



GREENFIELDS PETROLEUM CORPORATION

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on December 30, 2019

and

MANAGEMENT INFORMATION CIRCULAR

November 20, 2019

GREENFIELDS PETROLEUM CORPORATION

**NOTICE OF ANNUAL GENERAL MEETING
OF THE HOLDERS OF COMMON SHARES
TO BE HELD ON DECEMBER 30, 2019**

NOTICE IS HEREBY GIVEN that an annual general (together with any and all adjournments and postponements thereof, the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of Greenfields Petroleum Corporation (“**Greenfields**” or the “**Company**”) will be held in the Company’s offices at 2001 Timberloch Place, Suite 500, The Woodlands, Texas 77380, U.S.A. on December 30, 2019 at 10:00 a.m. (CST) for the following purposes:

1. to receive the audited consolidated financial statements of Greenfields as at and for the financial year ended December 31, 2018, together with the notes thereto and the independent auditor’s report thereon;
2. to fix the number of directors to be elected at the Meeting at up to six (6);
3. to elect the directors of the Company;
4. to re-appoint Pannell Kerr Forster of Texas, P.C. (“PKF”) as independent auditors and to authorize the directors of the Company to fix their remuneration; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Information relating to the matters to be brought before the Meeting is set forth in the management information circular (the “Circular”) which accompanies this Notice of Meeting of Shareholders.

Dated this November 20, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS
OF GREENFIELDS PETROLEUM
CORPORATION**

(signed) “*John W. Harkins*”

John W. Harkins
President, Chief Executive Officer, Chief
Operating Officer and Director
Greenfields Petroleum Corporation

IMPORTANT

Only Shareholders of record at 5:00 p.m. (MST) on November 20, 2019 (the “**Record Date**”) are entitled to notice of and to participate at the Meeting and only such persons or those who become holders of Common Shares after the Record Date and comply with the provisions as set forth in the Circular are entitled to vote at the Meeting. If you are unable to attend in person, kindly complete, sign and return the enclosed proxy in the envelope provided for that purpose.

In order to be effective, the form of proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarial certified copy thereof, must be mailed or faxed so as to be deposited at the office of the Company's registrar and transfer agent, Alliance Trust Company, Suite 1010, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3; Fax: (403) 237-6181; not later than 2:00 p.m. (MST) on the second to last business day preceding the day of the Meeting or any adjournment thereof.

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GREENFIELDS PETROLEUM CORPORATION
MANAGEMENT INFORMATION CIRCULAR

**FOR THE ANNUAL GENERAL MEETING OF THE HOLDERS OF COMMON SHARES
OF GREENFIELDS PETROLEUM CORPORATION TO BE HELD ON DECEMBER 30, 2019**

Dated: November 20, 2019

PURPOSE OF SOLICITATION

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Greenfields Petroleum Corporation (“Greenfields” or the “Company”) for use at an annual general meeting (together with any and all adjournments and postponements thereof, the “Meeting”) of the holders (the “Shareholders”) of common shares (the “Common Shares”) in the capital of Greenfields to be held in the Company’s offices at 2001 Timberloch Place, Suite 500, The Woodlands, Texas U.S.A. on December 30, 2019 at 10:00 a.m. (CST) for the purposes set forth in the notice of annual general meeting (the “Notice of Meeting”) accompanying this Circular. No person has been authorized to give any information or make any representation in connection with any matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

RECORD DATE

The Shareholders of record at 5:00 p.m. (MST) on November 20, 2019 (the “Record Date”) are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

1. such person transfers his or her Common Shares after the Record Date; and
2. the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Company, not later than 10 days before the Meeting, that his or her name be included on the Shareholders’ list for the Meeting.

Any registered Shareholder at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “*General Proxy and Meeting Matters – Appointment and Revocation of Proxies*”.

GENERAL PROXY AND MEETING MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Greenfields to be used at the Meeting. Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, fax or oral communication by

directors, officers, employees or agents of Greenfields. All costs of the solicitation will be borne by the Company.

Appointment and Revocation of Proxies

Accompanying this Circular is a form of proxy (the “**Form of Proxy**”) that affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting. Beneficial holders of Common Shares (“Beneficial Shareholders”) should read the information under “*General Proxy and Meeting Matters – Advice for Beneficial Shareholders*” below.

The persons named in the enclosed Form of Proxy are directors and/or officers of Greenfields. A Shareholder desiring to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting in the place of the persons designated in the accompanying Form of Proxy may do so by crossing out the names of the persons designated in the Form of Proxy and by inserting such person’s name in the blank space provided in the Form of Proxy, or completing another appropriate proxy, and delivering the completed proxy to the offices of Alliance Trust Company, Suite 1010, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3 or by facsimile at 1-403-237-6181.

A Form of Proxy must be received by Alliance Trust Company no later than 2:00 p.m. (MST) on the second to last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting. The time limit for the deposit of proxies may be waived by the Board of Directors (the “**Board**”) of Greenfields in its discretion, without notice. Failure to deposit a Form of Proxy may result in its invalidation.

A Shareholder who has given a Form of Proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such Shareholder or by his attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the above mentioned office of Alliance Trust Company on or before the last business day in Calgary, Alberta preceding the day of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Signature of Proxy

The Form of Proxy must be executed by the Shareholder, or if the Shareholder is a corporation, the Form of Proxy should be signed in its corporate name and its corporate seal must be affixed to the Form of Proxy or the Form of Proxy must be signed by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney, executor, administrator or trustee, or in some other representative capacity, should reflect such person’s full title as such and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Company).

Voting of Proxies

The persons named in the accompanying Form of Proxy in respect of the Meeting will vote the Common Shares in respect of which they are appointed in accordance with the directions, if any, of the Shareholder appointing them. **In the absence of such directions, such Common Shares will be voted FOR the approval of each of the resolutions.**

Exercise of Discretion of Proxy

The Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and this Circular and with respect to other matters that may properly come before the Meeting. At the date of this Circular, management of Greenfields knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Notice-and-Access

The Company has elected to use the “notice-and-access” provisions (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the Meeting in respect of mailings to its Beneficial Shareholders (as defined below) and in respect of mailings to the registered holders of Common Shares (“**Registered Shareholders**”). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online. Unless requested in the manner described below, Registered Shareholders and Beneficial Shareholders will only receive a notice-and-access notification and a Form of Proxy or voting instruction form, as applicable.

The Company anticipates that notice-and-access will directly benefit the Company through substantial reductions in postage and printing costs. The Company believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy-related materials.

The Company will be delivering proxy-related materials to non-objecting beneficial owners of its Common Shares directly with the assistance of Alliance Trust Company. Please note that the Company’s management does not intend to pay for intermediaries to forward, under NI 54-101, the notice-and-access notification and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about them pursuant to Canadian securities legislation (“**Objecting Beneficial Shareholders**”). Consequently, if you are an Objecting Beneficial Shareholder, you will not receive these materials unless the intermediary holding Common Shares on your account assumes the cost of delivery.

Shareholders with questions about notice-and-access can call Alliance Trust Company at 403-237-6111 or toll free at 1-877-537-6111.

In order to receive a paper copy of this Circular and other relevant information, requests by Shareholders may be made up to one year from the date the Circular was filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) by: (i) mailing a request to the Company at 2001 Timberloch Place, Suite 500, The Woodlands, Texas 77380, U.S.A, Attention: Investor Relations; (ii) calling Alliance Trust Company at 403-237-6111 or toll free at 1-877-537-6111; or (iii) emailing a request to inquiries@alliancetrust.ca. The Company estimates that a Shareholder’s request for paper copies of the Circular and other relevant information will need to be received prior to November 8, 2019 in order for such Shareholder to have sufficient time to receive and review the materials requested and return the completed Form of Proxy by the due date set out under the heading “*General Proxy and Meeting Matters – Appointment and Revocation of Proxies*” in this Circular. A copy of the Circular and other relevant information is also available

online at the following websites: www.greenfields-petroleum.com or www.alliancetrust.ca/shareholders/.

Advice for Beneficial Shareholders

The information set forth in this section is provided to Beneficial Holders of Common Shares who do not hold their Common Shares in their own name.

Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker.

In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as the nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker or nominees are prohibited from voting Common Shares for their clients. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy except as set forth below.

Applicable regulatory policy requires intermediaries or brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary or broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Form of Proxy provided to Registered Shareholders. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("BFS").

BFS typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to BFS. Often Beneficial Shareholders are alternatively provided with a toll free telephone number to vote their shares. BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction or proxy from BFS cannot use that proxy to vote Common Shares directly at the Meeting because the completed instruction or proxy must be returned as directed by BFS well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxy-holder for the Registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy-holder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting.

IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.

VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized share capital consists of (i) 999,990,000 Common Shares; and (ii) 100,000 preferred shares in the capital of the Company ("**Preferred Shares**"). As of the date hereof, there are 17,980,781 Common Shares issued and outstanding and nil Preferred Shares outstanding. Each issued Common Share carries the right to one vote.

The amended and restated memorandum and articles of association of the Company provide that a quorum for the purposes of conducting a Shareholders' meeting is constituted if one or more Shareholders holding at least 5% of the paid up voting share capital of the Company are present in person or by proxy and are entitled to vote at the Meeting.

Any Registered Shareholder as at the Record Date who either personally attends the Meeting or who completes and delivers a Form of Proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under the Form of Proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out in the heading "*General Proxy and Meeting Matters – Appointment and Revocation of Proxies*".

To the best of the knowledge of the directors and executive officers of the Company, as of the date of this Circular, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the voting rights attached to the voting securities of the Company other than as set out in the table below.

Name and Municipality	Number of Common Shares Owned or Controlled	Percentage of Class
Vitol Energy (Bermuda) Ltd. <i>Hamilton, Bermuda</i>	7,701,480 Common Shares	42.83%

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

At the Meeting, the Shareholders will receive the audited consolidated financial statements (the "**Financial Statements**") of Greenfields as at and for the financial year ended December 31, 2018, together with the notes thereto and the independent auditor's report thereon, and will be asked to consider and, if deemed appropriate:

1. to receive the audited consolidated financial statements of Greenfields as at and for the financial year ended December 31, 2018, together with the notes thereto and the independent auditor's report thereon;
2. to fix the number of directors to be elected at the Meeting at up to six (6);
3. to elect the directors of the Company;
4. to appoint PKF as independent auditors and to authorize the directors of the Company to fix their remuneration; and

5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is set forth below.

Receipt of the Consolidated Financial Statements

The Financial Statements will be placed before the Meeting. No formal action will or is required to be taken in respect of the Financial Statements at the Meeting. The Financial Statements are also available on the Company's SEDAR profile at www.sedar.com.

Fixing Number of Directors

At the Meeting, the Shareholders will be asked to pass an ordinary resolution that the number of directors to be elected at the Meeting to hold office until the next annual meeting of the Shareholders or until their successors are elected or appointed, subject to the memorandum and articles of association of the Company, be set at up to six (6). However, management has only designated four (4) nominees, with two spaces to be left vacant for additional directors to be added as may be advisable at the Meeting or during the forthcoming year.

In the absence of contrary instructions, the persons named in the Form of Proxy intend to vote the Common Shares represented thereby in favour of setting the number of directors to be elected at the Meeting at up to six (6).

Election of Directors

The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are in the table below. Each nominee elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Company's memorandum and articles of association.

The Board has adopted an individual voting standard, otherwise known as a "majority voting policy", for the election of directors at the Meeting. Under the individual voting standard, any nominee for director who receives a greater number of "withheld" votes than "for" votes for his or her election as a director shall submit his or her resignation to the Board for consideration promptly following the Meeting. This policy applies only to uncontested elections, where the number of nominees for directors is equal to the number of directors to be elected. The Board will consider the resignation and determine whether to accept the resignation within ninety days of the applicable meeting and a news release will be issued by the Company announcing the Board's determination. A director who tenders his or her resignation will not participate in deliberations or meetings with respect to whether the resignation shall be accepted. The Board may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.

The information below relating to the nominees as directors is based partly on the records of the Company and partly on information received by the Company from the nominees, and sets forth the name and municipality of residence of the individuals proposed to be nominated for election as directors, all other positions and offices within the Company now held by them, their principal occupations or employment, the periods during which they have served as directors of the Company and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date hereof.

Name and Municipality of Residence	Position(s) Presently Held	Director Since	Principal Occupation During the Past 5 Years	Number and Percentage of Common Shares Beneficially Owned or over which Control or Direction, Directly or Indirectly, is Exercised
Michael J. Hibberd ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta Canada	Chairman of the Board, Director	February 23, 2010	Chairman and President of MJH Services Inc., a corporate finance advisory business established in 1995. Current Director of PetroFrontier Corp. and Pan Orient Energy Corp., Chairman of Canacol Energy Ltd., Non-Executive Vice-Chairman of Sunshine Oilsands Ltd., Former Chairman of Heritage Oil Plc. and Heritage Oil Corporation.	29,542 (0.16%)
John W. Harkins ⁽³⁾ The Woodlands, Texas U.S.A.	President, Chief Executive Officer, Chief Operating Officer, Director	October 1, 2008	President and Chief Executive Officer of the Company since February 11, 2010 and Chief Operating Officer of the Company since May 1, 2019. Director of Strategic Oil & Gas Ltd., PetroPhoenix Resources Corp., PetroPhoenix Oil Corp. and PetroPhoenix Capital Corporation.	565,067 (3.14%)
Geir Sagemo ⁽¹⁾⁽²⁾⁽³⁾ Tonbridge, U.K.	Director	October 13, 2016	Member of the finance and investment group at Vitol Group. Former Director of New Age (Africa Global Energy) Ltd.	0 (0%)
David Fransen ⁽¹⁾⁽²⁾ Geneva, Switzerland	Director	October 13, 2016	Director of Vitol S.A. Geneva and a Director of various Vitol Group companies and is also a Director of Watford AFC Limited.	0 (0%)

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance and Nominating Committee.

As of the date hereof, the nominated directors of the Company and its subsidiaries, as a group, own or control, directly or indirectly, an aggregate of 594,609 Common Shares representing approximately 3.31% of the issued and outstanding Common Shares.

Other than as described below, no proposed director:

- (a) is at the date of the Circular, or has been, within ten years before the date of the Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty consecutive days; or
 - (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access

to any exemption under securities legislation, for a period of more than thirty consecutive days;

- (b) is at the date of the Circular, or has been, within ten years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) 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 or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Hibberd was formerly a director of Skope Energy Inc. (a Toronto Stock Exchange listed oil and gas company), which commenced proceedings in the Court of Queen's Bench of Alberta under the *Companies' Creditors Arrangement Act* (Canada) to implement a restructuring in November 2012, which was completed on February 19, 2013. Mr. Hibberd also was formerly director of Montana Exploration Corp., a TSX Venture Exchange ("TSXV") traded Canadian junior oil and gas exploration company, which was subject to an order resulting in its shares being cease traded from the TSXV on May 4, 2018 for a failure to timely file its first quarter 2018 financials.

A Shareholder can vote for all of the nominees set forth above, vote for some of them and withhold for others, or withhold for all of them.

In the absence of contrary instructions, the persons named in the Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those nominees set forth above. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in its proxy that its Common Shares are to be withheld from voting on the election of directors.

Appointment of Auditors

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint Kreston Reeve LLP as the independent auditors of the Company to hold office until the next annual meeting of the Shareholders, at a remuneration to be determined by the Board.

In the absence of contrary instructions, the persons named in the Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of PKF as the independent auditors of the Company at a remuneration to be determined by the Board.

Other Business

Management of the Company does not currently know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular.

STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this section, a “**CEO**” or “**CFO**” means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Company or acted in a similar capacity during the most recently completed financial year. A “**Named Executive Officer**” or “**NEO**” means each CEO, each CFO, the Company’s most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more than CAD\$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of the financial year.

Based on the foregoing definitions, the Company’s Named Executive Officers in respect of the year ended December 31, 2018 were: John W. Harkins, President and Chief Executive Officer and a director; Jose Perez-Bello Senior Vice President, Chief Financial Officer, Treasurer and a director until June 30, 2019; and Norman G. Benson, Senior Vice President Operations and Chief Operating Officer until May 1, 2019.

Composition of the Compensation Committee

The Compensation Committee is currently composed of three members: Messrs. Geir Sagemo (Chairman), Michael J. Hibberd and David Fransen. Mr. Hibberd is considered to be independent under section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Messrs. Sagemo and Fransen are not considered independent by virtue of their affiliation with Vitol Energy (Bermuda) Ltd. (“**Vitol**”), which is an “affiliated entity” of the Company (as defined in NI 52-110) due to its ownership of approximately 42.83% of the issued and outstanding Common Shares.

All of the members of the Compensation Committee have direct experience that is relevant to their responsibilities regarding executive compensation of the Company. Specifically, Messrs. Hibberd, Sagemo and Fransen have previously acted as either directors or executive officers of either privately held or publicly traded natural resource sector issuers and Mr. Hibberd is also currently a member of the compensation committees of other issuers.

Because of this collective experience, the Compensation Committee has knowledge of typical day to day responsibilities and challenges faced by the Company’s management team, the role of a board of directors in reviewing the executive compensation of a reporting issuer, and first-hand knowledge regarding executive compensation policies and practices in the natural resources sector, all of which are beneficial to the Compensation Committee in the context of its review of the Company’s compensation policies and practices.

Responsibility of the Compensation Committee

The Compensation Committee exercises general responsibility regarding overall compensation of executive officers and employees of the Company. It is responsible for the annual review and recommendation to the Board of: (i) executive compensation policies, practices and overall compensation philosophy; (ii) total compensation packages for all executive officers; (iii) bonuses; and (iv) major changes in benefit plans. Final approval of all compensation items rests with the Board.

Compensation Philosophy and Objectives

The objectives of the Company's executive compensation policy are to attract and retain individuals of high caliber to serve as officers of the Company, to motivate their performance in order to achieve the Company's strategic objectives and to align the interests of executive officers with the long term interests of the Shareholders. These objectives are designed to ensure that the Company continues to grow on an absolute basis as well as to grow net cash flow and earnings per Common Share. The Company's primary compensation policy is to pay for performance. Accordingly, the performance of the Company and executive officers as individuals are both examined by the Compensation Committee.

The Compensation Committee does not set specific performance objectives in assessing the performance of the Chief Executive Officer and other executive officers; rather the Compensation Committee uses its experience and judgment in determining an overall compensation package for the Chief Executive Officer and other executive officers. Some of the factors looked at by the Compensation Committee in assessing the performance of the Company and its executive officers are as follows: (a) effective implementation of the Company's growth strategy; (b) overall and per share oil and gas reserve changes, looking at both proven and probable reserves; (c) operating costs and the change in operating costs per barrel of oil equivalent in the context of the overall market (for both current and longer periods); (d) the overall performance of the Common Shares on the TSXV; (e) general and administrative cost control; and (f) the Company's performance for all of the above relative to its goals and objectives and in relation to the performance of its industry peer group.

The Compensation Committee also looks at critical individual performance objectives for the Chief Executive Officer and the other executive officers including protecting the Company's interest in the Bahar Project (the Company's principle asset, an offshore block in Azerbaijan including the Bahar Gas Field and the Gum Deniz Oil Field) by successfully managing partners and government relations, securing funding in challenging financial markets and attaining and growing positive cash flow through cost containment and production increases.

The Compensation Committee's reviews include a comparison group consisting of publicly traded companies engaged in the international oil and gas exploration and production industry, with similarities in related business activities, scope of operations and geographic regions, and organization size.

Currency

Unless otherwise noted, all monetary amounts disclosed under the heading “*Statement of Executive Compensation*” are in United States dollars, which is the same functional currency that is used by the Company in preparing its consolidated financial statements.

Summary Compensation Table

The table below provides a summary of compensation earned during the two most recently completed financial years, as applicable, by the Company’s Named Executive Officers and directors.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (US\$) ⁽¹⁾	Bonus (US\$) ⁽²⁾	Committee or Meeting Fees (US\$) ⁽³⁾	Value of Perquisites (US\$)	Value of All Other Compensation (US\$) ⁽⁴⁾	Total Compensation (US\$)
John W. Harkins <i>President, CEO, COO and a director</i> ⁽⁵⁾	2018	275,500	Nil	Nil	Nil	8,250	283,750
	2017	276,104	Nil	Nil	Nil	8,100	284,204
	2016	290,000	Nil	Nil	Nil	7,950	297,950
Jose Perez-Bello <i>Former Senior Vice President, CFO, Treasurer and a director</i> ⁽⁶⁾	2018	215,000	Nil	Nil	Nil	6,450	221,450
	2017	181,667	Nil	Nil	Nil	5,450	187,117
	2016	165,000	Nil	Nil	Nil	4,950	169,950
Norman G. Benson <i>Former Senior Vice President and Chief Operating Officer</i> ⁽⁷⁾	2018	485,500	Nil	Nil	Nil	8,250	493,750
	2017	554,554	Nil	Nil	Nil	8,100	562,654
	2016	549,677	Nil	Nil	Nil	7,950	557,627
Michael J. Hibberd <i>Director</i>	2018	Nil	Nil	28,278	Nil	Nil	18,734
	2017	Nil	Nil	18,734	Nil	Nil	18,734
	2016	Nil	Nil	29,813	Nil	Nil	29,813
Garry P. Mihaichuk <i>Former Director</i> ⁽⁸⁾	2018	Nil	Nil	18,763	Nil	Nil	17,151
	2017	Nil	Nil	17,151	Nil	Nil	17,151
	2016	Nil	Nil	29,813	Nil	Nil	29,813
Gerald F. Clark <i>Former Director</i> ⁽⁸⁾	2018	Nil	Nil	15,000	Nil	Nil	16,500
	2017	Nil	Nil	16,500	Nil	Nil	16,500
	2016	Nil	Nil	25,500	Nil	Nil	25,500
Geir Sagemo <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
David Fransen <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Includes the dollar value of cash and deferred base salary earned during the financial year. The voluntary deferral of base salaries were in the range of 15% - 17% during 2016.
- (2) There were no bonuses awarded in 2016, 2017 or 2018.
- (3) The payment of director meeting fees for 2016, 2017 and 2018 has been deferred and such payment, when made, is expected to be settled in cash.
- (4) Includes all compensation relating to defined benefit or defined contribution plans. These amounts consist of contributions by the Company to the 401(k) plan in the United States.
- (5) Mr. Harkins did not received compensation for his role as a director of the Company.
- (6) Payments during 2017 to Mr. Perez-Bello include compensation earned as Vice President and Controller until May 31, 2017 and as CFO from June 1, 2017. Mr. Perez-Bello was appointed as a director of the Company on October 15, 2018. He did not receive compensation for his role as a director. Mr. Perez-Bello resigned as Senior Vice President, Chief Financial Officer, Treasurer and a director effective June 30, 2019. Mr. Sanjay Swarup was appointed as Chief Financial Officer and Treasurer effective July 1, 2019.
- (7) Mr. Benson resigned as Senior Vice President and Chief Operating Officer effective May 1, 2019.

⁽⁸⁾ Messrs. Mihaichuk and Clark did not stand for election at the most recent annual general and special meeting of the Company and ceased to be directors effective August 30, 2018.

Stock Options and Other Compensation Securities

The Company did not grant or issue compensation securities to any director or Named Executive Officer of the Company during the most recently completed financial year.

Exercise of Compensation Securities

None of the directors or Named Executive Officers exercised any compensation securities during the most recently completed financial year.

Incentive Plan Awards

Stock Option Plan

On November 18, 2019, the directors of the Company terminated the stock option plan of the Company. No stock options were outstanding as of the date of termination.

Employment Agreements

Each of Mr. Harkins, President, Chief Executive Officer and Chief Operating Officer, Mr. J Perez-Bello, former Senior Vice President, Chief Financial Officer and Treasurer and Mr. Benson, former Senior Vice President and Chief Operating Officer (each "**Executive**") has entered into an employment agreement with the Company pursuant to which each is entitled to receive an annual base salary as set out above. These base salaries are reviewed annually and may be increased to reflect the respective Executive's performance, the Company's performance and other relevant factors as determined by the Compensation Committee.

Each Executive is entitled to certain payments ("**Termination Payments**") if his employment is terminated without cause, or if, within six months after the occurrence of a change of control of the Company, there is any action which at common law constitutes constructive dismissal, including, but not limited to:

- (a) a material decrease in the title, position, responsibility or powers of the Executive;
- (b) a requirement to relocate to another city state, or country;
- (c) any material reduction in the value of the Executive's benefits, salary, plans and programs;
- (d) the Company ceases to operate as a going concern; or
- (e) the Company fails to pay, when due, a material amount payable by it to the Executive pursuant to the Executive's employment agreement.

A Termination Payment includes, depending on the Executive:

- (a) payment ranging from eighteen times (in the case of Mr. Perez-Bello); twenty- four times (in the case of Mr. Harkins) or twenty-four times (in the case of Mr. Benson) the monthly base salary;

- (b) twenty-four times the monthly base salary;
- (c) an additional 10% of the annual base salary for the loss of group benefits; and
- (d) the sum of bonuses paid over the previous two calendar years multiplied by 50%.

In the event a Termination Payment is required to be paid by the Company to an Executive, all stock and stock options held by such Executive, whether vested or unvested, shall immediately vest and be held by such Executive.

A “**change of control**” is defined in each of the Executive’s employment agreements as any of the following events:

- (a) the acquisition of:
 - (i) shares of the Company; and/or
 - (ii) securities convertible into, exercisable for or carrying the right to purchase shares of the Company (“**Convertible Securities**”),

as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated with any person, group of persons or any of such persons (collectively, the “**Acquirers**”), beneficially own shares of the Company or Convertible Securities such that, assuming only the conversion or exercise of Convertible Securities beneficially owned by the Acquirers, the Acquirers would beneficially own shares which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the Company which may be cast to elect directors of the Company;

- (b) approval by the Shareholders of:
 - (i) an amalgamation, arrangement, merger or other consolidation of the Company with another corporation pursuant to which the Shareholders immediately prior thereto do not immediately thereafter own shares of the successor continuing corporation which entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of that corporation; or
 - (ii) a liquidation, dissolution or winding up of the Company; or
 - (iii) such other transaction or event as the Board deems, in its sole discretion, to constitute a change of control.

If an Executive resigns, he must give the Company 30 days prior written notice.

There are no significant conditions or obligations that apply to receiving payments or benefits. This includes, but is not limited to, non-compete, non-solicitation (except as provided in the executive employment agreements), non-disparagement or confidentiality agreements.

Mr. Perez-Bello resigned as Senior Vice President, Chief Financial Officer, Treasurer and a director effective June 30, 2019. Mr. Benson resigned as Senior Vice President and Chief Operating Officer effective May 1, 2019.

Amounts payable to Mr. Harkins, had he been terminated on December 31, 2018, would have been \$580,000 for his twenty-four times monthly base salary plus \$29,000 for the loss of group benefits.

Director Compensation

The Compensation Committee, after referring to compensation paid to directors of other comparable companies, makes a recommendation to the Board as to appropriate compensation for the directors of the Company. Director compensation is reviewed annually by the Compensation Committee. The Board discusses the Compensation Committee's recommendations and provides the final approval.

The Company's overall policy regarding compensation of directors, other than those directors who are also Named Executive Officers, is structured to provide competitive levels of total compensation and to attract and retain suitable and qualified directors with commitment to the Company. The Company also looks at the compensation of the boards of other comparable publicly traded companies.

The Board compensation program includes two elements. The first is fees that include remuneration for active participation in regular board meetings, board committees, and teleconference board meetings (there are separate retainers for the board chairman and committee chairs). The second element is a long term incentive, which is in the form of Options and share based awards similar in concept to deferred share units.

Directors of the Company are reimbursed for expenses incurred in carrying out their duties, including expenses incurred to attend directors' meetings and meetings of committees of directors.

EQUITY COMPENSATION PLAN INFORMATION

The table below sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2018, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options⁽¹⁾, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity Compensation Plans Approved by Security Holders	76,500	CAD\$7.35	1,721,578
Equity Compensation Plans Not Approved by Security Holders	Nil	Nil	Nil
Total	76,500	CAD\$7.35	1,721,578

Note:

(1) As at December 31, 2018, the Company had in place a "rolling" stock option plan whereby the maximum number of Common Shares that could be reserved for issuance pursuant to the stock option plan would not exceed 10% of the issued and outstanding Common Shares at the time of an option award. On November 18, 2019, the directors of the Company terminated the plan.

CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board is responsible for the governance of the Company. The Board and the Company’s management consider good corporate governance to be central to the effective and efficient operation of the Company. Attached as Appendix “A” is a discussion of the Company’s approach to corporate governance.

AUDIT COMMITTEE DISCLOSURE

The Company is subject to NI 52-110, which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees. Attached as Appendix “B” is the Company’s audit committee charter.

Composition of the Audit Committee

The Audit Committee is comprised of three individuals. All members of the Audit Committee are “financially literate” within the meaning given to such term in NI 52-110. The current members of the Audit Committee are Messrs. Michael J. Hibberd (Chairman), Geir Sagemo and David Fransen.

Relevant Education and Experience

Each member of the Audit Committee has served in senior positions within their respective organizations and/or served as directors of public and private companies, which has afforded them the opportunity to gain familiarity with financial matters relevant to Greenfields. See “*Particulars of Matters to be Acted upon at the Meeting – Election of Directors*”.

Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Board has adopted all recommendations of the Audit Committee with respect to the nomination or compensation of an external auditor.

Reliance on Certain Exemptions

The Company is relying upon the exemption in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

Any proposed audit and permitted non-audit services (as identified by the Audit Committee at the time the annual audit engagement is approved) to be provided by the external auditor to the Company or its subsidiaries must receive prior approval from the Audit Committee. The Company has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as may be required.

The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the external auditor. Following receipt and initial review for eligibility by the primary contact, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted. In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

External Auditor Service Fees

The fees for auditor services billed by the Company's external auditors for the last two fiscal years are as follows:

<u>Fiscal Year Ending</u>	<u>Audit Fees ⁽¹⁾</u>	<u>Audit Related Fees ⁽²⁾</u>	<u>Tax fees ⁽³⁾</u>	<u>All Other Fees ⁽⁴⁾</u>
December 31, 2018	\$137,280	\$106,924	\$Nil	\$Nil
December 31, 2017	\$129,624	\$98,511	\$Nil	\$Nil

Notes:

- (1) On February 21, 2017, the Company replaced its previous auditors Calvetti Ferguson P.C. with PKF. The Audit Fees column above summarizes the aggregate fees billed by the Company's former and current auditors for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's former and current auditors that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the Audit Fees column.
- (3) The aggregate fees billed for professional services rendered by the Company's former and current auditors for tax compliance, tax advice, and tax planning.
- (4) The aggregate fees billed for professional services rendered by the Company's former and current auditors in relation to private placements, and prospectus filings.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of the Circular, none of the Company's directors or executive officers or nominees for election as a director, or their respective associates or affiliates, are indebted to the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in NI 51-102) of the Company, or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the most recently completed financial year of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company is available to the public free of charge on SEDAR at www.sedar.com. Financial information in respect of the Company and its affairs is provided in the Company's annual audited consolidated financial statements for the year ended December 31, 2018 and the related management's discussion and analysis. Copies of the Company's financial statements and related management's discussion and analysis are available upon request and without charge from the Company at Greenfields Petroleum Corporation, 2001 Timberloch Place, Suite 500, The Woodlands, Texas 77380 U.S.A. (Telephone: (832) 234-0800; Fax: (877) 644-6211).

DIRECTORS' APPROVAL

The contents and sending of this Circular have been approved by the Board.

(signed) "*John W. Harkins*"

John W. Harkins
President, Chief Executive Officer, Chief Operating Officer and Director

APPENDIX “A”

CORPORATE GOVERNANCE PRACTICES

Below is a discussion of the Greenfields’ approach to corporate governance.

Board of Directors

The Board is presently comprised of four directors, one of whom, namely, Mr. Hibberd, is considered to be independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). The Company is examining the Board from an independence standpoint and will look for opportunities to add additional diversity and independence. Mr. Hibberd is the Chairman of the Board. Messrs. Geir Sagemo and David Fransen are not considered independent by virtue of their positions as executive officers of Vitol, which is an “affiliated entity” of the Company (as defined in NI 52-110) due to its ownership of approximately 42.83% of the issued and outstanding Common Shares. Mr. Harkins is not considered independent because he is an executive officer of the Company. Pursuant to NI 58-101, a director is independent if he or she has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. In addition, certain individuals are deemed, for the purposes of NI 58-101, to have material relationships with the Company, including any individual who is, or has recently been, an employee or executive officer of the Company, and an individual whose immediate family member is, or has recently been, an executive officer of the Company.

The size of the Company is such that all of its operations are conducted by a small management team. The Board considers that management is effectively supervised by the independent director on an informal basis because the independent director has regular and full access to each member of management. The independent director is also able to meet at any time they consider necessary without any members of management (including the non-independent directors) being present.

Further supervision is performed through the Audit Committee.

Directorships

Certain of the Company’s directors are also currently directors of other reporting issuers as follows:

<u>Name of Director</u>	<u>Name of Other Reporting Issuers</u>	<u>Position with Other Reporting Issuers</u>
Michael J. Hibberd	Canacol Energy Ltd.	Chairman
	Pan Orient Energy Corp.	Director
	Sunshine Oilsands Ltd.	Vice Chairman
	PetroFrontier Corp	Director
John W. Harkins	Strategic Oil & Gas Ltd.	Director

The Board exercises its independent supervision over the Company's management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent director can also hold scheduled meetings at which non independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an in camera session among the independent and disinterested directors.

The Chairman of the Board is Mr. Hibberd, an independent director. The role of the Chairman of the Board is to enhance the Board's effectiveness by ensuring that the responsibilities of the Board are understood by the Board members and management and ensuring the Board has adequate resources to support its decision making requirements. The Chairman ensures there is a process in place for monitoring legislation and best practices and to assess the effectiveness of the Board, the Board committees and individual directors on a regular basis. The Chairman also prepares agendas for Board meetings, consults with the Board on the effectiveness of Board committees, ensures that the independent director has adequate opportunities to meet and discuss issues without management present, chairs Board meetings and communicates to other members of management as appropriate. The Chairman presides at meetings of the Board, provides leadership to the Board, assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Company and conducts quarterly meetings where the Board meets to review and discuss operational and financial information presented to the Board by management.

Board Mandate

The Board has responsibility for the stewardship of the Company, which is detailed in its "Board of Directors Responsibilities". In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include selecting senior management, reviewing compensation, establishing standards of business conduct and ethical behaviour, evaluating senior management performance, succession planning, overseeing strategic management and planning, overseeing risk management, affirming an effective management control and internal control environment, overseeing capital management and overseeing the independent audits work.

The Board strives to ensure that actions taken by the Company correspond closely with the objectives of the Shareholders. The Board will meet at least once annually to review in depth the Company's strategic plan and it reviews the Company's resources which are required to carry out the Company's growth strategy and to achieve its objectives.

Position Descriptions

The Board has not developed written position descriptions for the Chairmen of the Board Committees.

The Chairman of the Board presides at meetings of the Board and the Shareholders, provides leadership to the Board and assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Company, schedules meetings of the Board and organizes and presents agendas for regular or special Board meetings and communicates with the Board to keep it current on all material developments. The Chairman of each committee of the Board schedules meetings of his respective committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Company's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power therefore any responsibility which is not delegated to management or a Board committee remains with the Board.

Orientation and Continuing Education of Board Members

New members of the Board receive an orientation package which includes company policies and public disclosure filings by the Company. Board meetings are held at the Company's facilities and are combined with presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all members of the Board.

Measures to Encourage Ethical Business Conduct

The Board has adopted a Code Ethics and Business Conduct that encourages and promotes a culture of ethical business conduct. The Board has also adopted a Business Integrity Policy to ensure integrity in all of its business dealings and relationships. Finally, the Board has implemented a Whistle Blowing Policy whereby employees are encouraged to report unethical behaviour directly to Board members.

Nomination of Board Members

The Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of Shareholders based on the recommendations of the Corporate Governance and Nominating Committee. The Board shall identify and review possible candidates for Board membership consistent with criteria approved by the Board, and annually recommend qualified candidates for a slate of nominees to be proposed for election to the Board at the annual meeting of Shareholders.

The Board shall consider the appropriate size of the Board with a view to facilitating effective decision making. In the event of a vacancy on the Board between annual meetings of Shareholders, the Board may identify, review and recommend qualified candidates for Board membership to the Board for consideration to fill such vacancies, if the Board determines that such vacancies will be filled.

When formulating these recommendations, the Board shall seek and consider advice and recommendations from management and may seek or consider advice and recommendations from consultants, outside counsel, independent accountants or other advisors as it or the Board may deem appropriate.

Determination of Compensation of Directors and Chief Executive Officer

The Compensation Committee is responsible for establishing an overall compensation policy for the Company. The compensation of the directors is determined by the Board as a whole on the recommendation of the Compensation Committee and is based on industry specific compensation information of comparably sized companies.

The compensation of each of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Chief Technical Officer (if any) of the Company is determined by the Board as a whole after receiving the recommendation of the Compensation Committee. The level of such

officer's compensation will be determined by setting their base salaries at approximately the median for public companies of comparable size and complexity. The annual incentive and Option grants are determined by the Board, upon the recommendation of the Compensation Committee, based on the Company's overall performance and other relevant factors. For further information see "*Statement of Executive Compensation*".

Committees of the Board

The Board has a Corporate Governance and Nominating Committee, an Audit Committee and a Compensation Committee.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is currently comprised of Messrs. Hibberd, Harkins, and Sagemo. Mr. Hibberd is the Chairman of the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee's mandate includes: (i) identifying individuals qualified and suitable to become Board members and making recommendations to the Board in that regard; and (ii) assisting the Board in its oversight role with respect to the development of the Company's corporate governance policies, practices and processes, the effectiveness of the Board and its committees and the contributions of individual directors.

These responsibilities include reporting and making recommendations to the Board for their consideration and approval. In addition, the Corporate Governance and Nominating Committee will consider developing formal position descriptions for the Chairman and the Chief Executive Officer.

Audit Committee

The Audit Committee is currently comprised of Messrs. Hibberd, Sagemo and Fransen. Mr. Hibberd is the Chairman of the Audit Committee. For details in respect of the Audit Committee, please refer to the information under the heading "Audit Committee Disclosure" in the Circular.

Compensation Committee

The Compensation Committee is currently comprised of Messrs. Hibberd, Fransen and Sagemo. Mr. Sagemo is the Chairman of the Compensation Committee. The Compensation Committee assists the Board in its oversight role with respect to: (i) the Company's global human resources strategy, policies and programs; and (ii) all matters relating to proper utilization of human resources within the Company, with special focus on management succession, development and compensation.

The Compensation Committee shall also review and approve periodically all compensation arrangements with the senior executives of the Company; review succession and leadership plans and make appropriate recommendations to the Board periodically regarding the remuneration of the Company's executive officers; and periodically review the assessment of the performance of executive officers as provided to the Compensation Committee by the Chief Executive Officer.

Assessment of Directors, the Board and Board Committees

The Board does not believe that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of its effectiveness, the individual directors and each of its committees. The Chairman of the Board is charged with ensuring that the Board carries out its responsibilities and that these responsibilities are clearly understood by all of its members. The Chairman also ensures that the Board can function independently of management and that the necessary resources and procedures are available or in place to support its responsibilities and that the appropriate functions are delegated to the relevant committees. The Chairman is responsible for overseeing and setting the Board agenda, the quality of information sent to directors and the in camera sessions held without management. The Chairman is also responsible for ensuring a process is in place for an annual performance review of the President and Chief Executive Officer, which is conducted by the Board, and for senior management succession planning matters.

**APPENDIX “B”
AUDIT COMMITTEE CHARTER**

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee of the Corporation shall:

- (a) assist the Board of Directors in its oversight role with respect to:**
 - (i) the quality and integrity of financial information;
 - (ii) the independent auditor’s performance, qualifications and independence;
 - (iii) the performance of the Corporation’s internal audit function;
 - (iv) the Corporation’s compliance with legal and regulatory requirements; and
- (b) prepare such reports of the Audit Committee required to be included in the Annual Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.**

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three or more Directors appointed by the Board of Directors, a majority of whom shall not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation. Each of the members of the Audit Committee shall satisfy the applicable independence and financial literacy requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation’s securities are listed and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate within the meaning of applicable securities laws and as such qualification is interpreted by the Board of Directors in its business judgment.

STRUCTURE AND OPERATIONS

Each member of the Audit Committee shall have one vote which may be cast on matters considered at Committee meetings. Votes can only be cast by members attending an Audit Committee meeting.

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

If a matter that is considered by the Audit Committee is one where a member of the Audit Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote on the matter at the Audit Committee meeting.

Save where he has a personal interest, the Chairman of the Audit Committee will have a casting vote.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 5 years).

Financial Reporting

- Review, discuss and, where necessary, challenge with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,

- approval of any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation,
 - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - any significant changes in the Corporation's selection or application of accounting principles,
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences
- provided always that carrying out a review prior to board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation. .
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

Internal Controls and Risk Management Systems

- The Audit Committee shall:
 - keep under its review the Corporation's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems;
 - monitor and assess the role and effectiveness of the audit function in the overall context of the Corporation's risk management system and the work of compliance, finance and the external auditor; and
 - review and approve statement to be included in the annual report concerning internal control, risk management and the viability statement.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor (if any) all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that

management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

Approval of Audit and Remitted Non-Audit Services Provided by External Auditors

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the external auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this Charter. The CFO shall act as the primary contact to receive and assess any proposed engagements from the external auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.