Winkoop served as President and Chief Executive Officer for part of 2021, and retired effective May 1, 2021.

(5) Mr. Likuski served as Vice President, Operations for part of 2021, until December 15, 2021.

(6) Ms. Taylor served as Vice President, Land for part of 2021, until September 10, 2021.

Objectives of the Compensation Program

The Company's compensation program aims to keep compensation practices consistent with strategic business and financial objectives and competitive within the oil and gas industry, with a view to attracting, motivating and retaining executive personnel with value-generating skills and expertise and encouraging behaviour and performance among key employees, including executive officers, considered to be in the Company's best interests and beneficial to its Shareholders. The Company's executive compensation practices are structured to provide each executive officer with a competitive income, to encourage and reward outstanding individual contribution to the Company, and to create meaningful incentives to remain in the Company's employment and not be unreasonably susceptible to competitor recruiting efforts. The program design and the weighting of its constituent components reflect the nature of the oil and gas industry and market conditions.

Elements of Compensation

For 2021, executive compensation was comprised of three primary components: (i) an annual base salary, which was intended to provide a fixed level of cash compensation that is competitive in the industry and enables the Company to attract, motivate and retain capable executives; (ii) grants of long-term equity-based compensation, which seek to correlate executive officer compensation with the creation of shareholder value, align long-term economic interests with that of Shareholders, and act as a meaningful tool for retention; and (iii) a discretionary short-term incentive program providing for a cash bonus opportunity in the discretion of the Board of Directors, based on its year-end consideration of qualitative corporate objectives and accomplishments in furtherance thereof, which was intended to incentivize individual efforts towards the achievement of those objectives.

NEOs are also eligible to participate in medical and dental plans, group term life and accidental death and dismemberment insurance plans and short-term and long-term disability plans on the same terms and conditions as the Company's other salaried employees.

The Company also has a Group Savings Plan (GSP), which is an employer-maintained contributory retirement plan that seeks to encourage employees to save a portion of current compensation for post-retirement living. The GSP was suspended in 2020 as part of the Company's broader response to the challenging industry and market conditions affecting it and other Canadian oil and gas companies, and that suspension continued through 2021. The GSP has been reinstated for 2022. Subject to certain limitations imposed by law, the Company will match employee contributions to the GSP up to a maximum of 5% of the employee's regular base pay through payroll deductions. GSP participants may choose to invest their account balances in certain investment options within the GSP.

The Company does not maintain a pension plan for any of its officers or employees.

Compensation Determinations

In making compensation determinations for 2021, the Compensation Committee, which is responsible for developing the Company's overall compensation philosophy and reviewing and approving the compensation of its executive officers, reviewed available compensation survey information, industry compensation data (including that reported by peer companies) and other information it considered relevant, taking into account how each element of compensation fits into overall compensation objectives and interacts with other elements. In considering the competitiveness of the Company's executive compensation practices, the Compensation Committee considered available information from other Canadian junior oil and gas companies, which were selected for comparability to the Company based on size and scale of operations, stage of development, production profile, geographic focus and asset location, market position and stock exchange listing.

All Compensation Committee members are independent of the Company within the meaning of applicable securities laws.

With respect to the Company's short-term incentive program, the Compensation Committee endorsed goals for 2021 related to capital program execution, management of abandonment and reclamation obligations, liquidity, operating and G&A cost improvements, and arrangements with joint interest partners. Achievements towards these goals were primarily assessed on a qualitative basis, and the Compensation Committee ultimately recommended total cash bonus awards for 2021 to the NEOs, as a group, of $109,000.

Long-term equity-based compensation is achieved through grants of Options under the Option Plan and Unit Awards under the Incentive Security Plan. See "– *Equity Incentive Plan Awards*" and "*Equity Compensation Arrangements*" below.

The Compensation Committee has assessed risks related to the Company's compensation policies and practices, and concluded that they do not create risks that are reasonably likely to have a material adverse effect on the Company. All aspects of the Company's compensation programs, including base salary, benefits, annual (short-term) incentive compensation, long-term equity-based compensation and severance entitlements, have been considered in light of long-term shareholder interests.

Financial Instruments

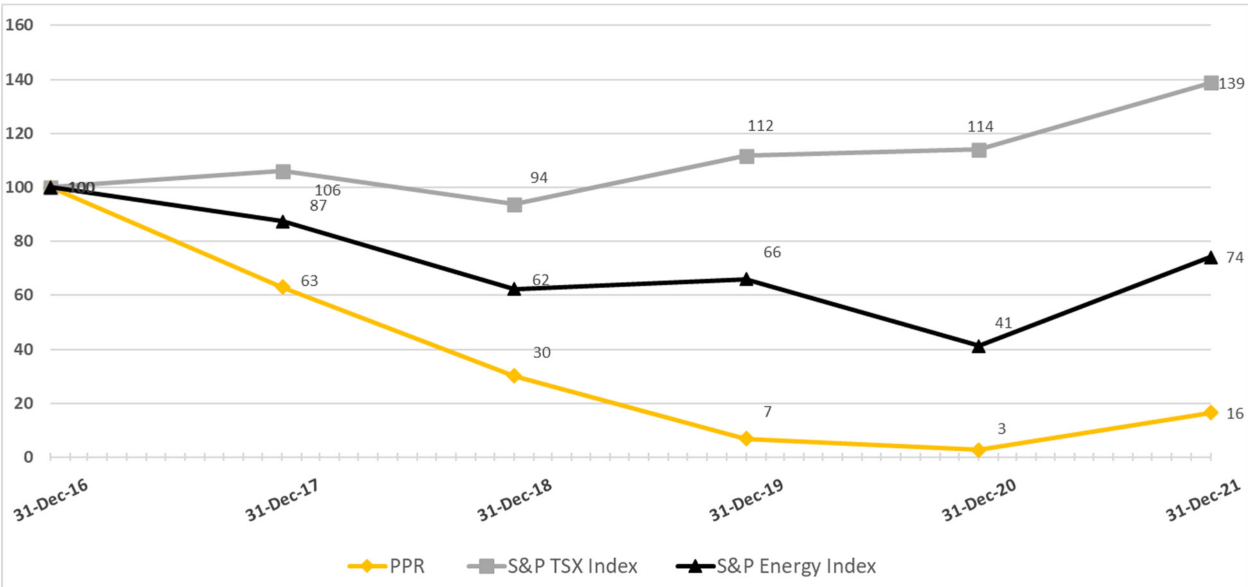
Pursuant to Prairie Provident's Disclosure and Trading Policy, directors and executive officers of the Company are expressly prohibited from, directly or indirectly, purchasing any financial instrument or otherwise entering into any transaction that is designed to hedge or offset a decrease in the market value of the Common Shares or any other securities granted as compensation or held, directly or indirectly.

Compensation Governance and Oversight

The Compensation Committee, which is responsible for developing the Company's overall compensation philosophy and reviewing and approving the compensation of its executive officers, is comprised entirely of independent directors – namely Rob Wonnacott (Chair), Derek Petrie and Ajay Sabherwal. All members have developed skills and experience with respect to executive compensation matters through past service as public company directors (including as compensation committee members), participating in the development of both short-term and long-term incentive plans for other entities, and active engagement with compensation consultants and advisors in designing and implementing executive compensation programs.

Performance Graph

The following graph shows the total cumulative return on a $100 investment in Common Shares on January 1, 2017 compared to the cumulative total return of the S&P/TSX Capped Energy Index and the S&P/TSX Composite Index, over the five-year period ending December 31, 2021.



	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Prairie Provident (TSX:PPR) (1)	100	63	30	7	3	16
S&P/TSX Composite Index	100	106	94	112	114	139
S&P/TSX Capped Energy Index	100	87	62	66	41	74

Note:

(1) Based on the closing price of the Common Shares on the TSX on the last trading day of each year during the period.

Executive compensation determinations are not directly correlated to the Company's relative share price performance. As a significant portion of executive pay is, though, equity-based through the grant of incentive awards under the Option Plan and Incentive Security Plan, total executive compensation is necessarily affected by changes in share price.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the last three financial years to the NEOs.

Name and Office(s)	Year	Salary ($)	Share-Based Awards [1] ($)	Option-Based Awards [2] ($)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans [3] ($)	All Other Compensation [4] ($)	Total Compensation ($)
Remi Anthony (Tony) Berthelet [5] *President and Chief Executive Officer*	2021	154,615	28,000	36,000	25,000	–	243,615
Mimi Lai [6]	2021	262,207	7,300	–	50,000	–	319,507
Executive Vice President, Finance	2020	237,349	4,939	6,667	–	–	248,955
and Chief Financial Officer	2019	264,640	56,467	26,889	137,612	–	485,608
Ryan Rawlyk [7] *Vice President, Production and Operations*	2021	71,253	6,750	16,000	17,000	–	111,003
Allison Massey [7] *Vice President, Land and Commercial*	2021	66,705	6,750	16,000	17,000	–	106,455
Tony van Winkoop [8]	2021	85,560	–	–	–	91,000	176,560
Former President and Chief	2020	226,967	4,920	6,642	–	–	238,529
Executive Officer	2019	253,064	56,257	26,789	131,594	–	467,704
Brad Likuski [9]	2021	210,977	7,300	–	–	385,000	603,277
Former Vice President, Operations	2020	203,232	4,794	6,472	–	–	214,498
	2019	226,600	54,810	26,100	–	–	425,342
Gjoa Taylor [10]	2021	152,843	7,300	–	–	232,265	392,408
Former Vice President, Land	2020	201,685	4,348	5,870	–	–	211,903
	2019	224,875	49,715	23,674	116,936	–	415,200

Notes:

(1) Amounts reflect the grant date fair value of restricted share units (RSUs) granted to NEOs in 2019, 2020 and 2021, computed in accordance with IFRS 2. The Company calculates the grant date fair value using the 1-day VWAP on the date of grant, which was $0.21 per unit for 2019 RSU grants, $0.04 per unit for 2020 RSU grants, $0.05 per unit for 2021 RSU grants to Ms. Lai, Mr. Likuski and Ms. Taylor, $0.07 per unit for the 2021 RSU grant to Mr. Berthelet, and $0.09 per unit for 2021 RSU grants to Mr. Rawlyk and Ms. Massey. Prairie Provident uses IFRS 2 as its methodology for computing the grant date fair value for purposes of consistency with its financial statements. In accordance with IFRS 2, the fair value of the RSUs is amortized in the financial statements over the applicable service period.

(2) Amounts reflect the grant date fair value of Options granted to NEOs in 2019, 2020 and 2021, computed in accordance with IFRS 2. The Company estimates the grant date fair value using the Black-Scholes option pricing model for the date of grant, which was $0.10 per option for 2019 grants, $0.02 per option for 2020 grants, $0.06 per option for 2021 grants to Mr. Berthelet, and $0.08 per option for 2021 grants to Mr. Rawlyk and Ms. Massey. Prairie Provident uses IFRS 2 as its methodology for computing the grant date fair value for purposes of consistency with its financial statements. In accordance with IFRS 2, the fair value of the Options is amortized in the financial statements over the applicable service period.

(3) Amounts relate to annual incentive bonuses awarded in respect of the year (notwithstanding that payment may be made after year-end).

(4) Amounts included in All Other Compensation relate to severance payments.

(5) Mr. Berthelet was appointed President and Chief Executive Officer effective June 28, 2021, and was not previously employed by the Company or any of its subsidiaries. Compensation information disclosed for him in respect of the financial year ended December 31, 2021 is comprised of compensation earned after his appointment.

(6) Ms. Lai served as Chief Financial Officer throughout 2021, and as Interim Chief Executive Officer from March 30, 2021 until June 28, 2021. Effective March 31, 2022, Ms. Lai retired as Executive Vice President, Finance and Chief Financial Officer as well as from the Board of Directors.

(7) Mr. Rawlyk and Ms. Massey were appointed to their respective offices with the Company on September 13, 2021, and were not previously employed by the Company or any of its subsidiaries. Compensation information disclosed for them in respect of the financial year ended December 31, 2021 is comprised of compensation earned after their appointments.

(8) Mr. van Winkoop previously served as Vice President, Exploration and then President effective July 17, 2020 and Chief Executive Officer effective December 18, 2020, until his retirement effective May 1, 2021.

(9) Mr. Likuski served as Vice President, Operations until December 15, 2021.

(10) Ms. Taylor served as Vice President, Land until September 10, 2021.

Equity Incentive Plan Awards

The Company makes grants of equity incentive awards under its Incentive Security Plan and Option Plan. For a description of these plans, see "*Equity Compensation Arrangements*" below.

At December 31, 2021, the Company had outstanding: (i) 1,474,263 restricted share units (RSUs), no performance share units (PSUs) and 1,880,268 deferred share units (DSUs) granted under the Incentive Security Plan; and (ii) 3,401,015 Options granted under the Option Plan. Of these, 1,816,000 RSUs and 1,000,000 Options were issued in 2021 to officers and employees, and 550,000 DSUs were issued in 2021 to directors. No PSUs were granted during 2021.

RSU and Option grants made to NEOs during 2021 were as follows:

Named Executive Officer	**2021 RSU Grant**	**2021 Option Grant**
Remi Anthony (Tony) Berthelet [(1)] *President and Chief Executive Officer*	400,000	600,000
Mimi Lai *Executive Vice President, Finance and Chief Financial Officer*	146,000	–
Ryan Rawlyk [(2)] *Vice President, Production and Operations*	75,000	200,000
Allison Massey [(2)] *Vice President, Land and Commercial*	75,000	200,000
Tony van Winkoop *Former President and Chief Executive Officer*	–	–
Brad Likuski *Former Vice President, Operations*	146,000	–
Gjoa Taylor *Former Vice President, Land*	146,000	–

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Notes:

(1) Mr. Berthelet received a grant of 400,000 RSUs and 600,000 Options on June 28, 2021 in connection with his appointment as President and Chief Executive Officer.

(2) Mr. Rawlyk and Ms. Massey each received a grant of 75,000 RSUs and 200,000 Options on September 13, 2021 in connection with their respective appointments as Vice President, Production and Operations and Vice President, Land and Commercial.

Restricted Share Units

Each vested RSU entitles the holder to receive, on settlement thereof, one Common Share or the cash equivalent thereof. Outstanding RSUs vest in one-third increments on each of the first and second anniversaries of their grant dates and on December 15 of the third year.

Stock Options

Each vested Option entitles the holder to purchase one Common Share at the stated exercise price. The outstanding Options vest in one-third increments on each of the first, second and third anniversaries of the grant date.

Deferred Share Units

Each DSU entitles the holder to receive, on settlement following cessation of service, one Common Share or the cash equivalent thereof. All outstanding DSUs are held by directors, were issued in lieu of directors' fees that would otherwise have been paid in cash, and vested immediately upon grant. See "–*Director Compensation*".

Outstanding Equity Incentive Plan Awards at Year-End

The following table sets forth, for each NEO, information regarding equity incentive plan awards outstanding at December 31, 2021 and held by that individual.

	Share-Based Awards			**Option-Based Awards**			
Named Executive Officer	**Number of shares or units of shares that have not vested (#)**	**Market or payout value [1] of share-based awards that have not vested ($) [2]**	**Market or payout value [1] of vested share-based awards not paid out or distributed ($)**	**Number of securities underlying unexercised options (#) [3]**	**Option exercise price ($)**	**Option expiration date**	**Value [1] of unexercised in-the-money options ($)**
Remi Anthony (Tony) Berthelet *President and Chief Executive Officer*	400,000	48,000	–	600,000	0.07	June 28, 2026	30,000
Mimi Lai *Executive Vice President, Finance and Chief Financial Officer*	228,311	27,397	–	125,665 268,891 333,362	0.76 0.21 0.05	Jan 27, 2022 Feb 5, 2024 Feb 5, 2025	23,335
Ryan Rawlyk *Vice President, Production and Operations*	75,000	9,000	–	200,000	0.09	Sep 13, 2026	6,000
Allison Massey *Vice President, Land and Commercial*	75,000	9,000	–	200,000	0.09	Sep 13, 2026	6,000
Tony van Winkoop [4] *Former President and Chief Executive Officer*	–	–	–	–	–	–	–

Named Executive Officer	Share-Based Awards			Option-Based Awards			
	Number of shares or units of shares that have not vested (#)	Market or payout value [(1)] of share-based awards that have not vested ($) [(2)]	Market or payout value [(1)] of vested share-based awards not paid out or distributed ($)	Number of securities underlying unexercised options (#) [(3)]	Option exercise price ($)	Option expiration date	Value [(1)] of unexercised in-the-money options ($)
Brad Likuski [(5)] *Former Vice President, Operations*	–	–	–	130,000 174,000 107,859	0.76 0.21 0.05	Jan 27, 2022 Feb 5, 2024 Feb 5, 2025	7,550
Gjoa Taylor [(6)] *Former Vice President, Land*	–	–	–	–	–	–	–

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Notes:

(1) Based on the closing price on the TSX of $0.12 per Common Share on December 31, 2021.

(2) Comprised of RSUs, each entitling the holder to receive, on vesting and settlement, one Common Share or the cash equivalent thereof.

(3) Comprised of Options having a five-year term from the date of grant and vesting in one-third increments on each of the first, second and third anniversary dates thereof. Each vested Option is exercisable to purchase one Common Share at the applicable exercise price.

(4) Mr. van Winkoop ceased to be an officer of the Company effective May 1, 2021, at which time all unvested share-based awards and option-based awards held by him were cancelled. Vested option-based awards remained exercisable for 90 days thereafter, at which time they too were cancelled. Mr. van Winkoop did not hold any share-based awards or option-based awards at December 31, 2021.

(5) Mr. Likuski ceased to be an officer of the Company effective December 15, 2021, at which time all unvested share-based awards and option-based awards held by him were cancelled. Vested option-based awards remained exercisable for 90 days thereafter. The option-based awards disclosed in this table represent the vested Options held by Mr. Likuski at December 31, 2021.

(6) Ms. Taylor ceased to be an officer of the Company effective September 10, 2021, at which time all unvested share-based awards and option-based awards held by her were cancelled. Vested option-based awards remained exercisable for 90 days thereafter, at which time they too were cancelled. Ms. Taylor did not hold any share-based awards or option-based awards at December 31, 2021.

Value Vested or Earned During the Year

The following table sets forth, for each NEO, the value of all incentive plan awards that vested or were earned during the year ended December 31, 2021.

Named Executive Officer	Share-Based Awards – Value vested during the year [(1)] ($)	Option-Based Awards – Value vested during the year [(2)] ($)	Non-Equity Incentive Plan Compensation – Value earned during the year [(3)] ($)
Remi Anthony (Tony) Berthelet *President and Chief Executive Officer*	–	–	25,000
Mimi Lai *Executive Vice President, Finance and Chief Financial Officer*	11,408	–	50,000
Ryan Rawlyk *Vice President, Production and Operations*	–	–	17,000
Allison Massey *Vice President, Land and Commercial*	–	–	17,000

Named Executive Officer	Share-Based Awards – Value vested during the year (1) ($)	Option-Based Awards – Value vested during the year (2) ($)	Non-Equity Incentive Plan Compensation – Value earned during the year (3) ($)
Tony van Winkoop *Former President and Chief Executive Officer*	3,114	–	–
Brad Likuski *Former Vice President, Operations*	11,073	–	–
Gjoa Taylor *Former Vice President, Land*	10,044	–	–

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Notes:

(1) Amounts in this column relate to: (i) the settlement in February 2021 of all RSUs previously issued in February 2019 and February 2020, respectively, based on the volume-weighted average trading price of the Common Shares on the TSX for the five trading days before the settlement date of February 5, 2021 (being $0.0239 per share); and (ii) the settlement in December 2021 of RSUs previously issued in February 2019, based on the volume-weighted average trading price of the Common Shares on the TSX for the five trading days before the settlement date of December 15, 2021 (being $0.0924 per share).

(2) For option-based awards, the value vested during the year is calculated as the aggregate dollar value that would have been realized if all such awards that vested during the year had been exercised on the vesting date, based on the difference between the market price of the underlying securities and the exercise or base price of the option-based awards on the vesting date. The exercise price of all Options that vested during the year ended December 31, 2021 was greater than the market price of the Common Shares on the vesting date.

(3) Amounts in this column are bonus payments awarded for 2021, which were attributable to 2021 service but paid in 2022. See "*Statement of Executive Compensation – Compensation Determinations*".

Termination and Change of Control Benefits

Each NEO holding office at December 31, 2021 has an employment agreement that provides for termination payments in the event of involuntary termination (otherwise than for cause or as a result of death, permanent disability or retirement) or resignation by the executive in the event of a change in duties following a change of control.

For each such NEO, the payment amount is a multiple of base salary plus 15% of that amount for loss of benefits, with the multiples being (i) 24 months for Remi Anthony (Tony) Berthelet (President and Chief Executive Officer), (ii) 23 months for Mimi Lai (Executive Vice President, Finance and Chief Financial Officer), based on 18 months plus one additional month for every year of service since becoming an executive officer of the Company, and (iii) 12 months for Ryan Rawlyk (Vice President, Production and Operations) and Allison Massey (Vice President, Land and Commercial).

For purposes of these agreements, a "change of control" generally means: (i) any person or group becoming the beneficial owner of, or acquiring control or direction over, 50% of the Company's voting securities; (ii) a business combination with another entity following which former Prairie Provident securityholders hold less than 50% of the voting power in the combined entity; (iii) shareholder approval for liquidating or winding-up the Company; or (iv) the sale, lease or exchange of all or substantially all of the Company's assets (other than a transfer to an affiliate).

The agreements provide for "double trigger" change of control benefits, in that resignation by the executive following a change of control will trigger a termination payment only if the change of control is followed by a change of duties for the executive, which would include a material change in position or duties, responsibilities, title or office, a material reduction in compensation or removal of benefits (without alternative benefits of reasonably equivalent value), or a relocation of the executive's employment by more than 75 kilometers.

In addition, pursuant to the applicable provisions of the Option Plan and Incentive Security Plan, the vesting and settlement of Options and Unit Awards granted thereunder may be accelerated in connection with a change of control of the Company within the meaning of such plans. See "*Equity Compensation Arrangements*" below.

Estimated incremental payments, payables and benefits to the NEOs holding office at December 31, 2021, assuming an involuntary termination or covered change of control event on that date, were as follows.

Named Executive Officer	Estimated Post-Change of Control Termination Payment
Remi Anthony (Tony) Berthelet *President and Chief Executive Officer*	$690,000
Mimi Lai *Executive Vice President, Finance and Chief Financial Officer*	$606,145
Ryan Rawlyk *Vice President, Production and Operations*	$270,250
Allison Massey *Vice President, Land and Commercial*	$253,000

Director Compensation

The Company's cash compensation program for non-executive directors in 2021 provided for an annual base retainer fee of $40,000, plus additional fees for committee service, as follows:

- $20,000 for service as Chair of the Board of Directors;
- $15,000 for service as Chair of the Audit Committee;
- $10,000 for service as Chair of any other committee; and
- $5,000 for service as a committee member (otherwise than as Chair).

Director fees are paid quarterly.

In addition, during 2021 each non-executive director received a single grant of 100,000 DSUs, with the Chairman of the Board of Directors receiving an additional 50,000 DSUs, for a total of 550,000 DSUs in aggregate. No option-based awards or other incentive plan awards were made to non-executive directors in 2021.

Prior to 2020, the base annual retainer fee for non-executive directors was $60,000, of which one-third ($20,000 annually, or $5,000 per quarter) was payable through the issue of DSUs on the last business day of each quarter based on the volume-weighted average trading price of the Common Shares for the five preceding trading days, and the remaining two-thirds ($40,000 annually, or $10,000 per quarter) was payable in cash. The quarterly DSU grant program was suspended in early 2020, which reduced the total base annual retainer amount by $20,000 ($5,000 per quarter), and remained suspended through 2021.

Non-executive directors are also reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors or committees thereof.

To the extent permitted by law, all directors are entitled to indemnification by the Company in respect of actions or proceedings to which they made a party by reason of being or having been a director.

Directors who are also executive officers of the Company do not receive additional compensation for service as a director.

The following table sets forth information concerning the total compensation provided to the non-executive directors of the Company during the year ended December 31, 2021.

Name of Director	**Fees Earned** [(1)] **($)**	**Share-Based Awards** [(2)] **($)**	**Total ($)**
Patrick McDonald	75,000	7,800	82,800
William Roach [(3)]	30,000	5,200	35,200
Derek Petrie	65,000	5,200	70,200
Ajay Sabherwal	70,000	5,200	75,200
Rob Wonnacott	60,000	5,200	65,200

Notes:

(1) Amounts in this column are directors' fees paid in cash, and do not include any portion of directors' fees paid through the issue of DSUs.

(2) Amounts in this column represent directors' fees paid through the issue of DSUs on April 1, 2021, with each DSU valued according to the volume-weighted average trading price of the Common Shares on the TSX for the five trading days before the issue date (being $0.0520 per share).

(3) Dr. Roach served as a director of the Company until June 29, 2021, when his term of office concluded.

The following table sets forth, for each non-executive director serving on the Board of Directors at December 31, 2021, information regarding equity incentive plan awards outstanding at December 31, 2021 and held by that director.

	Share-Based Awards			**Option-Based Awards** [(3)]			
Name of Director	**Number of shares or units of shares that have not vested (#)** [(1)]	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value** [(1)] **of vested share-based awards not paid out or distributed ($)** [(2)]	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value** [(1)] **of unexercised in-the-money options ($)**
Patrick McDonald	–	–	60,908	–	–	–	–
Derek Petrie	–	–	54,908	–	–	–	–
Ajay Sabherwal	–	–	54,908	–	–	–	–
Rob Wonnacott	–	–	54,908	–	–	–	–

Notes:

(1) Based on the closing price on the TSX of $0.12 per Common Share on December 31, 2021.

(2) Comprised of DSUs granted in lieu of directors' fees otherwise payable in cash. All such DSUs vest immediately upon grant, but are subject to settlement only after the holder retires or otherwise ceases service with the Company.

(3) No non-executive director held any option-based award at December 31, 2021.

Certain non-executive directors previously held Options granted in September 2016 and exercisable at a price of $0.96 per share. All such Options, which were fully vested prior to 2021, expired in September 2021.

Indebtedness of Directors and Executive Officers

No director or executive officer of the Company, no person who served as such during the last financial year, no proposed nominee for election as a director of the Company and no known associate of any such person, is or was at any time since January 1, 2021 indebted to the Company or any of its subsidiaries or the beneficiary of any guarantee or similar financial assistance from the Company or any of its subsidiaries with respect to indebtedness to another entity. No current or former director, executive officer or employee of the Company is currently indebted to the Company or any of its subsidiaries.

EQUITY COMPENSATION ARRANGEMENTS

The Company's equity compensation arrangements consist of the Option Plan and the Incentive Security Plan (together, the "**Plans**"). Both were adopted in September 2016 and are administered by the Compensation Committee (for this purpose, the "**Administrator**").

The Plans provide for a maximum number of Common Shares issuable thereunder based on a specified percentage of the number of Common Shares outstanding from time to time. Specifically, the aggregate number of Common Shares available for issuance under the Plans shall not exceed 8% percent of the total number of Common Shares outstanding (on a non-diluted basis) at the time of grant, with Common Shares issuable under the Incentive Security Plan not to exceed 3% of the number of Common Shares then issued and outstanding.

The Plans are also subject to insider and non-executive director participation limits, pursuant to which: (i) the number of Common Shares that may be issuable to insiders of the Company at any time under all security-based compensation arrangements of the Company shall not exceed 10% of the issued and outstanding shares; (ii) the number of Common Shares issued under all such arrangements to insiders of the Company during any one-year period shall not exceed 10% of the issued and outstanding Common Shares; and (iii) the aggregate value of entitlements granted under both Plans to any non-executive director of the Company, together with the value of entitlements granted to that director under any other security-based compensation arrangements of the Company, cannot exceed $150,000 in any calendar year, of which not more than $100,000 of value may be in the form of incentive stock options. These participation limits do not, however, operate to increase the aggregate maximum limit referred to above.

Common Shares underlying any Options or Unit Awards that are exercised or settled, or expire or terminate for any reason, will be available for purpose of further grants under the Option Plan or Incentive Security Plan.

Stock Option Plan

The Option Plan provides for the grant from time to time to directors, officers, employees and consultants of the Company and its subsidiaries (collectively, "**Service Providers**") of Options to purchase Common Shares at an exercise price determined at the time of grant. Common Shares purchasable on the exercise of Options will be new Common Shares issued by the Company from treasury.

An Option exercise price cannot be lower than the market price of a Common Share on the grant date, with market price defined as the volume-weighted average trading price for the Common Shares on the TSX (or other applicable stock exchange) for the five immediately preceding trading days on which the Common Shares traded.

The basis and schedule upon which Options shall vest and become exercisable will be determined by the Administrator at the date of grant. The maximum term to expiry is five years; provided, however, that an Option whose scheduled expiry falls within a "blackout" period applicable to the holder (or within three business days thereafter) will be automatically extended to a date that is 10 business days following the end of the blackout period.

If a holder of Options ceases to be a Service Provider, any unvested Options immediately terminate and any vested Options shall be exercisable for 90 days thereafter (subject to the outside expiry date determined at the time of grant); except that if the holder ceases to be a Service Provider because of: (i) death, then all of the holder's unvested Options will thereupon vest and his or her executors or other proper representatives will have 90 days within which to exercise vested Options; or (ii) permanent disability, then a part of the holder's unvested Options will vest based on the ratio of the holder's length of service following the grant date to the period between the grant date and the ordinary vesting date, and all vested Options will remain outstanding and exercisable in accordance with their terms. In the event of termination without cause, unless the Board of Directors exercises its discretion to permit continued vesting over the applicable notice period, then all unvested Options terminate.

In connection with a change of control of the Company within the meaning of the Option Plan (which includes a change in majority composition of the Board of Directors), unless the Options can practicably be continued or replaced and certain other criteria are satisfied, then all vested and unvested Options will, conditional upon completion of the change of control, be surrendered in consideration for an issue of Common Shares having a value equivalent to their in-the-money value. The Board of Directors may also permit conditional exercise of vested and unvested Options to enable holders to participate as shareholders in an approved or agreed change of control transaction, conditional upon completion thereof.

Options cannot be transferred or assigned, other than for estate settlement purposes.

The Administrator may amend or terminate the Stock Option Plan and any issued Option without the approval of Shareholders (but subject to TSX approval if required under TSX rules), except that Shareholder approval will, in accordance with TSX rules, be required for: (i) an increase to the maximum number of Common Shares issuable pursuant to the Option Plan; (ii) a reduction in the exercise price of an Option (or cancellation of an Option with subsequent issue of a replacement Option); (iii) an extension to the term of an Option; (iv) amendments that would permit Options to be transferred or assigned otherwise than for normal estate settlement purposes; (v) additional categories of eligible Service Providers; (vi) removal or amendment to insider and non-executive director participation restrictions; (vii) removal or amendment of the amendment provisions of the Option Plan; and (viii) any other amendment for which Shareholder approval is required under TSX rules.

Incentive Security Plan

The Incentive Security Plan provides for the grant from time to time to directors, officers and employees of the Company and its subsidiaries (collectively, "**Participants**") of "phantom" Unit Awards in the form of restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**").

RSUs credited to a Participant's account represent a right, upon vesting, to receive Common Shares or the cash equivalent thereof. DSUs and PSUs credited to a Participant's account similarly represent a right to receive Common Shares or the cash equivalent thereof, except that: (i) for PSUs, vesting is generally conditional upon satisfaction of such corporate or personal performance criteria as may be determined by the Administrator at the time of grant; and (ii) for DSUs, settlement is deferred until after the Participant has ceased to be a director of or employed by the Company or its subsidiaries or any affiliate (within the meaning of certain applicable Canadian federal income tax rules).

The Company may effect the settlement (or payout) of vested RSUs, PSUs and DSUs by delivering Common Shares, a cash payment based on the fair market value of the Common Shares at the time, or a combination thereof. Common Shares delivered on settlement may be new Common Shares issued by the Company from treasury, or previously-issued Common Shares acquired on the secondary market on the Participant's behalf (in which case the Company will pay the costs of acquisition); except that DSUs issued after June 30, 2019 cannot be settled through an issue of new Common Shares from treasury.

For Incentive Security Plan purposes, a DSU is a type of RSU, but having terms and conditions that satisfy the requirements of regulation 6801(d) to the *Income Tax Act* (Canada) (the "**Tax Act**"). Unless specified otherwise, reference in this Information Circular to an RSU means an RSU that is not a DSU.

RSUs and PSUs are granted in respect of services rendered by a Participant in a particular calendar year (the "**Service Year**"), and must be settled (paid out) by December 15 of the third calendar year following the Service Year (the "**December Deadline**") in order to meet certain rules under the Tax Act applicable to "salary deferral arrangements".

DSUs, by contrast, are meant to not settle within such a three-year window, but instead be paid out only after the holder retires or otherwise ceases service to the Company, during the period between the Participant's termination date and December 15 of the next following calendar year. DSUs do not meet the criteria under the Tax Act applicable to "salary deferral arrangements", but instead qualify under alternative provisions that are not premised on a three-year settlement window.

Unless otherwise determined by the Administrator: (i) RSUs vest as to one-third of the number granted, on each of the first and second anniversaries of grant, and as to the final 1/3 on the earlier of the third anniversary and the December Deadline; (ii) PSUs vest in their entirety on the earlier of the third anniversary of the grant date and the December Deadline, subject to satisfaction of the applicable performance criteria; and (iii) DSUs vest immediately upon grant, as they will ordinarily be granted in lieu of cash compensation otherwise payable to the Participant.

If a holder of Unit Awards ceases to be a Participant, any unvested Unit Awards terminate and vested Unit Awards will be settled (paid out) in accordance with their terms; except that if the holder ceases to be a Participant because of: (i) death, then unvested RSUs will thereupon vest and unvested PSUs will vest based on assumed performance at the "target" level; or (ii) permanent disability, then (A) a part of the holder's unvested RSUs will vest based on the ratio of the holder's length of service following the grant date to the period between the grant date and the ordinary vesting date, and (B) the Company will determine in due course how many unvested PSUs would have been earned based on the applicable performance criteria had the holder remained a Participant, and a part of that notional number of PSUs that would have been earned will vest based on the ratio of the holder's length of service following the grant date to the period between the grant date and the ordinary vesting date.

Unless otherwise determined by the Administrator, if the Company pays cash dividends on Common Shares, a Participant's account to which existing Unit Awards remain credited shall be credited with additional Unit Awards in such number as have a value, based on the fair market value of the Common Shares at the time, equivalent to the cash dividend amount that would have been paid on the existing Unit Awards if they were instead outstanding as Common Shares. Such additional Unit Awards would, unless otherwise determined by the Administrator, be subject to the same vesting conditions as apply to the existing Unit Awards in respect of which they are issued.

In connection with a change of control of the Company within the meaning of the Incentive Security Plan (which includes a change in majority composition of the Board of Directors), unless the Unit Awards can practicably be continued or replaced and certain other criteria are satisfied, then all unvested Unit Awards will vest, and vested Unit Awards (other than DSUs) will be immediately settled (paid out).

Unit Awards cannot be transferred or assigned, other than for estate settlement purposes in the event of death.

The Administrator may amend or terminate the Incentive Security Plan and any issued Unit Award without the approval of Shareholders (but subject to TSX approval if required under TSX rules), except that Shareholder approval will, in accordance with TSX rules, be required for: (i) an increase to the maximum number of Common Shares issuable pursuant to the Incentive Security Plan; (ii) amend the determination thereunder of the fair market value of a Common Share in respect of any Unit Award; (iii) an extension to the expiry date of an Unit Award; (iv) amendments that would permit Unit Awards to be transferred or assigned otherwise than for normal estate settlement purposes; (v) additional categories of eligible Participants; (vi) removal or amendment to insider and non-executive director participation restrictions; (vii) removal or amendment of the amendment provisions of the Incentive Security Plan; and (viii) any other amendment for which Shareholder approval is required under TSX rules.

The Incentive Security Plan was amended in March 2017 to enable the Company to grant DSUs – as Unit Awards that are not settled until retirement and therefore likely outside of the three-year settlement window otherwise applicable to RSUs and PSUs – having terms and conditions that satisfy the requirements of regulation 6801(d) to the Tax Act. Requisite TSX approval was obtained. Shareholder approval was not required. The amendments did not increase the maximum number of Common Shares issuable pursuant to the Incentive Security Plan, and did not affect the terms of conditions of any outstanding Unit Awards.

Securities Authorized for Issuance under Equity Compensation Arrangements

The following table provides information regarding the number of Common Shares authorized for issuance pursuant to the Option Plan and the Incentive Security Plan at December 31, 2021.

Equity Compensation Arrangement [1]	Number of Securities to be Issued upon Exercise of Outstanding Options or Units	Weighted Average Exercise Price of Outstanding Options	Number of Common Shares Remaining Available for Future Issuance under the Arrangement [4]
Stock Option Plan	3,401,015 [2]	$0.24	3,035,210 [5]
Incentive Security Plan	Up to 2,209,531 [3]	n/a	1,652,204 [5]

Notes:

(1) The Option Plan and Incentive Security Plan were both approved by the former shareholders of Lone Pine Resources Inc. and Lone Pine Resources Canada Ltd. (together, "**Lone Pine**") and by the former shareholders of Arsenal Energy Inc. ("**Arsenal**"), in connection with the arrangement under section 193 of the *Business Corporations Act* (Alberta) completed on September 12, 2016, pursuant to which (i) the ownership and capital structure of Lone Pine was reorganized, with the Company becoming the parent corporation of Lone Pine and the former Lone Pine shareholders becoming shareholders of Prairie Provident, and (ii) Prairie Provident acquired all of the outstanding shares of Arsenal. In accordance with TSX requirements, all unallocated entitlements under the Option Plan and Incentive Security Plan were subsequently approved by the Shareholders at the annual and special meeting held on May 16, 2019. The Company does not have any equity compensation arrangements not approved by shareholders.

(2) There were 3,401,015 Options outstanding under the Option Plan at December 31, 2021, of which (i) 600,000 were exercisable at a price of $0.07 per share, (ii) 400,000 were exercisable at a price of $0.09 per share, (iii) 885,613 were exercisable at a price of $0.05 per share, (iv) 849,737 were exercisable at a price of $0.21 per share, and (v) 665,665 were exercisable at a price of $0.76 per share (subject to satisfaction of applicable vesting conditions).

(3) Comprised of 1,474,263 RSUs and 735,268 DSUs outstanding under the Incentive Security Plan at December 31, 2021 that could be settled through an issue of new Common Shares from treasury. Each vested RSU entitles the holder to receive, on settlement, one Common Share or the cash equivalent thereof. Each DSU entitles the holder to receive, on settlement after the holder retires or otherwise ceases service with the Company, one Common Share or the cash equivalent thereof. Common Shares delivered on settlement of vested RSUs or of DSUs may be new Common Shares issued by the Company from treasury, or previously-issued Common Shares acquired on the secondary market on the holder's behalf; except that DSUs issued after June 30, 2019 (of which there were 1,145,000 outstanding at December 31, 2021) cannot be settled through an issue of new Common Shares from treasury and so are not included in the aggregate DSU number reflected in this table. See "*Statement of Executive Compensation– Director Compensation*".

(4) The maximum number of Common Shares available for issuance under the Option Plan and the Incentive Security Plan together shall not exceed 8% percent of the total number of Common Shares outstanding (on a non-diluted basis) at the time of grant, with Common Shares issuable under the Incentive Security Plan not to exceed 3% of the number of Common Shares then issued and outstanding. Common Shares underlying any Options or Unit Awards that are exercised or settled, or expire or terminate for any reason, will be available for purpose of further grants under the Option Plan or Incentive Security Plan.

(5) Assuming a maximum allotment of authorized Common Shares to the Incentive Security Plan, then (i) up to 3% of the number of Common Shares outstanding may be issued pursuant to awards under the Incentive Security Plan, and (ii) up to of 5% of the number of Common Shares outstanding may be issued pursuant to awards under the Option Plan. There were 128,724,515 Common Shares outstanding at December 31, 2021.

Burn Rate

The following table provides the annual burn rate for the Option Plan and the Incentive Security Plan, respectively, for each of the Company's three most recently completed financial years.

	Options Granted	Unit Awards Granted	Weighted Average Number of Common Shares Outstanding	Options Burn Rate [1]	Unit Awards Burn Rate [1]
2019	2,373,633 [2]	2,902,190 [3]	171,349,354	1.4%	1.7%
2020	2,633,673 [2]	975,435 [3]	172,012,944	1.5%	0.6%
2021	1,000,000 [2]	1,816,000 [3]	136,944,066	0.7%	1.3%

Notes:

(1) In accordance with TSX requirements, the "burn rate" for any security-based compensation arrangement in a year is calculated by dividing the number of securities granted under the arrangement during the year, by the weighted average number of Common

Shares outstanding for the year. Arrangements that do not involve the issuance or potential issuance from treasury of securities are not security-based compensation arrangements for these purposes.

(2) Comprised of Options granted to officers and employees. Each vested Option entitles the holder to purchase one Common Share at the exercise price at which the Option was granted.

(3) Comprised of: (i) for 2019, 2,373,633 RSUs granted to officers and employees and 528,557 DSUs granted to non-executive directors that can potentially be settled through an issue of Common Shares from treasury; (ii) for 2020, 975,435 RSUs granted to officers and employees; and (iii) for 2021, 1,816,000 RSUs granted to officers and employees. The 550,000 DSUs granted to non-executive directors during 2021 cannot be settled through an issue of new Common Shares from treasury and are therefore not included in this table. See "*Statement of Executive Compensation– Director Compensation*". Each vested RSU and each DSU entitles the holder to receive, on settlement, one Common Share or the cash equivalent thereof. Common shares delivered on settlement of vested RSUs or of DSUs may be new Common Shares issued by the Company from treasury, or previously-issued Common Shares acquired on the secondary market on the holder's behalf; except that DSUs issued after June 30, 2019 (of which there were 1,145,000 outstanding at December 31, 2021) cannot be settled through an issue of new Common Shares from treasury.

CORPORATE GOVERNANCE

Composition of the Board of Directors

The Board of Directors, which is responsible for supervising the management of the business and affairs of the Company, is currently comprised of six directors, of whom five – including the Chair – are independent, as follows:

Name of Director	Independent?
Patrick McDonald *Independent Chairman of the Board*	✓
Derek Petrie *Independent Director*	✓
Bettina Pierre-Gilles [(1)] *Independent Director*	✓
Ajay Sabherwal *Independent Director*	✓
Rob Wonnacott *Independent Director*	✓
Remi Anthony (Tony) Berthelet [(2)] *President and Chief Executive Officer*	✘ *[executive officer]*

Notes:

(1) Ms. Bettina Pierre-Gilles was appointed to the Board of Directors in March 2022 and did not serve as director during 2021.

(2) Mr. Berthelet was appointed to Board of Directors in June 2021.

Remi Anthony (Tony) Berthelet, President and Chief Executive Officer, is not considered independent on the basis of being an executive officer of the Company.

Mimi Lai, who recently resigned as Executive Vice President, Finance and Chief Financial Officer of the Company and as a director, served on the Board of Directors from the time of her election by the Shareholders at the annual meeting held in June 2021 until her resignation on March 31, 2022, and was also not considered independent on the basis of being an executive officer of the Company.

William Roach, who served as a director of the Company until June 29, 2021, when his term of office concluded, was independent.

Other Directorships

None of our current directors also serves as a director of another reporting issuer (or the equivalent), other than our Chairman, Patrick McDonald, who is a director and Chief Executive Officer of Carbon Energy Corporation (OTC). Carbon Energy Corporation is a reporting company under U.S. federal securities laws.

Charters and Position Descriptions

The Board of Directors has established a charter for itself and each of the Audit Committee, the Reserves and Health, Safety and Environment Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, and has developed position descriptions for the board and committee chairs and the chief executive officer. Attached as Schedule "A" is a copy of the Board of Directors charter.

The Board of Directors also recently formed an Environmental, Social and Governance (ESG) Committee and is in the process of finalizing its charter.

Board Committees

The Board of Directors currently has five principal committees, as follows:

- Audit Committee – The principal purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities regarding the integrity of the Company's financial statements and related accounting, financial reporting and audit processes, internal accounting and financial control systems and procedures, disclosure controls and procedures, the qualification and performance of the Company's independent auditors, and the Company's risk management strategies; and compliance by the Company with applicable legal requirements relating thereto.

- Reserves and Health, Safety and Environment Committee – The principal purpose of the Reserves and Health, Safety and Environment Committee is to assist the Board of Directors in fulfilling its oversight responsibilities regarding (i) assessment of the Company's reserves data, and public disclosure of its reserves data and other oil and gas information, and (ii) review and monitoring of matters pertaining to the health and safety of personnel and the public, and environmental protection and remediation (including the management and discharge of abandonment and reclamation obligations under applicable regulatory requirements), in relation to conduct of the Company's business and affairs, and compliance by the Company with applicable legal requirements in respect of such matters.

- Compensation Committee – The principal purpose of the Compensation Committee is to assist the Board of Directors in establishing and administering the Company's executive compensation program and otherwise fulfilling its responsibilities regarding executive appointment, evaluation and compensation matters.

- Nominating and Corporate Governance Committee – The principal purpose of the Nominating and Corporate Governance Committee is to assist the Board of Directors in developing the Company's approach to corporate governance and adopting and implementing governance principles and guidelines for the Company, and in considering nomination, composition and compensation matters regarding the Board of Directors and its committees.

- Environmental, Social and Governance Committee – The Board of Directors believes that environmental, social and governance (ESG) matters are critical to the long-term value and sustainability of the Company. The principal purpose of the Environmental, Social and Governance Committee, which was very recently formed in March 2022, will be to assist the Board of Directors in overseeing the identification, development and implementation of strategy, goals and programs concerning ESG matters and their integration into the Company's strategy and risk management processes with a view to developing the capacity to manage ESG risks and seize opportunities, and in monitoring their effectiveness.

As more particularly outlined in the chart below, each of the above-named committees is comprised entirely of independent directors, other than the very recently formed Environmental, Social and Governance Committee of which the Company's chief executive officer is also a member.

The Board of Directors also has an Executive Committee comprised of Messrs. McDonald (Chair) and Berthelet, to which the Board of Directors may, in its discretion, delegate targeted responsibilities from time to time.

The following table sets out the current membership of the various committees of the Board of Directors.

Name of Director	**Audit Committee**	**Compensation Committee**	**Environmental, Social and Governance Committee (1)**	**Nominating and Corporate Governance Committee**	**Reserves and Health, Safety and Environment Committee**	**Executive Committee**
Patrick McDonald				Chair		Chair
Derek Petrie	✓	✓	✓	✓	Chair	
Bettina Pierre-Gilles (2)	✓		Chair			
Ajay Sabherwal	Chair	✓	✓	✓	✓	
Rob Wonnacott	✓	Chair	✓		✓	
Remi Anthony (Tony) Berthelet			✓			✓

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Notes:

(1) The Environmental, Social and Governance Committee was formed in March 2022.

(2) Ms. Pierre-Gilles was appointed to the Environmental, Social and Governance Committee and the Audit Committee in March 2022 in connection with her appointment as a director of the Company.

Directors' Meetings

The following table sets forth the attendance record of each director and committee member, as applicable, for formal meetings of the Board of Directors and its standing committees held since January 1, 2021.

Director	Board of Directors	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Reserves and Health, Safety and Environment Committee
	(7 meetings)	*(5 meetings)*	*(8 meetings)*	*(6 meetings)*	*(6 meetings)*
Current Directors:					
Patrick McDonald (1)	7/7	–	–	3/3	–
Derek Petrie	7/7	–	8/8	6/6	6/6
Bettina Pierre-Gilles (2)	1/1	1/1	–	–	–
Ajay Sabherwal	7/7	5/5	–	6/6	6/6
Rob Wonnacott	7/7	5/5	8/8	–	6/6
Remi Anthony (Tony) Berthelet (3)	4/4	–	–	–	–
Former Directors:					
Mimi Lai (4)	4/4	–	–	–	–
William Roach (5)	3/3	–	4/4	3/3	3/3
Tony van Winkoop (6)	2/2	–	–	–	–

Notes:

(1) Mr. McDonald was appointed to the Nominating and Corporate Governance Committee in August 2021 and attended all meetings thereof since his appointment.

(2) Ms. Pierre-Gilles was appointed to the Board of Directors and Audit Committee in March 2022 and attended all meetings thereof since her appointment.

(3) Mr. Berthelet was appointed to the Board of Directors in June 2021 and attended all meetings thereof since his appointment.

(4) Ms. Lai served as a director from the time of her election in June 2021 until her recent retirement, effective March 31, 2022, as Executive Vice President, Finance and Chief Financial Officer of the Company as well as from the Board of Directors, and attended all meetings thereof during her term as a director.

(5) Ms. Roach served as a director until June 2021, and attended all meetings of the Board of Directors and committees of which he was a member between the start of 2021 and the conclusion of his term.

(6) Mr. van Winkoop retired effective May 1, 2021, and attended all meetings of the Board of Directors between the start of 2021 and his retirement.

The independent directors meet in the absence of non-independent directors and members of management during or at the conclusion of each scheduled meeting of the Board of Directors, and at the conclusion of certain committee meetings.

In addition to formal meetings, management holds frequent update calls with the directors, and consultation among the directors and with management on noteworthy matters occurs outside of formal meetings and scheduled updates. Directors have ready and unfettered access to management and advisors.

No formal meetings of the Executive Committee were required in 2021.

Director Assessments

The effectiveness and contribution of each director and of the Board of Directors and each of its committees are subject to annual evaluation, with the Board of Directors and each committee conducting an annual self-evaluation to assess, and identify opportunities to improve performance. The Nominating and Corporate Governance Committee leads the Board of Directors in its annual self-evaluation.

Orientation and Continuing Education

Orientation of new directors will be overseen by the Nominating and Corporate Governance Committee, which is responsible for arranging for and overseeing delivery to new directors of appropriate orientation regarding the role of the Board of Directors and its committees and the expected contributions of individual directors, and the nature and operation of the Company's business, including meetings with management or other employees. The Nominating and Corporate Governance Committee is also responsible for overseeing the provision of continuing education opportunities to all directors. New directors will be provided with relevant corporate documents and other reference materials concerning organizational matters and board proceedings and thoroughly briefed by management and the current directors on the Company's business and affairs. The Company does not have a formalized continuing education program at this time, and does not currently consider one to be necessary to ensure that its directors maintain the skill and knowledge necessary to meet their obligations as board members. The identification and continued nomination for election of individual directors is based in part on their principal occupations, existing industry experience and expertise, and applicability to the business and affairs of the Company, which is supplemented by management presentations and detailed periodic reporting to the directors. External roles and responsibilities, together with the ongoing reporting from and consultation with management and among the directors, facilitate the maintenance on the part of each director of the skills and knowledge necessary to discharge his responsibilities as a director of the Company. Orientation and continuing education matters are subject to ongoing review in light of intervening events and evolving circumstances.

Ethical Business Conduct

The Board of Directors and management of the Company encourage and promote a culture of ethical business conduct as part of their responsibility to manage, and supervise the management of, the Company's business and affairs. Internal communication and supervision regard ethical business conduct is facilitated by the fact that the Company is a relatively small organization with fewer than 30 employees apart from contractors providing field services.

The Board of Directors has adopted a written code of business conduct and ethics in support of the Company's commitment to honesty, integrity and accountability and requirement of the highest standards of professional and ethical conduct from our directors, officers, employees and consultants. Copies of the code are available electronically to Company personnel, who will be periodically required to acknowledge the provisions of the code and compliance therewith. Among other things, the code requires that violations be reported so that appropriate corrective action can be taken. Persons who fail to comply with the code will be subject to disciplinary measures, up to and including discharge from the Company.

In considering any transactions or agreements in respect of which a director or executive officer has or may have a material interest, the Board of Directors will require that the interested party declare their interest and, as applicable, abstain from voting on any decision of the directors to approve or disapprove of the transaction or agreement. The interested director or executive officer will ordinarily be required to recuse themselves from deliberations on the transaction or agreement in question, which the Board of Directors shall consider without the interested director or executive officer being present. In all circumstances, each director is required to act honestly and in good faith with a view to the Company's best interests.

Director Nominations and Management Succession

The Nominating and Corporate Governance Committee is also responsible for leading the search for and identifying individuals qualified to serve as directors of the Company, and making recommendations to the Board of Directors with respect to director candidates and nominees for election by Shareholders at each annual meeting of shareholders (or other meeting at which one or more directors will be elected) or for appointment between meetings, as applicable. In connection therewith, the Nominating and Corporate Governance Committee is to: (i) review the respective qualifications, competencies and skills of each such individual, including any competing commitments; (ii) consider the appropriate size of the Board of Directors, including with a view to facilitating effective decision-making; (iii) consider the purpose and composition requirements of each board committee; (iv) consider the competencies and skills that the Board of Directors, as a whole, should possess; (v) consider the competencies and skills of existing or incumbent directors and those that each potential new nominee will contribute to the Board of Directors; (vi) have regard to the director qualification criteria specified in the charters of the Board of Directors and its various committees and otherwise applicable to the Company under corporate or securities laws or stock exchange requirements; and (vii) have regard to the desirability that directors represent a diversity of backgrounds.

Complementing the oversight responsibility of the Nominating and Corporate Governance Committee with respect to director nominations is the responsibility of the Compensation Committee to identify and evaluate potential candidates for executive officer positions with the Company and its subsidiaries, and oversee development of the Company's management succession plans.

Director nomination and executive appointment decisions are based on merit and guided by consideration of a candidate's qualifications, skills, knowledge, expertise, education, background and character and the extent to which they complement Prairie Provident's overall objective of having a board and management team that, collectively, represents depth and breadth of experience and competencies in areas relevant to the Company's business and affairs.

The Board of Directors recognizes the benefits of diversity in this regard, and in particular that diversity among directors enhances the effectiveness of the Board of Directors and its overall depth and breadth of experience and competencies by, among other things, providing greater access to different perspectives and facilitating a broader exchange of ideas – and thereby better informing its decision-making. Gender diversity, in particular, is in focus as the Board of Directors and relevant committees specifically consider the representation of women.

The Company has a formal, written gender diversity policy for the identification and nomination of women directors, with a view to enhancing the diversity of the Board of Directors for the reasons set out above. The policy includes a fixed target of at least one woman director being appointed or elected as soon as practicable and in any event not later than the 2022 annual meeting of the Company's shareholders. In this regard, any search firm engaged to assist in the identification of candidates shall be instructed to include diverse candidates generally and women candidates in particular, and any maintained list of director candidates must be similarly responsive to these diversity objectives.

The Board of Directors currently includes one female director, Ms. Bettina Pierre-Gilles, who also serves as Chair of the newly formed Environmental, Social and Governance Committee as well as a member of the Audit Committee.

The Nominating and Corporate Governance Committee is responsible for annually reviewing the diversity policy and assessing its effectiveness in promoting a diverse Board of Directors, and for monitoring the Company's progress towards achieving the objectives of the policy – both in the immediate term and in light of its longer-term diversity goals.

The Board of Directors and its relevant committees also consider the diversity of the Company's executive officers and other management, and in particular the level of representation of women. The Company does not, however, currently have a defined target for women representation in executive officer positions, due in part to balanced levels of gender diversity in management and within the organization. Currently, one of the four executive officers of the Company (25%) is female.

The Board of Directors has not adopted director term limits, but as part of the annual performance review of the Board of Directors and its committees and in assessing director nominees, the Nominating and Corporate Governance Committee will consider the term of service of each incumbent director, the average term of service of all incumbent directors, and director turnover over the preceding three years, with a view to balancing the benefits of regular renewal against the benefits of familiarity with the Company's business and affairs, all in the context of the needs and circumstances facing the Company and the Board of Directors at the time.

Audit Committee Member Qualifications

Each Audit Committee member has been determined by the Board of Directors to be independent of the Company and financially literate within the meaning of Canadian securities legislation.

The Audit Committee is currently comprised of Ajay Sabherwal (Chair), Derek Petrie, Bettina Pierre-Gilles and Rob Wonnacott. Messrs. Sabherwal, Petrie and Wonnacott served as Audit Committee members throughout 2021. Ms. Pierre-Gilles joined the Audit Committee upon her appointment to the Board of Directors in March 2022.

Following is a brief description of the education and experience of each such director that is relevant to the performance of his responsibilities as a member of the Audit Committee:

- Ajay Sabherwal (Chair) – Mr. Sabherwal has served various issuers as chief financial officer for over 18 consecutive years, and is currently Chief Financial Officer of FTI Consulting, a leading global advisory firm based in Washington, DC. Mr. Sabherwal holds a bachelor's degree in Mechanical Engineering and a master's degree in Economics from the Birla Institute of Technology and Science (India), a top engineering and business school, and a Master of Business Administration (MBA) degree from the University of Manchester (UK).

- Derek Petrie – Mr. Petrie has served in senior and executive roles for over 20 years, and has served as the Director of Finance of MLS Group since July 2018. He served as the President of R2

Design and Fabricating Ltd. since February 2016, following his initial retirement in April 2014. Mr. Petrie is a Certified General Accountant and Chartered Professional Accountant, and holds an Executive MBA from Asia Pacific International University.

- Bettina Pierre-Gilles – Ms. Pierre-Gilles has more than 20 years of experience across the conventional and renewable energy sector, is a Chartered Professional Accountant (CPA-CMA), holds an ICD.D designation from the Institute of Corporate Directors of Canada, and received a Master of Business Administration (MBA) degree from Queen's University.

- Rob Wonnacott – Mr. Wonnacott has served in various senior and executive level positions for more than two decades, including a Managing Director and Vice Chairman of Corporate and Investment Banking with National Bank Financial, Chief Financial Officer of Grizzly Oil Sands and Chief Executive Officer of Pendo Petroleum. He is a registered Professional Engineer with the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and holds a bachelor's degree in Civil Engineering from Queen's University. Mr. Wonnacott also holds a Master of Business Administration (MBA) degree from the University of Western Ontario.

OTHER INFORMATION

Interests of Informed Persons

Management of the Company is not aware of any "informed person" (as that term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company, any proposed nominee for election as a director of the Company, or any associate or affiliate of any such person or proposed nominee, having a material interest (direct or indirect) in any transaction since January 1, 2021, or in any proposed transaction, that has materially affected or would materially affect the Company or any of its subsidiaries, other than the previously-disclosed March 2021 disposition and surrender to the Company, for nominal consideration, and resulting cancellation by the Company from its outstanding share capital, of 44,711,330 Common Shares representing approximately 25.9% of the total number of Common Shares previously outstanding.

Additional Information

Additional information relating to Prairie Provident is filed under the Company's company profile on SEDAR at www.sedar.com, including financial information provided in its comparative annual financial statements and management's discussion and analysis for the year ended December 31, 2021. In addition to the SEDAR website, copies of such financial statements and management's discussion and analysis are also available electronically from the Company's website at www.ppr.ca or on request to the Company at Suite 1100, 640 - 5th Avenue S.W., Calgary, Alberta, T2P 3G4 (Attention: Corporate Secretary), telephone (403) 292-8000.

SCHEDULE "A"

PRAIRIE PROVIDENT RESOURCES INC.

BOARD OF DIRECTORS CHARTER

This Charter of the Board of Directors (the "Board") of Prairie Provident Resources Inc. (the "Corporation") is adopted as of September 13, 2016 to promote the effective functioning of the Board and its committees (each, a "Committee").

This Charter, together with the charters of the various Committees constituted from time to time, provides a framework for the governance of the Corporation, with sound corporate governance policies and practices providing an essential foundation for the Board in fulfilling its oversight responsibilities in respect of the Corporation.

Role of the Board and Management

The Corporation's day-to-day business is conducted by its officers, employees and agents, under the direction of the Chief Executive Officer of the Corporation (the "CEO") and the oversight of the Board, with the objective of enhancing the long-term value of the Corporation. The Board is elected by the shareholders to oversee management of the business and affairs of the Corporation and is required by law to act in the best interests of the Corporation as a whole having due regard to the interests of the shareholders and, as applicable, other stakeholders.

Oversight Responsibility

In fulfilling its stewardship role to supervise the management of the business and affairs of the Corporation, the Board shall oversee the development of, and approve, the Corporation's goals and objectives and the strategy for their achievement, including by providing oversight and guidance on the strategic issues facing the Corporation and on the implementation of appropriate business plans to effect corporate strategy, and monitoring the Corporation's progress towards the execution of its strategy and the achievement of its goals and objectives. In furtherance of that responsibility, the Board shall consider the principal risks of the business in which the Corporation is engaged with a view to achieving a proper balance between risks incurred and the potential return, and satisfy itself that there are systems in place to monitor and manage those risks with a view to the long-term viability and interests of the Corporation.

Individual Director Responsibilities

Directors shall perform the roles and functions described in this Board Charter and the in charters of all Committees on which they serve. They must devote sufficient time and resources to carry out their responsibilities, including through attendance and active participation at Board and Committee meetings and diligent review of materials distributed in connection therewith. The Corporation shall make arrangements to facilitate director attendance and participation by telephone, electronic means or other communication facilities that permit all participants to hear each other. In serving as Board and Committee members, directors shall comply with all applicable laws, including the *Business Corporations Act* (Alberta) and applicable securities laws.

Board Composition, Qualifications and Independence

Number of Directors. The size of the Board shall be fixed from time to time in accordance with the provisions of the Corporation's constating documents and bylaws, as in effect from time to time.

Director Independence Generally. A majority of the Board shall be individuals who are not officers or employees of the Corporation or any of its affiliates, and do not otherwise have any direct or indirect relationship with the Corporation or any of its affiliates that could, in the Board's view, be reasonably expected to interfere with the exercise of his or her independent judgment, and otherwise meet such criteria for independence as are prescribed under applicable corporate and securities laws for determining the independence of a Canadian public company's directors generally (and not, for certainty, such additional criteria as may be applicable in respect of an audit committee).

The Board shall otherwise be comprised of persons who, individually and in the aggregate, meet all applicable qualification criteria with which the Corporation is required to comply under applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject, and any applicable policies of the Board from time to time. The Board will regularly review the relationships between the Corporation and each director and other relevant factors to determine whether applicable independence and other qualification criteria are met, including in advance of any proposal to nominate an incumbent director for re-election to the Board.

Independence of Committee Members. In addition to the independence requirements applicable to directors generally, the Board shall, in constituting any particular Committee and appointing the members thereof, have regard to such additional criteria for independence as may be applicable in respect of that Committee under applicable corporate and securities laws and stock exchange requirements, including in particular the additional independence standards applicable in respect of audit committees.

Nomination of Board Members. The Nominating and Corporate Governance Committee of the Board ("NCGC") shall lead the search for and identify individuals qualified to serve on the Board. The NCGC will evaluate director candidates and inquire into their backgrounds and qualifications, and make recommendations to the Board regarding director nominees to be presented for approval at shareholders' meetings or for appointment between shareholders' meetings, as applicable. Shareholders may nominate directors for election at the Corporation's annual shareholders' meeting in accordance with applicable law and the Corporation's constating documents and bylaws, as in effect from time to time.

Director Qualifications. The Corporation seeks a Board comprised of individuals that, taken together, represent depth and diversity of experience at policy-making levels in business and other areas relevant to the Corporation's business and affairs. With that in mind, the Board considers candidates diverse in background and professional and educational experience. All directors must have high personal and professional ethics and integrity and exhibit characteristics of diligence, objectivity, accountability, informed judgment, financial literacy, maturity, high performance standards and relevant knowledge and skills. Directors must be committed to representing the best interests of the Corporation.

Directors should be prepared to serve on the Board for an extended period, and must be committed to devoting the time and resources necessary to carry out their responsibilities and be sufficiently familiar with the business and affairs of the Corporation to ensure active participation in the deliberations of the Board and each Committee on which he or she serves.

Director Orientation and Continuing Education

New Board members are to be provided with a director orientation session and continuing directors are to be provided opportunities for continuing education to become more knowledgeable about areas of importance to the Corporation's business and affairs. In addition, management of the Corporation shall make appropriate personnel available to answer any questions a director may have about any aspect of the Corporation's business and affairs. Directors are free to contact the CEO at any time to discuss any aspect of the Corporation's business and affairs, and shall have unrestricted access to other officers, employees and advisors of the Corporation and its subsidiaries.

Resignation and Tenure of Service

Management directors shall offer to resign as a director (subject to acceptance by the Board) at the time of retiring or resigning from employment with the Corporation or any subsidiary thereof, as applicable. A director is also expected to offer to resign (subject to acceptance by the Board) in the event of any change in personal or professional circumstances that compromises his or her ability to effectively serve as a director of the Corporation and carry out his or her responsibilities. If an offer to resign is not accepted by the Board, then the director's tenure will continue unaffected for the remaining term. Although the Board does not consider term limits on a director's service to necessary or appropriate for the Corporation, directors cannot expect nomination for re-election after each term until retirement. The Board's self-evaluation process referred to below is an important factor in determining a Board member's tenure.

Director Compensation

Compensation and other benefits to directors shall be reviewed annually by an appropriate Committee and guided by the principles that directors be fairly compensated for the work required in light of scale and scope of the Corporation and its business and affairs, that the interests of directors be aligned with the best interests of the Corporation and that the compensation and benefits program be transparent to shareholders.

Ethics and Conflicts of Interest

The Board expects the Corporation's directors, officers and employees to act ethically at all times and to adhere to the Corporation's Code of Business Conduct and Ethics as in effect from time to time. Directors must promptly disclose to the Board and the NCGC any actual or potential conflicts of interest involving or affecting a director, and must comply with all applicable requirements of corporate and other laws in connection with the conflict. Disclosure of conflicts must be made promptly and in any event prior to any Board or Committee meeting at which transactions or other matters to which the actual or potential conflict relates are expected to be considered. Directors must recuse themselves from Board or Committee proceedings or decisions affecting their personal, business or professional interests, or otherwise as required by law.

Board Structure and Meetings

Board Leadership. The Board is led by its Chair, who shall be a director selected by resolution of the Board who is independent within the meaning of applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject. The Board Chair shall preside at all Board meetings (including in camera sessions), and approve the agenda in consultation with the CEO and, as considered appropriate by the Chair, Committee chairs and other directors. Any director may request that additional items be included on the agenda for a Board meeting.

Board Meetings. The Board shall meet not less than once per fiscal quarter to (without limitation) review, receive and discuss presentations and reports by management on the Corporation's performance, business, strategic plans, opportunities and prospects, and progress towards its goals and objectives, as well as immediate issues confronting the Corporation. The Board will meet at such other times and intervals as are necessary to effectively supervise the management of the business and affairs of the Corporation and otherwise fulfill its responsibilities, and also hold periodic informational sessions from time to time at the instance of the Chair of the Board or the CEO to update the directors on significant developments and events.

Absent extenuating circumstances, directors are expected to attend all scheduled meetings of the Board and of Committees on which they serve, and review in advance meeting materials distributed in connection therewith.

Unless the Board determines it to be impracticable in respect of any particular meeting, the Board shall hold an in camera session without management or non-independent directors at each regular meeting of the Board.

Board Committees. The Board has established the following 4 standing Committees to assist it in discharging its responsibilities: (i) Audit Committee; (ii) Reserves Committee; (iii) Compensation Committee; and (iv) Nominating and Corporate Governance Committee. Each such Committee has its own charter. The Board may, from time to time, establish and maintain such additional Committees, or reorganize existing Committees, as it deems necessary or appropriate its discretion. Committee members are appointed by the Board and may be removed by the Board in its discretion. In appointing Committee members the Board shall designate one member as Committee chair, who shall (among other things) be responsible for reporting to the Board on the Committee's activities. Committee meetings may be held in conjunction with full Board meetings.

The membership of each Committee shall meet all applicable independence and other qualification criteria with which the Corporation is required to comply under applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject, and any applicable policies of the Board from time to time.

No member of the Audit Committee may simultaneously serve on more than 2 other audit committees of public companies, unless the Board shall have determined that such simultaneous service will not impair the member's ability to effectively serve on the Audit Committee.

Unless a Committee determines otherwise, the agenda, materials and minutes for each Committee meeting shall be available to all directors, and other directors may attend a Committee meeting (provided that management directors cannot participate in any in camera session of a Committee). Any director may request that an item from a Committee meeting agenda be considered by the full Board.

A Committee's chair shall preside at all meetings of that Committee (including in camera sessions), and approve the agenda in consultation with the Board Chair, appropriate executive officers of the Corporation and, as considered appropriate by the Committee chair, other directors. Any Committee member may request that additional items be included on the agenda for a Committee meeting.

Annual Performance Evaluation. The Board and each Committee will perform an annual self-evaluation, under which each director will be asked to provide his or her assessment of the effectiveness of the Board and each Committee on which the director serves.

Access to Management and Advisors

Directors shall have unrestricted access to the management and advisors of the Corporation and its subsidiaries. The Board and its Committees have the right at any time to engage, at the Corporation's expense, independent legal counsel and such other advisers as the Board or such Committee may, in its discretion, from time to time determine to be appropriate in the performance of its responsibilities, and to determine the terms of engagement.

Succession Planning

The Board will monitor, develop and implement succession planning for the CEO and other senior executives, based on recommendations from the appropriate Committee(s). The CEO should at all times make available his or her recommendations and evaluations of potential successors, including a review of any recommended development plans for such individuals.

Board Interaction with External Constituencies

The Board takes the position that management speaks for the Corporation. Accordingly, directors will not meet or otherwise directly communicate with shareholders, research analysts, vendors, press representatives or other external constituencies on behalf of the Corporation unless the communication (i) is requested by the Chair, the CEO or the Board, (ii) is necessary in the performance of responsibilities hereunder or the applicable Committee charter, or (iii) occurs during the course of a Board or Committee meeting in which shareholder observers are participating.

A majority of the independent directors shall approve the Corporation's process for collecting and organizing shareholder communications to the Board.

Reporting of Concerns and Other Communications with the Board

Any complaint, concern or other communication from an interested person regarding (i) accounting, auditing, internal control or financial reporting matters, or legal or regulatory compliance at the Corporation, should be directed to the Chair of the Audit Committee, or (ii) any other matter concerning the Corporation, should be directed to the Chair, in either case in care of the Corporate Secretary of the Corporation, at the Corporation's principal office in Calgary, Alberta.

Majority Voting Policy

The Board shall adopt a majority voting policy pursuant to which any director nominated for election at a shareholders' meeting involving an uncontested election must tender to the Board his or her resignation if not elected by a majority of votes cast in respect of his or her election. The policy shall apply to incumbent and new directors, and a director must offer to resign in the circumstances and as otherwise provided in the policy.

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QUESTIONS? NEED HELP VOTING?

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