TENAZ ENERGY

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF TENAZ ENERGY CORP.

TO BE HELD ON JUNE 14, 2024

AND MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

MAY 10, 2024

ABOUT TENAZ

Tenaz is an energy company focused on the acquisition and sustainable development of international oil and gas assets. Tenaz has domestic operations in Canada along with offshore gas assets in the Netherlands. Canadian operations consist of a semi-conventional oil project in the Rex member of the Upper Mannville group at Leduc-Woodbend in central Alberta. Netherlands gas assets are located in the Dutch sector of the North Sea. Tenaz also has an ownership interest in Noordgastransport B.V., which holds one of the largest gas gathering and processing networks in the Dutch North Sea.

When	Access	Business	Recommended Vote
Friday, June 14, 2024 at 2:30 pm (Mountain Daylight Time)	https://web.lumiagm.com/#/207714458 Password: tenaz2024	Receive financials	No vote required
		Set number of directors	FOR 6 directors
		Elect directors	FOR our nominees
		Appoint auditors	FOR Deloitte LLP

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO THE HOLDERS OF COMMON SHARES

NOTICE is hereby given that an annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Tenaz Energy Corp. ("**Tenaz**" or the "**Company**") will be held on Friday, June 14, 2024 at 2:30 p.m. (Mountain Daylight Time) in a virtual-only format for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2023, and the auditors' report thereon.

2. To fix the number of directors to be elected at the Meeting at six (6).

3. To elect six (6) directors of the Company for the ensuing year.

4. To appoint the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration.

5. To transact such further and other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be considered at the Meeting are described in further detail in the accompanying Management Information Circular and Proxy Statement dated May 10, 2024 (the "**Information Circular**").

The Company is conducting the Meeting virtually by way of live webcast. As such, there will be no in-person component to the Meeting. Shareholders who wish to attend the Meeting virtually must do so in accordance with the information and directions set out below and in the Information Circular under the heading "*Information Regarding Voting*".

Registered Shareholders (as defined in the Information Circular) and duly appointed proxyholders can attend the Meeting online by visiting https://web.lumiagm.com and entering the meeting ID: 207714458 (password: tenaz2024) where they can participate, vote, or submit questions during the Meeting's live webcast. Beneficial Shareholders (as defined in the Information Circular) who have not appointed themselves as proxyholders and guests can attend the Meeting online but will not be able to participate, vote or submit questions during the Meeting.

Beneficial Shareholders who receive these materials through their broker or other intermediary should carefully follow the instructions provided by their broker or intermediary and the instructions set out in the Information Circular under the heading "*Information Regarding Voting*".

A link to join the live webcast of the Meeting will be available on the Company's website at www.tenazenergy.com. Following the formal business of the Meeting, the Company's management will deliver a brief presentation. A recording of the webcast will be available on Tenaz's website following the Meeting.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is May 10, 2024 (the "**Record Date**"). Only Shareholders whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of his, her or its Common Shares after such date and the transferee of those Common Shares establishes that they own the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

In accordance with the by-laws of the Company, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Company, Odyssey Trust Company, Suite 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department, no later than 2:30 p.m. (Mountain Daylight Time) on June 12, 2024, or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) preceding any adjournment(s) or postponement(s) of the Meeting. Registered Shareholders may also use the internet site at https://login.odysseytrust.com/pxlogin to transmit their voting instructions. A proxy must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, under its seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are officers of Tenaz. **Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for such Shareholder and on such Shareholder's behalf at the Meeting.** To exercise such right, the name of the Shareholder's appointee should be legibly printed in the blank space provided.

DATED this 10th day of May 2024.

BY ORDER OF THE BOARD OF DIRECTORS OF
TENAZ ENERGY CORP.

(signed) *"Anthony Marino"*
Anthony Marino
President, Chief Executive Officer and Director

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

This Management Information Circular and Proxy Statement ("**Information Circular**") in respect to the annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Tenaz Energy Corp. ("**Tenaz**", the "**Company**", "**we**" or "**us**") is dated May 10, 2024.

The information presented in this Information Circular is presented as at May 10, 2024, except as otherwise noted. Unless otherwise specified, all dollar amounts or references to "$" herein are expressed in Canadian dollars.

No person has been authorized by Tenaz to give any information or make any representations in connection with the transactions herein described other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by Tenaz.

INFORMATION REGARDING VOTING

Solicitation of Proxies and Voting

This Information Circular is furnished in connection with the solicitation of proxies by the management of Tenaz for use at the Meeting to be held on Friday, June 14, 2024, at 2:30 p.m. (Mountain Daylight Time) in a virtual-only format, and at any adjournment(s) or postponement(s) thereof, for the purposes set forth in the Notice of Annual General Meeting of Shareholders.

Each outstanding Common Share is entitled to one vote on each resolution voted on by way of a ballot at the Meeting. The Board of Directors of Tenaz (the "**Board**") has fixed the record date for the Meeting at the close of business on May 10, 2024 (the "**Record Date**"). Shareholders as of the Record Date will be entitled to receive notice of the Meeting. Only Shareholders as of the Record Date will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee Shareholder, not later than ten (10) days before the Meeting, establishes ownership of such Common Shares and requests that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

Registered Shareholders may vote at the Meeting by completing and submitting the form of proxy in advance of the Meeting. As always, the Company encourages Shareholders to vote their Common Shares by proxy not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.

Non-registered or beneficial Shareholders who do not hold Common Shares in their own name but rather through a broker, financial institution, trustee, nominee or other intermediary ("**Beneficial Shareholders**") must complete and return the voting instruction form provided to them or follow the telephone or internet-based voting procedures described therein in advance of the deadline set forth in the voting instruction form in order to have such Common Shares voted at the Meeting on their behalf. See "*Advice to Beneficial Holders of Common Shares*" below.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, by a duly authorized officer or attorney of the corporation.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is provided to Beneficial Shareholders. 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 Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees 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/nominees are prohibited from voting shares for their clients. The Company does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Beneficial Shareholders may vote at the Meeting by completing and submitting their voting instruction form in advance of the Meeting. Applicable regulatory policy requires your broker to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every 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. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request form or proxy form to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares or website address where shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.

This Information Circular and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. The Company does not send proxy-related materials directly to Beneficial Shareholders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered Shareholders or Beneficial Shareholders. The Company will deliver proxy-related materials to nominees, custodians and fiduciaries and they will be asked to promptly forward them to Beneficial Shareholders. If you are a Beneficial Shareholder, your nominee should send you a voting instruction form or proxy form along with this Information Circular. The Company has elected to pay for the delivery of proxy-related materials to Beneficial Shareholders.

Proxies

Appointment of Proxy Holders

Those registered Shareholders desiring to be represented by proxy at the Meeting must deposit their respective forms of proxy with Odyssey Trust Company ("**Odyssey**") at, Suite 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department in the enclosed self-addressed envelope, by no later than 2:30 p.m. (Mountain Daylight Time) on June 12, 2024 or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) preceding any adjournment(s) or postponement(s) of the Meeting. A proxy must be executed by the registered Shareholder or by his or her attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. Registered Shareholders may also cast their vote by faxing their proxy to 1-800-517-4553 or by internet (https://login.odysseytrust.com/pxlogin) by following the instructions provided on the form. If you choose to vote by fax or internet, your vote must also be cast no later than 48 hours, excluding Saturdays, Sundays and statutory holidays, prior to the time of the Meeting. A proxy is valid only at the Meeting in respect of which it is given or any adjournment(s) or postponement(s) of the Meeting.

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 or her broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder 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 proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting. Beneficial Shareholders who have not duly appointed themselves as proxyholders will not be able to participate or vote at the Meeting but will be able to join the Meeting as a guest (see "*Attending the Meeting as a Guest*" below).

The persons named in the accompanying proxy are officers of Tenaz ("**Management Proxyholders**").

A registered Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on such Shareholder's behalf at the Meeting other than the Management Proxyholders named in the proxy. To exercise this right, the Shareholder must insert the name of his or her nominee in the space provided in the proxy and deposit the proxy at the place and within the time specified for the deposit of proxies.

A Beneficial Shareholder submitting a voting instruction form also has the right to appoint a person or company (who need not be a Shareholder) to represent the Beneficial Shareholder at the Meeting and indirectly vote his, her or its Common Shares as proxyholder. A Beneficial Shareholder's third-party proxyholder can be someone other than the persons designated in the voting instruction form furnished by your intermediary or Broadridge. If you wish to appoint a third party as your proxyholder to indirectly vote on your behalf at the Meeting, you must appoint such proxyholder by inserting their name in the blank space provided on the voting instruction form sent to you or in the appropriate field if voting via the internet and follow all other instructions provided.

Registered Shareholders and (or) Beneficial Shareholders appointing a third party proxyholder (other than the Management Proxyholders), and Beneficial Shareholders appointing themselves as proxyholder, must also register their proxyholder by sending an email to appointee@odysseytrust.com by no later than 2:30 p.m. (Mountain Daylight Time) on June 12, 2024 or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding any adjournment(s) or postponement(s) of the Meeting. You will need to provide Odyssey the required proxyholder contact information so that Odyssey can provide the proxyholder with a login credential by email. Without a login credential, proxyholders will not be able to participate or vote virtually at the Meeting but will be able to listen as a guest (see "*Attending the Meeting as a Guest*" below).

If you are a Beneficial Shareholder, please contact your stockbroker or other intermediary as soon as possible to determine what additional procedures must be followed to appoint yourself or a third party as your proxyholder (including whether to obtain a separate valid legal form of proxy from your intermediary if you are located outside of Canada).

Attending the Meeting and Voting

Registered Shareholders and duly appointed proxyholders attending the Meeting virtually will be able to participate, ask questions and vote in real time at the Meeting, regardless of their geographic location. If you are a registered Shareholder or duly appointed proxyholder and wish to attend and vote at the Meeting virtually, please follow these steps:

1. Log into https://web.lumiagm.com/207714458 at least 30 minutes before the Meeting starts.

2. If you are a:

    Registered Shareholder – click "I have a login" and enter your 12-digit Control Number; or

    Duly appointed proxyholder - click "https://web.lumiagm.com/207714458" and enter your login credential.

3. Follow the instructions to view the Meeting and vote when prompted.

Once you log into the Meeting, voting by online ballot on matters put forth at the Meeting will revoke any and all proxies you previously submitted for the Meeting.

Attending the Meeting as a Guest

Guests who wish to attend the Meeting virtually can log into the Meeting by following these steps:

1. Log into https://web.lumiagm.com/207714458 at least 30 minutes before the Meeting starts.

2. Click "I am a guest" and then complete the online form.

Guests attending the Meeting virtually can listen to the Meeting but are not able to participate or vote at the Meeting.

Revocation of Proxies

A registered Shareholder who has given a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and signed by a duly authorized officer or attorney for the corporation, and deposited at the registered office of Tenaz at any time up to and including the last day (other than Saturdays, Sundays and statutory holidays) preceding the day of the Meeting at which the proxy is to be used, or any adjournment or adjournments thereof. As noted above, if a registered Shareholder uses their 12-digit Control Number to login to the Meeting virtually and accepts the terms and conditions, voting by online ballot on matters put forth at the Meeting will revoke any and all previously submitted proxies for the Meeting.

A Beneficial Shareholder who has given a proxy, in the manner prescribed above, has the power to revoke it. If you have provided your voting instructions and changed your mind about your vote, you can revoke your voting instructions by contacting your intermediary. If your intermediary provides the option of voting over the internet, you can change your instructions by updating your voting instructions on the website provided by your intermediary, so long as you submit your new instructions before the intermediary's deadline.

Exercise of Discretion by Proxy

The Common Shares represented by proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for in respect of an item of business at the Meeting and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted accordingly. In the absence of instructions from the Shareholder, the Common Shares will be voted FOR the matters to be acted upon at the Meeting. The persons appointed under the form of proxy furnished by the Company are conferred with discretionary authority with respect to amendments or variations of those matters specified in the enclosed form of proxy, the Notice of Annual General Meeting and this Information Circular. The directors and management of the Company are not aware of any amendment or variation to any matter to be acted upon at the Meeting or other matter to be brought before the Meeting.

Voting Securities and Principal Holders Thereof

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at the Record Date, there were nil preferred shares and 26,729,874 Common Shares issued and outstanding, with each Common Share carrying the right to one vote on a ballot at the Meeting.

To the knowledge of the directors and management of the Company, as at the date hereof, no person or company beneficially owned or controlled or directed, directly or indirectly, more than 10% of the Common Shares.

Quorum for Meeting

A quorum for the transaction of business at the Meeting shall be at least two persons present holding or representing by proxy in the aggregate not less than five percent (5%) of the Common Shares entitled to vote at the Meeting.

If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business. A person participating in the Meeting by electronic means is deemed to be present at the Meeting.

Persons Making the Solicitation

The solicitation is made on behalf of the management of Tenaz. The costs incurred in the preparation and mailing of the form of proxy, Notice of Annual General Meeting and this Information Circular will be paid by Tenaz. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or by other means of communication and by directors and officers of Tenaz, who will not be specifically remunerated therefor. While no arrangements have been made to date by Tenaz, Tenaz may contract for the distribution and solicitation of proxies for the Meeting. The costs incurred in the soliciting of proxies will be paid by Tenaz.

BUSINESS OF THE MEETING

Recommendation of the Board of Directors

The Board unanimously recommends that Shareholders vote FOR the fixing of the number of directors at six, the election of each of the directors, and the appointment of auditors. Unless instructed otherwise, the person named on the proxy will vote **FOR** each of such matters to be acted upon at the Meeting.

Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2023, and the auditors' report thereon, will be placed before the Meeting. No formal action is required or proposed to be taken at the Meeting with respect to the financial statements and the auditors' report thereon.

Number of Directors

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at six. Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the ordinary resolution fixing the number of directors to be elected at the Meeting at six.

Election of Directors

At the Meeting, Shareholders will be asked to elect the proposed director nominees set forth below to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. The Company's Advance Notice By-Law (discussed further below) provides timeframes in which any additional director nominations for the Meeting must have been received by the Company. As at the date of this Information Circular, no such nominations had been received. Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the election of the following proposed nominees as directors of the Company:

Marty Proctor	Anthony Marino
Anna Alderson	Varinia Radu
John Chambers	Mark Rollins

See "Director Nominees" for additional information on the nominees for election as directors at the Meeting.

Majority Voting Policy

The Board has adopted a Majority Voting Policy stipulating that if, at a shareholder meeting to which the Majority Voting Policy applies, a director nominee is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election (with "withheld" votes considered "against" votes and counted in the total votes cast) the nominee will immediately submit his or her resignation after the meeting and receipt of the final voting results, for the Board's consideration.

Under the policy, the Board is required to determine whether or not to accept the resignation within 90 days after the date of the particular shareholders' meeting, which resignation shall be accepted absent exceptional circumstances (which resignation pursuant to the Majority Voting Policy shall be effective upon acceptance by the Board). The Board's decision to accept or reject the director's resignation will be disclosed by the Company by press release and, if the Board determines not to accept a resignation, will communicate the reasons for that decision. A director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered (but otherwise shall be permitted to participate in all other meetings of the Board and any applicable committees of the Board on which such director serves until such time, if applicable, as the Board decides to accept the director's resignation). The Majority Voting

Policy does not apply to a contested shareholder meeting, being a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board.

Advance Notice By-Law

Shareholders ratified the adoption by the Company of a By-law regarding advance notice of nominations of directors of the Company (the "**Advance Notice By-law**"), a copy of which is available on SEDAR+ at www.sedarplus.ca and Tenaz's website (www.tenazenergy.com). The Advance Notice By-law provides that, subject to the provisions of the *Business Corporations Act* (Alberta) (the "**ABCA**") and the articles of the Company, the only persons eligible for election as directors of the Company are persons nominated by or at the direction of the Board (including pursuant to a notice of meeting), by or at the direction or request of one or more shareholders pursuant to a "proposal", or a requisition of a meeting of shareholders of the Company, made in accordance with the Act, or by a registered Shareholder in compliance with the Advance Notice By-Law procedures.

Among other things, the Advance Notice By-law fixes a deadline by which Shareholders must submit director nominations to the Company prior to any meeting of Shareholders. It also outlines the information that a nominating Shareholder must provide to the Company to constitute an effective nomination. In the case of an annual meeting of Shareholders, notice to the Company must be made not less than thirty days prior to the date of the meeting, provided that if the meeting is to be held less than fifty days after the date the annual meeting was made public, notice must be made by the tenth day following that announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice must be made by the fifteenth day following the announcement of the meeting. Shareholders making a nomination must also provide certain information to the Company regarding themselves and the nominee, including the qualification of the nominee to act as a director and any conflicts that may affect the nominee's ability to discharge the nominee's duties to the Company. The Board may, in its sole discretion, waive any provisions of the Advance Notice By-law.

The foregoing is a summary of the Advance Notice By-Law. A registered Shareholder wishing to nominate a person for election as a director of the Company is advised to refer to, and comply with, the full text of the Advance Notice By-Law.

Appointment of Auditors

The Audit Committee completed a request for proposal process for the Tenaz external auditor engagement. After consideration and deliberation, and upon the recommendation of the Audit Committee, on May 8, 2024, the Board approved the Company proposing to its shareholders that Deloitte LLP be appointed as the Company's auditor at the Meeting. KPMG LLP will continue as the auditor of the Company until the expiry of its term of appointment at the Meeting.

In accordance with National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"), a copy of the reporting package (as defined in NI 51-102) filed by the Company in respect of the change of auditor to occur at the Meeting is set forth as Appendix "B" to this Information Circular. As stated in the Change of Auditor Notice included in the reporting package: (i) KPMG LLP's reports on the Company's consolidated financial statements for the two most recently completed financial years of the Company, being the financial years ended December 31, 2023, and December 31, 2022, did not express a modified opinion; and (ii) there are no "reportable events" (as defined in NI 51-102). Also included in the reporting package are letters of KPMG LLP and Deloitte LLP in response to the Change of Auditor Notice.

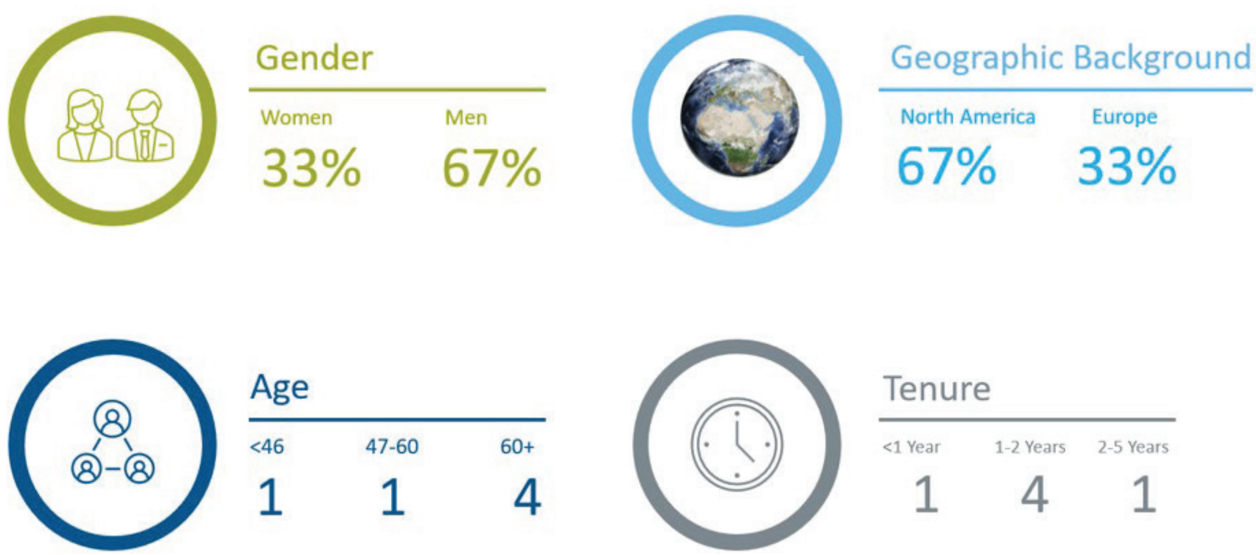
At the Meeting, Shareholders will be asked to appoint Deloitte LLP ("**Deloitte**"), Chartered Professional Accountants, as the auditors of the Company to hold office until the next annual meeting of Shareholders and to authorize the Board to fix their remuneration. Unless otherwise directed, the Management Proxyholders intend to vote **FOR** the appointment of Deloitte as the auditors of the Company and to authorize the Board to fix their remuneration. Information regarding the external auditor service fees for the prior two years is included in the Company's Annual Information Form dated March 28, 2024 available on SEDAR+ and our external website at www.tenazenergy.com.

DIRECTOR NOMINEES

The following pages set out information regarding each director nominee, including a brief summary of their skills, education, and professional experience. In addition, it includes information regarding director service, meeting attendance, security ownership, and other public company boards on which they serve. Each nominee brings a mix of skills and experience to the Board. The combination of these skills is important for the Board to effectively oversee the Company's business and to carry out its duties and responsibilities. The Company's intention is to foster a culture of inclusion and diversity within the organization.

Board Profile

					Committee		
Director	**Independence**	**Gender**	**Age**	**Tenure**	**AC**	**GHRC**	**Sustainability, HSE & Reserves**
Marty Proctor	Independent		63	2 years	•	•	•
Anna Alderson	Independent		63	2 years	**Chair**		•
John Chambers	Independent		57	4 years	•	**Chair**	
Anthony Marino	Non-Independent		64	2 years			
Varinia Radu	Independent		45	0 years		•	•
Mark Rollins	Independent		60	2 years		•	**Chair**



Director Biographies

MARTY PROCTOR — CHAIR/INDEPENDENT DIRECTOR

Calgary, AB, Canada
Age 63 / Director Since 2021

Mr. Proctor is a seasoned energy executive with more than 35 years' experience in Canada and international markets. He currently serves as a Director of ARC Resources Ltd., a Director with Athabasca Oil, and a Director with GreenFirst Forest Products Inc. Mr. Proctor joined Seven Generations Energy Ltd. as President and Chief Operating Officer in May 2014 and in July 2017, he was appointed President and Chief Executive Officer. Prior to that, Mr. Proctor held technical and leadership roles with several exploration and production companies working in the Western Canadian Sedimentary Basin and U.S. and international oilfields.

He holds Bachelor of Science and Master of Science degrees in Petroleum Engineering from the University of Alberta, the ICD.D designation from the Institute of Corporate Directors, and is registered as a Professional Engineer with APEGA. In 2022, Mr. Proctor completed the Advanced Management Program at the University of Chicago's Booth School of Business.

Key Skills & Experience

- Executive Leadership
- Capital Markets
- Oil & Gas Operations
- Financial Literacy
- ESG

Board Committee Membership	Meeting Attendance	
Board	10/10	100%
Audit Committee	4/4	100%
Goveranance and Human Resources	3/3	100%
Sustainabilty, HSE & Reserves	3/3	100%

VOTES FOR

MULTIPLE OF 2023 COMPENSATION[1]

8.1x

ANNA ALDERSON — INDEPENDENT DIRECTOR

Calgary, AB, Canada
Age 63 / Director Since 2021

Ms. Alderson is a corporate director with over 35 years of experience in the energy industry. She currently serves as a Director of PrairieSky Royalty Ltd. and is a member of the Audit Committee of Calgary Stampede and Calgary Foundation. Ms. Alderson served as a Director of YMCA until May 2024. She retired in 2019 after a distinguished career as an audit partner with KPMG in Calgary, Toronto, and Hong Kong. While with KPMG, Ms. Alderson provided audit and other advisory services to public and private entities in all sectors of the energy industry, including upstream, midstream, royalty, marketing and power and utilities. She also led the Financial Services practice in Calgary for several years.

Ms. Alderson is a Chartered Professional Accountant (Alberta), has a Bachelor of Commerce degree in Accounting with great distinction from the University of Saskatchewan and holds an ICD.D designation from the Institute of Corporate Directors.

Key Skills & Experience

- Financial Literacy
- Financial Experience
- Managing Leading Growth
- Risk Management
- ESG

Board Committee Membership	Meeting Attendance	
Board	10/10	100%
Audit Committee	4/4	100%
Sustainabilty, HSE & Reserves	3/3	100%

VOTES FOR

MULTIPLE OF 2023 COMPENSATION[1]

6.4x

JOHN CHAMBERS — INDEPENDENT DIRECTOR

Calgary, AB, Canada
Age 57 / Director Since 2019

Mr. Chambers has over 30 years of experience in energy capital markets and merger and acquisition advisory. He is an independent businessman since 2018 and is a continuing Altura Board Member following the Change of Management in October 2021. Previously, Mr. Chambers was Vice-Chairman and President of GMP FirstEnergy from 2016 to 2018, the President and then Chief Executive Officer of FirstEnergy Capital Corp. from 2006 to 2016 and a former Chair of the Investment Industry Association of Canada.

Mr. Chambers has a Master of Business Administration in International Finance from McGill University and a Bachelor of Science in Geophysics from the University of British Columbia and holds an ICD.D designation from the Institute of Corporate Directors.

Key Skills & Experience

- Executive Leadership
- Governance
- Risk Management
- Capital Markets
- Financial Literacy

Board Committee Membership / Meeting Attendance

Board Committee Membership	Meeting Attendance	
Board	10/10	100%
Audit Committee	4/4	100%
Governance and Human Resources	3/3	100%

VOTES FOR

MULTIPLE OF 2023 COMPENSATION[1]

20.1x

ANTHONY MARINO — NON-INDEPENDENT DIRECTOR

Calgary, AB, Canada
Age 64 / Director Since 2021

Mr. Marino has more than 40 years of oil and gas industry experience with an extensive background in operations management, business development, and capital markets. He is the current President and CEO of Tenaz Energy Inc. From 2016 to May 2020, he led Vermilion Energy Inc. as President and Chief Executive Officer. Before becoming Chief Executive Officer of Vermilion, he was Chief Operating Officer from 2012 to 2016. Prior to Vermilion, Mr. Marino was President and Chief Executive Officer of Baytex Energy Corp. and Dominion Exploration Canada Ltd.

Mr. Marino has a Bachelor of Science degree in Petroleum Engineering from the University of Kansas with Highest Distinction and a Master of Business Administration degree from California State University at Bakersfield (Outstanding Graduate) and has been awarded the Chartered Financial Analyst designation.

Key Skills & Experience

- Executive Leadership
- Oil & Gas Operations
- Reserves Evaluation
- Financial Literacy
- ESG

Board Committee Membership / Meeting Attendance

Board Committee Membership	Meeting Attendance	
Board	10/10	100%

VOTES FOR

MULTIPLE OF 2023 COMPENSATION[1]

14.5x

MARK ROLLINS	INDEPENDENT DIRECTOR

Vaud, Switzerland
Age 60 / Director Since 2021

Mr. Rollins's career spans over 34 years in the oil and gas industry across international markets, midstream and downstream oil and gas and deregulated utility sectors, with extensive experience in business development, government negotiation and private equity. He currently serves as the Chairman of Beacon Energy plc. He served as a Director of Roquefort Therapeutics plc from 2021 to 2022 and the Chairman and CEO of Ukrnafta from 2015 to 2019. Between 2008 and 2015, he was a senior executive at BG Group plc, the former international E&P company; his final positions being Senior Vice President within the COO's office and managing BG's interests in Kazakhstan.

Mr. Rollins has a Doctorate in Engineering Science from the University of Oxford as well as a Masters in Mathematics from the University of Cambridge

Key Skills & Experience

- Executive Leadership
- Capital Markets
- Oil & Gas Operations
- Financial Literacy
- ESG

Board Committee Membership	Meeting Attendance	
Board	10/10	100%
Governance and Human Resources	4/4	100%
Sustainability, HSE & Reserves	3/3	100%

VOTES FOR

MULTIPLE OF 2023 COMPENSATION[1]

16.2x

VARINIA RADU	INDEPENDENT DIRECTOR

Bucharest, Romania
Age 45 / Director Since 2023

Ms. Radu has over 20 years of global experience, primarily concentrated within the electricity, oil and gas, and mineral resources industries. She is an experienced international lawyer and business leader in the European energy industry. She has advised numerous companies in negotiation and financing of M&A transactions. Mrs. Radu is a Deputy Head of Energy and Climate Change in Central and Eastern Europe ("**CEE**") for the international law firm CMS, and Head of Oil & Gas, CEE. She is also the founder and proprietor of Energynomics.ro, the leading publication and information platform for the energy sector in Central and Eastern Europe.

Mrs. Radu holds a BA in Law from Babes-Bolyai University, an MA in International Relations from the National School of Political and Administrative Studies, and an MA in Petroleum Management from the University of Oil and Gas Ploesti in Romania. In addition, she received an MBA from the University of Chicago Booth School of Business and a Postgraduate Diploma in Board Practice and Directorship from the Henly Business School in Reading, UK.

Key Skills & Experience

- Executive Leadership
- Oil & Gas Operations
- Reserves Evaluation
- Financial Literacy
- ESG

Board Committee Membership

- Board
- Governance and Human Resources
- Sustainability, HSE & Reserves

Appointed to the Board on November 12, 2023

Note:

(1) The share ownership multiple is calculated based on total equity ownership as at December 31, 2023 times the closing price on the TSX of $3.93 per Common Share as at December 31, 2023.

Director Share Ownership Guidelines

Pursuant to the Director Share Ownership Guidelines, non-employee directors are required to hold Common Shares, including deferred share units ("**DSUs**"), with a value of not less than three times the annual cash retainer fees for each director. The value of the Common Shares and DSUs is based on the greater of (i) the closing price of the Common Shares as at December 31 in the year prior to such determination; and (ii) the average purchase price of the Common Shares in respect of each director. New directors are expected to achieve this level within three years of their election or appointment to the Board.

The following table sets out the value of the holdings of each of Tenaz's non-employee directors based on the greater of: (i) the closing price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") on the last trading day of the year-ended December 31, 2023, being $3.93 per Common Share; and (ii) the average purchase price of the Common Shares in respect of each director.

Name	Common Shares (#)	DSUs (#)	Value of Common Shares & DSUs(1) ($)	Total Value of Share Ownership Required(2) ($)	Share Ownership Multiple (3)	Meets Share Ownership Requirement
Marty Proctor	111,200	12,000	484,176	180,000	8.1x	Yes
Anna Alderson	63,790	9,000	286,065	135,000	6.4x	Yes
John Chambers	217,450	12,500	903,704	135,000	20.1x	Yes
Varinia Radu[3]	*Appointed November 12, 2023*					
Mark Rollins	176,000	9,000	727,050	135,000	16.2x	Yes

Notes:

(1) Value of Common Shares and DSUs is based on the closing price on the TSX of $3.93 per Common Share as at December 31, 2023.

(2) Pursuant to the Company's Director Share Ownership Guidelines, non-employee directors are required to hold Common Shares with a value of not less than three times the annual retainer fee.

(3) Non-executive directors are expected to achieve the Director Share Ownership Guideline requirement within three years of their appointment to the Board. Mr. Radu has until November 2026 to meet the share ownership requirement.

Attendance

In 2023, the average Board and committee attendance rate was 100%, and most directors voluntarily attended all committee meetings.

Attendance is calculated including all regular Board and committee meetings, any Board strategy session(s) and the annual shareholder meeting held since the director's appointment. Directors are invited as guests to all committee meetings (of which they are not members) to increase their knowledge of committee activities.

Interlocks

There are no interlocks – where Tenaz directors serve together on the same outside board – among the 2024 director nominees.

The table below includes a list of our directors and their respective public boards.

Other Public Companies	Proctor	Marino	Alderson	Chambers	Radu	Rollins
ARC Resources Ltd.	X					
Athabasca Oil Corp.	X					
Beacon Energy PLC. (United Kingdom)		None		None	None	X
GreenFirst Forest Products	X					
PrairieSky Royalty Ltd.			X			

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director of the Company (nor any holding company of any such persons) is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, that:

- 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 30 consecutive days;
- was subject to an event that resulted, after the director or executive officer ceased to be a director or executive 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 30 consecutive days;
- within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or
- has, within the 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

DIRECTOR COMPENSATION

The Governance and Human Resources Committee ("**GHR Committee**") is responsible for reviewing the directors' compensation program and making recommendations to the Board for approval.

Director compensation is determined considering current market conditions and competitive practices.

Director Compensation Discussion

The GHR Committee reviews the compensation paid to directors against industry practices for oil and gas companies of similar business model, size and scope. Director compensation is targeted at the median of the market.

The total director compensation package recognizes the increasing responsibilities, time commitments and accountability of Board members of public companies. Tenaz reviews director compensation annually to ensure the Company provides a compensation package that allows the Company to attract and retain competent Board members. Recommendations are made to the Board, and the Board approves changes to director fees (if any).

Independent Board members, being all the members of the Board other than the President and Chief Executive Officer ("**CEO**"), currently receive annual director fees payable in cash.

Incentive Plan Awards that may be issued to Directors

Options were previously granted to directors in accordance with the Stock Option Plan which was discontinued in 2022. Under the Omnibus Tenaz Incentive Plan ("**TIP**"), directors will be issued DSUs annually and may be awarded restricted share units ("**RSUs**") but will not receive any performance-based awards.

The following is a summary of the RSUs and DSUs. Capitalized terms referred to in the following summary that are not otherwise defined have the same meaning as in the TIP. A copy of the TIP is available on the Company's website at www.tenazenergy.com.

RSUs

Each RSU which will consist of the right to receive one Common Share as at the date of redemption subject to certain restrictions. Each RSU shall be evidenced by an Award Agreement containing the RSU vesting provisions and such conditions or restrictions imposed by the Board and such other terms and conditions which are consistent with the Plan. At the time of grant of a RSU, the Board shall specify the year of service of the Participant in respect of which the RSU is granted. Redemption of RSUs occurs on the date that is no later than December 15 of the third year following the end of the relevant RSU service year as determined by the Board in its sole discretion.

RSUs that have vested in accordance with the provisions of the applicable Award Agreement shall be redeemed with Common Shares issued from the treasury of the Company, in cash (equal to the Fair Market Value (as of the RSU Redemption Date) of the Common Shares otherwise deliverable), through market purchases of Common Shares, or a combination thereof.

If the RSU Redemption Date for RSUs occurs during a Blackout Restriction Period applicable to the relevant Participant then payment in respect of the RSUs shall be made by delivering cash (equal to the Fair Market Value (as of the RSU Redemption Date) of the Common Shares otherwise deliverable), provided that, if the Board determines in its sole discretion (outside of a Blackout Restriction Period) to settle the RSUs in Common Shares and such determination does not result in the extended RSU Redemption Date being later than December 31st of the third year after the end of the relevant RSU service year, then the RSU Redemption Date for the RSUs shall be the date that is not later than 10 business day after the expiry date of the Blackout Restriction Period.

DSUs

The Board may direct that all or a portion of a non-employee director’s annual cash fees (paid quarterly) be received in the form of DSUs, and each non-employee director shall have the right, but not the obligation, to elect to receive his or her cash fees in DSUs. DSUs may also be used as a form of incentive compensation through the issuance of DSUs alongside annual retainer fees paid in cash. DSUs may not be redeemed until the Participant has ceased to hold all directorships with the Company and any Affiliate. DSUs shall only be granted to a Participant that is a non-employee director.

Each DSU shall be evidenced by an Award Agreement containing such conditions or restrictions imposed by the Board and such other terms and conditions consistent with the Plan as the Company, in its sole discretion, may determine appropriate. An Account, to be designated as a "Deferred Share Unit Account" ("**DSU Account**") shall be maintained by the Company for each Participant. The DSU Account will be credited with the DSUs granted to a Participant as of the date of grant of the DSUs and all such DSUs shall vest immediately.

Notwithstanding any other provision of the Plan, no payment shall be made in respect of a DSU until after the earliest time of: (i) the Participant's death; or (ii) the latest time that the Participant ceases to be a director of the Company or any Affiliate (such time, the "**Triggering Event**"). After the occurrence of a Triggering Event in respect of a Participant, on December 15th of the calendar year commencing immediately after the date of the Triggering Event, or on such other earlier date determined by the Board, in its sole discretion, all vested DSUs credited to the Participant's DSU Account shall be redeemed with Common Shares issued from treasury of the Company, in cash (equal to the Fair Market Value of such Common Shares as at the DSU Redemption Date), through market purchases of Common Shares, or a combination thereof. All payments in respect of a DSU following the applicable DSU Redemption Date shall, be made no later than December 31st of the calendar year commencing immediately after the occurrence of the Triggering Event.

If the DSU Redemption Date for DSUs occurs during a Blackout Restriction Period applicable to the relevant Participant then payment in respect of the DSUs shall be made by delivering cash (equal to the Fair Market Value (as of the DSU Redemption Date) of the Common Shares otherwise deliverable), provided that, if the Board determines in its sole discretion (outside of a Blackout Restriction Period) to settle the DSUs in Common Shares and such determination does not result in the extended DSU Redemption Date being later than December 31st of the calendar year commencing immediately after the occurrence of the Triggering Event, then the DSU Redemption Date for the DSUs shall be the date that is not later than 10 business day after the expiry date of the Blackout Restriction Period.

Director Fees

Director fees are paid quarterly in arrears. Directors may also receive reimbursement for out-of-pocket expenses to attend meetings.

Component	**Amount**
Board Chair Retainer	$60,000
Board Member Retainer	$45,000

Directors' Summary Compensation Table

The following table sets forth the details of compensation earned by the Company's independent directors during the Company's financial year ended December 31, 2023:

Name and principal position	Fees earned[(1)] ($)	Share-based awards (DSUs)[(2)] ($)	Share-based awards (RSUs) [(2)] ($)	All other compensation ($)	Total compensation ($)
Marty Proctor Chair	60,000	25,200	25,200	-	110,400
Anna Alderson Director	45,000	18,900	18,900	-	82,800
John Chambers Director	45,000	26,250	26,250	-	97,500
Varinia Radu[(3)] Director	-	-		-	-
Mark Rollins Director	45,000	18,900	18,900	-	82,800

Notes:

(1) Effective January 1, 2024, retainer fees for the independent directors and Chair are $50,000 and $65,000. respectively.

(2) The value of 2023 share-based awards is calculated by multiplying the number of awards granted by the April 24, 2023 grant price of $2.10.

(3) Ms. Radu did not receive any compensation in 2023 as she was appointed to the Board on November 12, 2023.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth, for each of the Company's independent directors, option-based and share-based awards outstanding at the end of the year ended December 31, 2023.

	Option-based Awards				Share-based Awards		
Name and principal position	Number of securities underlying unexercised Options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money Options[(1)] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested[(2)] ($)	Market or payout value of vested share-based awards not paid out or distributed[(2)] ($)
Marty Proctor Chair	60,000	2.70	22-Nov-26	73,800	12,000	47,160	47,160
Anna Alderson Director	50,000	2.70	22-Nov-26	61,500	9,000	35,370	35,370
John Chambers Director	30,000	2.70	22-Nov-26	36,900	12,500	49,125	49,125
Varinia Radu[3] Director	-	-	-	-	-	-	-
Mark Rollins Director	50,000	2.70	22-Nov-26	61,500	9,000	35,370	35,370

Notes:

(1) Calculated based on the difference between the closing price of the Common Shares on the TSX as at December 31, 2023 of $3.93 and the exercise price of the Options.

(2) The value of: (i) share-based awards that have not vested (RSUs) and (ii) value of vested share-based awards not paid out or distributed (DSUs) was based on the closing price of the Common Shares on the TSX of $3.97 as at December 31, 2023.

(3) Ms. Radu was appointed to the Board on November 12, 2023, and no awards were granted in 2023. She received an equity grant on January 11, 2024, comprised of 6,000 RSUs and 6,000 DSUs.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the Company's independent directors the value of awards which vested during the year ended December 31, 2023 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2023.

Name and principal position	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Marty Proctor Chair	31,600	-	-
Anna Alderson Director	26,386	-	-
John Chambers Director	15,800	-	-
Mark Rollins Director	26,386	-	-
Varinia Radu Director	-	-	-

Note:

(1) Calculated based the closing price of the Common Shares on the TSX at $4.28 on the vesting date and the exercise price of the Options at $2.70.

CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Company's corporate governance practices. Disclosure in respect of directors is based on the nominees for election as a director at the Meeting set forth in this Information Circular.

Board of Directors Independence

All but one of our current directors is independent. Mr. Marino is our President and CEO and, as an executive of Tenaz, is not independent. The Board reviews director independence annually. The Board looks at the business, family and other relationships of each director and considers whether there is any material relationship, including relationships which could, in the view of the Board, interfere with the director's independent judgement.

Orientation and Continuing Education

Existing directors provide orientation and education to new members on an informal and ad hoc basis. New directors of the Company are given a copy of the terms of reference for the Board, and each of the Audit Committee, GHR Committee, and Sustainability, HSE, and Reserves Committee, and a copy of the Guidelines for Committees. A presentation is made by management to new directors regarding the nature and operations of the Company's business.

No formal continuing education program currently exists for the directors of the Company; however, the Company encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and pays the cost of such courses and seminars. Each director of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

In 2023, the Board attended a site visit to the Leduc Woodbend field. Viewing our operations firsthand is an important part of our director orientation and education and our overall governance process.

Throughout the year, the Board members participated in several external educational programs. They attended a variety of events aimed at keeping them informed about industry trends, governance, social issues, AI, economic conditions in Canada and internationally, regulatory updates, environmental issues, and other aspects impacting the company's operations and financial stability. The following list details the educational topics covered by our Board members in 2023.

Subject	Topics	Prepared/Hosted By
ESG	• A Quantum Leap in Governance • Bridging Leadership Gap for Girls • Climate Change Strategies • Effective year-end Governance for Boards and Executives Governance in Uncertain Times • Navigating Rising Expectations for Canadian Boards • New Climate Disclosure Standards: Impact on Boardrooms • ICD National Conference • Securities Laws Updates and Trends Heading into Proxy Season • Sustainability Series: Cutting Through the Noise of ESG • The Future of Work • Unpacking ESG	ICD University of Chicago Board Ready Women Chapter Zero
Economy/ Geopolitics	• Bloomberg Canadian Finance Conference • Capital Markets Update • CPAB Calgary Energy Industry Forum • Directing NFP Entities Through Turbulent Times • Energy Market Update • Long-term Gas and Power • Federal Budget Review • Geopolitics (China & Russia); OPEC & Geopolitics • How Digital Finance Changes Everything • Israel & Gaza: The Attacks, Politics, and Implications • Navigating Rising Expectations for Canadian Board • The Impact of AI in Society • The Risks of a New Banking Crisis • Ukraine at War: Russian Sensitivities	Economist EFET CAPB National Bank RBC KPMG TPH Board Resolution Series

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics ("**Code of Conduct**") applicable to all members of the Company, including directors, officers and employees. Each director, officer and employee of the Company has been provided with a copy of the Code of Conduct. The Code of Conduct can be found on the "Governance" section of the Company's website at www.tenazenergy.com. Each director, executive officer and employee must review and sign off annually to confirm they understand the Code of Conduct and have complied with it. The Board has not granted any waiver of the Code of Conduct and no material change reports have been filed since the beginning of our most recently completed financial year that pertain to any conduct of a director or executive officer which would constitute a departure from the Code of Conduct.

Whistleblower Policy

Our Whistleblowing Policy allows employees and consultants to anonymously report concerns regarding financial controls and audit matters, fraud and/or theft, harassment, workplace violence, substance abuse, conflicts of interest, discrimination and safety concerns. The Whistleblowing Policy sets out procedures to address the receipt, retention and treatment of complaints and concerns received, and outlines measures taken to protect the confidentiality and anonymity of any submissions. The Whistleblower Policy is posted on our website and individuals may report concerns to an independent legal firm via phone or anonymous email.

Nomination of Directors

Nominees for directors are initially considered and recommended by the GHR Committee, approved by the entire Board and elected annually by the Shareholders.

In consultation with the Board Chair and the President and CEO, the GHR Committee recommends to the Board nominees for election as members of the Board keeping in mind the competencies and skills each new nominee will bring to the Board.

At present, the GHR Committee does not have a formal process by which it identifies new candidates for Board nomination. The identification of new candidates is done on an informal and ad hoc basis with reference to a skills and experience matrix that is reviewed at least annually by the GHR Committee.

Compensation

See "*Statement of Executive Compensation – Compensation Discussion and Analysis*" and "*Director Compensation - Director Compensation Discussion*" for a discussion of the Company's approach to determining compensation for the directors and President and CEO of the Company, including who determines compensation and the process of determining compensation.

Board Committees

In addition to the Audit Committee and the GHR Committee, the Company has a Sustainability, HSE, and Reserves Committee of the Board to which the Board has delegated responsibility.

Audit Committee

The Audit Committee is discussed in more detail in "*Audit Related Disclosure*".

Governance and Human Resources Committee

The GHR Committee's responsibilities with regards to human resources are discussed in more detail under "*Statement of Executive Compensation - Compensation Strategy and Governance*".

Item	Task
Independence	• Review the Company's structures and procedures to ensure the Board functions independently of management.
Policies	• Review periodically, for Board approval, a Board Manual outlining the policies and procedures by which the Board will operate and the terms of reference for the Board and Committees.
Board & Committee Composition Meetings	• Assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, director orientation/development and the conduct of meetings and make recommendations to the Board as required. • In consultation with the Board Chair and the President and CEO, recommend committee members and committee chair appointments to the Board for approval and review the need for, and the performance and suitability of, those committees and make recommendations as required.
	• At least annually, review and consider the Board's current and long-term composition by considering: o the size of the Board and the diversity of its members; o the competencies and skills ideal for the Board, including requirements to staff certain Board committees; and o the competencies and skills each existing director possesses.
Board Succession	• In consultation with the Board Chair and the President and CEO, recommend to the Board nominees for election as members of the Board and its subsidiaries, keeping in mind the competencies and skills each new nominee will bring to the Board as well as the diversity and inclusion initiatives of the organization.
Board Compensation	• Annually review the directors' compensation program and make any recommendations to the Board for approval.
Board Evaluations	• Implement evaluations of the Board, Board Chair, Board committees and individual directors.
Independent Legal Counsel	• Ensure there is a system that enables a committee or director to engage separate independent counsel in appropriate circumstances, at the Company's expense, and be responsible for the ongoing administration of such a system.
Policy Review	• Oversee the Code of Conduct, including: o periodically review the Code of Conduct and recommend any necessary revisions to the Board; and o lead the Board in considering any explicit or implicit waivers of the Code of Conduct, and ensure any waivers that are approved by the Board are reported to meet regulatory requirements. • Oversee the Whistleblower Policy.
Corporate Governance	• Ensure that the Company's governance disclosure material is accurate and meets or exceeds all regulatory guidelines, including but not limited to: o confirm that the Board has approved terms of reference; o independence of the Board and its committees; o establishment of all required and recommended Board committees;

Item	Task
	○ description of Board, committee and individual director evaluation process; and ○ ensure that all documents that are required to be publicly disclosed are available on the corporate website, or in hardcopy by request, including but not limited to Terms of Reference for: ▪ Board; ▪ Board Chair; ▪ Board committees, with the added responsibility of ensuring the Terms of Reference for the Audit Committee are included in the Company's Annual Information Form; and ▪ President & CEO. • Recommend to the Board any reports or initiatives on corporate governance that may be required or considered advisable.

Sustainability, HSE, and Reserves Committee

The Sustainability, HSE, and Reserves Committee is responsible for the following:

Committee	Task
Sustainability	• Oversee the development and evolution of the Company's policies, practices, and strategies relating to sustainability matters. • Review and assess whether the Company's sustainability initiatives are effectively implemented, comply with applicable legislation, conform with industry standards and support the Company's business objectives. • Review the Company's sustainability performance and the development of internal and external key performance indicators. • Review the Company's disclosure, reporting and external communication practices pertaining to sustainability issues. • Review emerging risks and opportunities associated with sustainability issues as they relate to the Company's operations. • Assist the Board in respect of matters related to sustainability.
Health, Safety & Environment	• Oversee the development and evolution of the Company's policies, practices, and strategies related to health, safety, and environmental protection. • Review and assess whether the Company's Health, Safety & Environment Policies are effectively implemented, comply with applicable legislation and conform with industry standards. • Review the Company's health, safety, and environmental activities and performance, including: ○ performance and compliance with codes, standards, regulations and applicable laws; ○ significant external or internal audit reports; ○ emerging trends, issues and regulations that could materially impact the Company's business; and ○ outstanding litigation as it relates to environment, health or safety matters. • Review the insurable risks related to health, safety and the environment and evaluate cost/insurance benefits associated with those risks; concerning insurance, the Committee shall consult with and review the recommendations of the Audit Committee. • Assist the Board in respect of matters related to health, safety, and the environment.

Committee	Task
Reserves	• Review the selection and qualifications of the independent engineering firm responsible for estimation of reserve and resource quantities ("**the independent engineering firm**"), the scope of its work and ensure the consistency of its practices, standards, and definitions. • Review matters relating to the preparation, disclosure and/or filing of information related to the reserves and resources of the Company, and its affiliates, and make a recommendation to the Board as to whether to approve the disclosure and/or filing of such information. • Review externally disclosed oil and gas reserve and resource estimates and ensure they meet the requirements of applicable securities legislation. • Review the Company's practices against applicable engineering standards and any relevant "best practice" guidelines. • Periodically review the Company's relationship with the independent engineering firm. • Assist the Board in respect of matters related to evaluations of petroleum and natural gas reserves and resources.

Assessments

As part of its mandate, the Board is responsible for reviewing annually the composition of the Board and its committees and assessing the performance of the directors on an ongoing basis.

Effective 2024, we are undertaking processes to formalize our annual Board assessment process to include a confidential questionnaire and one-on-one interviews. The GHR Committee will oversee the evaluation of the overall Board's performance and the individual contributions of the directors. This process involves a confidential annual questionnaire that each director must fill out, covering self-evaluation, assessments of the Board and peer evaluations. Committee assessments are completed by the committee chairs during an in-camera session. The GHR Committee reports to the Board on the findings of this performance review.

Skills Matrix

The GHR Committee annually reviews the skills and experience of the current directors of Tenaz to assess whether the Board's skills and experience need to be supplemented in any area. In conducting its annual review, the GHR Committee evaluates the skills and experience of the individual Board members and the Board overall. When assessing the composition of the Board, the GHR Committee also considers the diversity and inclusion objectives of the organization.

The director skills matrix below provides a listing of skills and competencies that the Board has determined are important to Tenaz's continuing success and which of those skills and competencies each of the proposed nominees for election as directors at the Meeting possess.

Level of experience or expertise: ✓ *Advanced* ✓ *General*

Skills / Experience	Proctor	Alderson	Chambers	Marino	Radu	Rollins
Executive Leadership	✓	✓	✓	✓	✓	✓
Capital Markets	✓		✓	✓	✓	✓
Managing / Leading Growth	✓	✓	✓	✓	✓	✓
Oil and Gas Operations	✓			✓	✓	✓
Reserves Evaluation	✓	✓	✓	✓	✓	✓
Health, Safety and Environment	✓		✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓
Financial Literacy	✓	✓	✓	✓	✓	✓
Financial Experience	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓
Human Resources and Compensation	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓
Sustainability (ESG)	✓	✓	✓	✓	✓	✓
Equity Inclusion and Diversity	✓		✓	✓	✓	✓
Regulatory, Legal and Public Policy	✓	✓	✓	✓	✓	✓

In addition to considering the skills and experience of the Board, the GHR Committee also considers the knowledge and character of all the nominees and other factors including independence to ensure the Board operates effectively and independently of management.

Diversity and Representation

The Company recognizes the importance of diversity and representation in the governance of the organization. In 2023, the Board adopted a gender diversity target of 30% of women on our Board. Tenaz currently exceeds this target, with two women directors comprising 33% of the Board. Additionally, one of these women serves as Chair of the Audit Committee. As the Company expands in size and scale through the execution of its strategy, it is expected that additional directors will be added to the Board. During the nominee selection process for future Board members, if the appropriate individual is available, the nomination will continue to prioritize maintaining the target for gender diversity. As the Company expands its operations globally, the objective will be to review and, if practical, expand our diversity and representation targets.

Other Governance Information

The Terms of Reference for the Company's Board, Board Chair, President and CEO and the Board Committees, and Guidelines for Committees, can be found on the "Governance" section of the Company's website at www.tenazenergy.com. The "Governance" section also contains specific Company policies, including the Code of Conduct, the Whistleblower Policy, the Anti-Corruption, Sanctions and Anti-Money Laundering Policy and the Majority Voting Policy. In addition, the "Governance" section also contains the Company's constating documents, including its by-laws.

STATEMENT OF EXECUTIVE COMPENSATION

The following Compensation Discussion and Analysis provides a description of the compensation practices and policies of the Company.

Compensation Strategy and Governance

The overall responsibility for the compensation program of the Company lies with the GHR Committee and the Board. Since the launch of Tenaz in the fourth quarter of 2021, the compensation practices and policies of the Company have been reviewed and reconstructed to align with the new strategy of the Company. In addition, during 2023, the Board adopted a set of performance scorecards along with a defined peer group to create an objective and formulaic basis for the measurement and determination of annual compensation and the performance multiplier applicable to future performance share unit ("**PSUs**"). The applicable scorecards and peer group, effective January 1, 2023, are described within the section "*Performance Scorecards and Peer Group*".

The Company's compensation program is administered by the GHR Committee in consultation with the Board. The GHR Committee is comprised of John Chambers (Chair), Marty Proctor, Varinia Radu, and Mark Rollins, each of whom has applicable senior leadership experience in compensation-based matters and each of whom is independent. The skills and expertise that enable the members of the GHR Committee to make decisions on the suitability of the Company's compensation policies and practices are found within the section "*Director Nominees*".

Under its Terms of Reference, the GHR Committee has the responsibility for the following in respect of human resource matters.

Program / Area	**Committee Action**
Compensation Philosophy (Risk)	• Review compensation philosophy and assess internal and external compensation risk factors. • Review executive and director share ownership policy and compliance.
Compensation Programs • Peer Group • Scorecards • Equity Plans • Program Costs	• Establish peer group selection criteria and recommend for Board approval. • Determine the corporate performance and executive compensation peer group at least annually, against agreed upon selection criteria. • Review and recommend for Board approval short-term and long-term corporate performance incentive plan scorecards. • Review the incentive compensation arrangements with the President and CEO, including, (i) designation of the employees who participate; and (ii) affordability and dilution considerations.
Management Evaluation & Compensation	• Review and recommend President and CEO's corporate goals and objectives. • Assist in the evaluation and review of the President and CEO and approve and recommend to the Board President and CEO's compensation based on the evaluation. • In consultation with the President and CEO, review and recommend to the Board compensation, incentives, bonuses and benefit plans for the executive officers, other than the President and CEO.
Organizational Changes	• Review and endorse major changes in the organizational structure of management as proposed.
Public Commitments	• Review with the President and CEO any significant public service commitments and/or outside Board appointments being considered by the President and CEO.

In 2023, the management team, together with the GHR Committee, reviewed industry practices and selected an appropriate compensation structure for both the executive officers and directors to reflect the current organization and adapt to its growing size and scale over time.

Our organization is in the early stages of building operating and capital scale to our objective of mid-cap size. Consequently, our compensation structure is focused on maintaining general and administrative expenses at a relatively low level to preserve the Company's balance sheet strength for acquisition opportunities in the short-term, and to align the interests of executive officers with Shareholders' interests in increasing the value of the Common Shares over the long-term.

To accomplish these goals, the current elements of the compensation program for executive officers consist of (i) base salary; (ii) bonus payments determined based on a combination of corporate and individual performance; (iii) PSUs under the TIP; and (iv) other typical benefits and any perquisites.

The TIP, adopted in 2022, replaces the Stock Option Plan with no further Option grants to be awarded under the Stock Option Plan. Outstanding Options that were previously made under the Stock Option Plan will continue to be governed by the Stock Option Plan until exercise or expiry.

The GHR Committee intends to continue to evaluate the compensation programs as the Company's assets change. It anticipates adjusting such compensation programs over time as appropriate to reflect the operational scale and complexity of the Company.

Base Salary

The salary of each executive officer is intended to be set at levels comparable to those at similar market capitalization entities operating in both the Calgary market and internationally.

The purpose of the base salary is to create a base level of compensation for executive officers while maintaining the general and administrative expenses of the Company at relatively low levels. Although base salaries of the President and CEO and the CFO are targeted at the peer group median, at present they are approximately one-third below the peer group median, and more than 40% below the peer group average for the sum of these two positions.

Short-term Incentive Compensation - Cash Bonuses

Our STIP scorecard evaluates corporate success based on financial and operating performance (50%), health, safety, environment, and sustainability (25%), and strategy (25%). See page 39 for further information. The STIP scorecard results in a performance factor of between 0 and 2 times.

Employees have a weighting of personal performance and Company performance which establishes the overall multiplier. The exception to the weighting between personal performance and Company performance is the executives which have 100% of the performance measured against the Company performance.

After considering the recommendations from the GHR Committee assessment, the Board approved a calculated performance multiple of 1.8 times for 2023. To manage the costs, the Board applied discretion to decrease the multiple from 1.8 to 1.3 times for the Company in aggregate.

Long-term Incentive Compensation

Following the recapitalization transaction in 2021, long-term incentive compensation, in the form of the issuance of equity awards to officers of the Company, has been designed to align the interests of the executive officers with the long-term accretion in value of the Common Shares through strategic acquisitions and development of the Company's assets.

In 2021, the Company granted Options pursuant to the Stock Option Plan to officers following the Reorganization(1).

All of these Options granted to the officers vest at one-third on the first, second and third anniversary of the date of grant, expire five years from the date of grant and have an exercise price based on the closing price of the Common Shares on the TSX on the trading day immediately prior to the grant date.

In 2022, the Board approved the TIP which provides for the issuance of share-based long-term incentives. The TIP and awards made thereunder replaces the Stock Option Plan and Stock Options as long-term incentive compensation awards. Outstanding Options continue to vest in accordance with their terms of grant.

The types of Awards available under the TIP include Options, RSUs, PSUs, DSUs and Dividend-Equivalent Rights. Previous grants of option-based awards were considered when considering new grants under the TIP. The PSUs granted to officers vest at one-third on the first, second and third anniversary of grant date. Other than the initial, new-hire, promotional or special grant, PSUs grants will vest three years from the grant date.

PSU awards have a performance factor applied to the base awards ranging from a multiplier of between zero and two. After application of the multiplier, realized awards may be as low as zero, or as high as twice the granted number of Common Shares.

The purpose of the performance factor is to adjust the number of vested awards to align compensation with performance in achieving corporate objectives as measured through a performance scorecard.

The scorecard adopted by the Board is used to determine the performance factor applicable to the granted PSUs. A summary of the short-term and long-term scorecards can be found under the heading "*Performance Scorecards and Peer Group*".

Other Benefits and Perquisites

The executive officers also participate in other group benefit plans and perquisites (life, disability, health and dental insurance, parking and savings plan) that are also available to all employees of the Company, and which are comparable to those offered to industry peers.

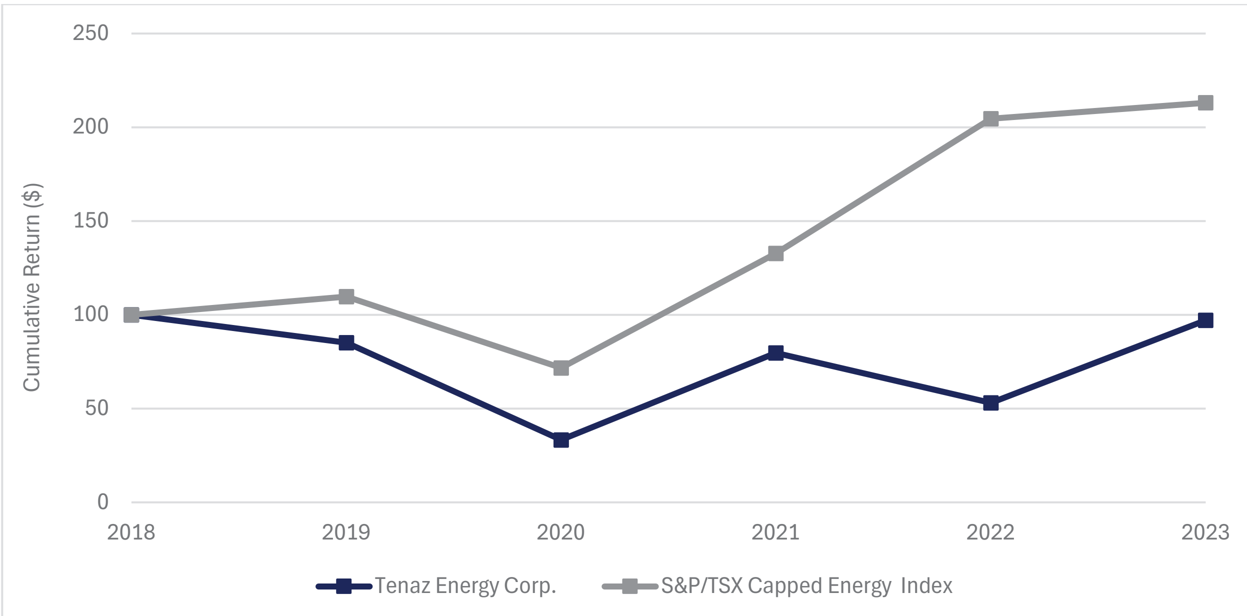
The Company has a savings plan for all employees that includes a 1-for-1 matching of contributions up to a maximum of 5% of base salary. Participation in the savings plan is voluntary.

Note:

*(1) On August 30, 2021, the Company entered into the Investment Agreement with a group of investors led by Anthony Marino, Michael Kaluza, Bradley Bennett, Jonathan Balkwill, Marty Proctor, and Mark Rollins which provided for, among other things: (i) a private placement of units of the Company for aggregate gross proceeds of $29.5 million; (ii) a reconstitution of the Board and appointment of a new management team; and (iii) a change of the Company's name from "Altura Energy Inc." to "Tenaz Energy Corp." (collectively, the "**Reorganization**").*

Performance Graph

The following graph compares the change in the cumulative total Shareholder return for the five most recently completed financial years of a $100 investment in Common Shares, with the cumulative total return of the S&P/TSX Capped Energy Index for the period commencing January 1, 2019, and ending December 31, 2023. This five-year period includes the performance of Altura Energy Inc. prior to the recapitalization transaction in 2021.



The trading price of the Common Shares on the TSX is subject to fluctuation based on a number of factors, many of which are outside the control of the Company. These include, but are not limited to, fluctuations and volatility in commodity prices for crude oil and natural gas, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the heading "*Risk Factors*" in the Company's Annual Information Form dated March 28, 2024.

The Company considers a number of factors in connection with its determination of appropriate levels of compensation including, but not limited to, the demand for and supply of skilled professionals with experience in the oil and gas industry, individual performance and the Company's performance as it relates to: (i) execution of the Company's operational goals and vision towards international acquisitions; (ii) absolute and relative Shareholder return; (iii) production per share growth; (iv) reserve additions; (v) performance-based metrics commonly used in the oil and gas industry; and (vi) health, safety and environmental metrics (which is not necessarily tied exclusively to the trading price of the Common Shares and other factors discussed above).

Compensation Governance and Risk Management

Short Sales, Puts, Calls and Options

The Company's Corporate Disclosure, Confidentiality and Trading in Securities by Directors, Officers and Employees policy (Appendix A to the Company's Code of Conduct) contains anti-hedging provisions.

All directors and officers of the Company are prohibited from engaging in any arrangement that is designed to hedge or offset a decrease in the market value of equity securities granted to such director or officer as compensation or held directly or indirectly by such director or officer. The policy does not prevent a director or officer of the Company from pledging his or her securities of the Company as security for a loan.

A copy of the Company's Code of Conduct is available on the Company's website at tenazenergy.com/governance.

Risk Adjusted Compensation

As part of its review of the Company's compensation program, the Governance and Human Resources Committee expects to consider whether the compensation program provides executive officers of the Company with adequate incentives to achieve both short and long-term objectives without motivating them to take inappropriate or excessive risk.

The GHR Committee has concluded that the compensation program and policies of the Company do not encourage its current executive officers to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (a) the terms of Options and PSUs granted provide for vesting over a period of three years, which encourages executive officers to continue to develop favorable results over a longer period of time and reduces the risk of actions that may have short-term advantages; (b) the Company's compensation program for executive officers is not structured differently from the compensation program for other employees within the Company; (c) the overall compensation program is aligned with the Company's business plan and long-term strategies; (d) the share ownership guidelines for executive officers help to ensure that such executive officers maintain a significant equity interest in the Company, which encourages executive officers to continue to develop favorable results over a longer period of time and reduces the risk of actions that may have short-term advantages (see "*Officer Share Ownership Guidelines*" section); (e) the Recoupment of Incentive Compensation (as discussed below) gives the Board the ability to claw back any incentive compensation to the extent that an executive officer has undertook inappropriate behaviour (see "*Recoupment of Incentive Compensation*" below); and (f) establishing robust restrictions on the ability of executives to participate in transactions that are designed to hedge or offset a decrease in market value of securities of the Company as discussed above under the heading "S*hort Sales, Puts, Calls and Options*".

Recoupment of Incentive Compensation

The Code of Conduct contains a Recoupment of Incentive Compensation clause, commonly known as a "Clawback Policy", providing for the reimbursement of incentive compensation in certain circumstances.

Where any incentive payment to an executive officer: (a) was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of the Company's financial statements; (b) the Board determines such executive officer engaged in intentional misconduct that caused or substantially caused the need for substantial restatement; and (c) lower payment would have been made to such executive officer based upon the restated financial results, then in such circumstances the Company shall, to the extent practicable, seek to recover from such executive officer the amount by which that executive officer's incentive payments for the relevant period exceeded the lower payment that would have been made based on the restated financial results.

Officer Share Ownership Guidelines

Our Share ownership policy manages executive share ownership requirements. Mr. Anthony Marino, the President and CEO, is subject to share ownership requirements which require him to hold Common Shares with a value of not less than three times his annual base salary. All other executive officers are required to Common Shares with a value of not less than one times such executive officer's annual base salary. The value of the Common Shares will be based on the greater of: (i) the closing price of the Common Shares as at December 31st in the year prior to such determination; and (ii) the average purchase price of the Common Shares in respect of each executive officer. Any new executive officer will be required to achieve this level within three years of such executive officer's appointment as an executive officer of the Company.

The following table sets out the value of the holdings of each of Tenaz's executive officers based on the greater of: (i) the closing price of the Common Shares on the TSX on the last trading day of the year-ended December 31, 2023, being $3.93 per Common Share on December 31, 2023; and (ii) the average purchase price of the Common Shares in respect of each officer.

	Equity Ownership Guideline		Shareholdings			
Officer and Position Held with the Company	**Multiple of Annual Base Salary**	**Amount of Annual Base Salary ($)**	**Common Shares Held as at December 31, 2023**	**Value of Equity Holdings Held as at December 31, 2023 ($)(1)**	**Holdings as Multiple of Base Salary**	**Guideline Met or Investment Required to Meet Guideline (2)(3)**
Anthony Marino President, CEO and Director	x3	250,000	920,000	3,615,600	14.5x	Guideline Met
Bradley Bennett CFO	x1	230,000	179,300	704,649	3.1x	Guideline Met
Michael Kaluza COO	x1	222,000	222,300	873,639	3.9x	Guideline Met
Jennifer Russel-Houston VP, Geoscience	x1	215,000	111,200	437,016	2.0x	Guideline Met
Jonathan Balkwill VP, Business Development	x1	210,000	119,000	467,670	2.2x	Guideline Met

Notes:

(1) Valued as at December 31, 2023, based on the closing price on the TSX of $3.93 per Common Share.

(2) Executive officers have three years from their appointment to meet the target Common Share ownership.

(3) Executive officers participated in the Non-Brokered Private Placement of Units in October of 2021 and as a result also hold outstanding Warrants to acquire an aggregate of 1,550,500 Common Shares. These Warrants do not count toward the share ownership guidelines.

Named Executive Officers

The officers who are the focus of the Compensation Discussion and Analysis and who appear in the compensation tables herein are: (i) the President and CEO; (ii) the Chief Financial Officer ("**CFO**"); and (iii) each of the three (3) most highly compensated executive officers of the Company, other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was individually more than $150,000 (collectively, the "**Named Executive Officers**" or "**NEOs**").

Summary Compensation Table

The following table sets forth the compensation paid to the Named Executive Officers for the years ended December 31, 2023, 2022 and 2021:

Name and principal position	Year	Salary(1) ($)	Option-based awards(2) ($)	Annual incentive plans(3)	Long-term incentive plans(4)	All other compensation(5) ($)	Total compensation ($)
Anthony Marino	2023	245,250	-	370,000	347,028	19,005	981,283
President and CEO, and	2022	229,500	-	340,000	-	19,303	588,803
Director(6)	2021	52,067	558,522	80,000	-	2,830	693,419
Bradley Bennett	2023	226,500	-	260,000	262,900	23,089	772,489
CFO	2022	214,500	-	240,000	-	23,606	478,106
	2021	48,596	422,666	65,000	-	3,768	540,030
Michael Kaluza	2023	220,249	-	155,000	210,320	19,250	604,819
COO	2022	213,750	-	185,000	-	20,556	419,306
	2021	48,596	422,666	60,000	-	2,194	533,456
Jennifer Russel-Houston	2023	211,500		215,000	210,320	17,332	654,152
VP, Geoscience	2022	199,500	-	200,000	-	17,709	417,209
	2021	45,125	271,713	50,000	-	2,580	369,418
Jonathan Balkwill	2023	207,500		190,000	210,320	9,084	616,904
VP, Business Development	2022	198,750	-	175,000	-	17,668	391,418
	2021	45,125	271,713	50,000	-	2,580	369,418

Notes:

(1) *Represents base salary earned during the year.*

(2) *Option-based awards reflect the total fair market value on the date of grants, using the Black-Scholes option pricing model, for Options granted during the particular year under the Stock Option Plan, regardless of vesting conditions. The grant date fair values were determined in accordance with International Financial Reporting Standards. This methodology was chosen to be consistent with the accounting fair value used by the Company in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term (weighted average expected life), risk-free interest rate, dividend yield of stock and volatility of stock return. On November 22, 2021, the Company granted options to the NEO's as outlined in the table. The actual assumptions and estimates used for the summary compensation table values were as follows: Fair Value of $1.51 per Option; Risk-Free Interest Rate of 1.37%; Expected Life of 4 years; Estimated Volatility of 75%; Estimated Forfeiture Rate of 10%; and $nil Dividend per Share.*

(3) *Reflects the cash amounts awarded to the NEO under the Company's cash bonus plan in the year, regardless of when the bonus was paid.*

(4) *The value of 2023 share-based awards is calculated as follows: the number of share awards granted multiplied by the grant price of $2.10 (fair value). For the purpose of accounting and the preparation of its consolidated financial statements, Tenaz measures the fair value for accounting purposes of share-based awards by multiplying the number of awards expected to vest by the share price on the grant date and an estimated performance factor. The fair value for accounting purposes is recognized over the vesting period as equity-based compensation expense in the consolidated financial statements. The value of the awards is adjusted in subsequent periods based upon revised expectations of the performance factor; as such, the accounting fair value is likely to change at each reporting period. As at December 31, 2023, the accounting fair value of share-based awards granted to NEOs in 2023 totaled $3,091,600.*

(5) *All other compensation includes savings plan contributions by the Company, other perquisites (parking and group benefits including life, disability, health and dental insurance) and other items as specified. Total other compensation is summarized in the table following footnote number 6.*

(6) *Mr. Marino did not receive any compensation for his services as a director of the Company.*

Executive	Year	Savings Plan ($)	Other Perquisites		Total Other Compensation ($)
			Parking ($)	Health Benefits ($)	
Anthony Marino	2023	12,262	-	6,742	19,005
	2022	11,475	-	7,828	19,303
	2021	1,875	-	955	2,830
Bradley Bennett	2023	11.325	5,100	6,663	23,089
	2022	10,725	5,100	7,781	23,606
	2021	1,750	1,063	955	3,768
Michael Kaluza	2023	11,013	5,040	3,198	19,250
	2022	10,688	5,040	4,828	20,556
	2021	1,750	212	232	2,194
Jennifer Russel-Houston	2023	10,575	156	6,600	17,332
	2022	9,975	-	7,734	17,709
	2021	1,625	-	955	2,580
Jonathan Balkwill	2023	2,500	-	6,584	9,084
	2022	9,938	-	7,730	17,668
	2021	1,625	-	955	2,580

Incentive Plan Awards

Outstanding Option-based Awards and Share-based Awards

The following table sets forth, for each Named Executive Officer, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2023.

Name and principal position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money Options(1) ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested(2) ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Anthony Marino President and CEO	370,000	2.70	22-Nov-26	455,100	165,000	648,450	-
Bradley Bennett CFO	280,000	2.70	22-Nov-26	344,400 -	125,000	491,250	-
Michael Kaluza COO	280,000	2.70	22-Nov-26	344,400	100,000	393,000	-
Jennifer Russel-Houston VP, Geoscience	180,000	2.70	22-Nov-26	221,400	100,000	393,000	-
Jonathan Balkwill VP, Business Development	180,000	2.70	22-Nov-26	221,400	100,000	393,000 -	- -

Notes:

(1) Calculated based on the closing price of the Common Shares on December 31, 2023, on the TSX of $3.93 and the exercise price of the Options.

(2) Calculated based on the closing price of the Common Shares on December 31, 2023, on the TSX of $3.93.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each NEO, the value of option-based awards which vested during the year ended December 31, 2023, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2023. The Company did not have any share-based awards which vested during the most recently completed financial year.

Name and principal position	Option-based awards – Value vested during the year(1) ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year(2) ($)
Anthony Marino President and CEO	194,814	-	370,000
Bradley Bennett CFO	147,414	-	260,000
Michael Kaluza COO	147,414	-	155,000
Jennifer Russel-Houston VP, Geoscience	94,800	-	215,000
Jonathan Balkwill VP, Business Development	94,800	-	190,000

Notes:

(1) Calculated based the closing price of the Common Shares on the TSX at $4.28 on the vesting date and the exercise price of the Options at $2.70.

(2) Reflects the cash bonus earned by the NEO in respect of the last completed financial year.

Pension Plan Benefits

The Company does not have any pension plans including "defined benefit" plans, "defined contribution" plans or "deferred compensation" plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company has entered into executive employment agreements with the executive officers of the Company. Each executive officer is also entitled to participate in the TIP and the bonus plan as established by the Company. Under each contract, if an executive is terminated without cause, such executive is entitled to a payment of between 100% to 200% (12-24 months) of their then annual salary, plus an amount equal to 100% to 200% of the average of the previous two years' cash bonuses, and an amount for loss of benefits and perquisites equal to 10% to 15% of their then annual salary. If a "change of control" occurs and if, within six months of such change of control, an event or events occur which constitute "good reason", the executive has the right to terminate their employment with the Company upon providing 30 days written notice and to receive a payment of between 100% to 200% (12-24 months) of their then annual salary, plus an amount equal to 100% to 200% of the average of the previous two years' cash bonuses, and an amount for loss of benefits and perquisites equal to 10% to 15% of their then annual salary.

A "change of control" is defined as one of the following events:

- the liquidation, dissolution or winding-up of the Company;

- approval by the Shareholders of:
  - the sale, lease or other disposition of all or substantially all of the assets of the Company; or

- the merger, amalgamation, consolidation or absorption of the Company with or into any other entity, in each case with respect to which persons who were Shareholders of the Company immediately prior to such merger, amalgamation, consolidation or absorption of the Company do not, immediately thereafter, own voting securities of the merged entity carrying more than 50% of the shares for the election of directors or the votes carried by such securities do not entitle such Shareholders to elect a majority of the board of directors of the merged entity;

- the purchase or acquisition of Common Shares or securities convertible into Common Shares or carrying the right to acquire Common Shares ("**Convertible Securities**") as a result of which a person, group of persons or persons acting jointly or in concert, or any affiliates or associates of any such person, group of persons or any of such persons acting jointly or in concert (collectively, the "**Holders**") beneficially own or exercise control or direction over the Common Shares or Convertible Securities such that, assuming after the conversion of the Convertible Securities beneficially owned or controlled by the Holders, the Holders would beneficially own or exercise control or direction over more than 50% of all of the outstanding Common Shares or otherwise have the right to cast more than 50% of the votes attached to all Common Shares, provided that, in the event that there is a question as to whether a Change of Control has occurred in any circumstances, the Board shall determine the matter (provided that the executive shall be entitled to contest such determination through court proceedings or other dispute resolution);

- the election at a Shareholder's meeting of the Company of a number of directors of the Company, who were not included in the slate for election as directors proposed by the Board and would represent a majority of the Board;

- the appointment of a number of directors which would represent a majority of the Board and which were nominated by any holder of Common Shares or by any group of holders of Common Shares acting jointly or in concert and not approved by the Company's prior Board; or

- the Board passes a resolution to the effect that, for the purposes of the executive employment agreements, an event comparable to an event set forth in this "change of control" section has occurred.

"Good Reason" is defined, in each case except as agreed to in writing by the executive, as meaning:

- a materially detrimental change in the executive's position or duties, title or office, which includes any removal of the executive from, or any failure to re-elect or re-appoint the executive to, any such positions or offices; provided that, such term shall not include:

  - a change consistent with the Company splitting a position into two or more positions based on the demands of such position so long as there is no reduction in the executive's annual salary or a material reduction in benefits or other remuneration; or

  - a request by the Company for the executive to be employed by one of the Company's affiliates if such employment would be on substantially the same terms as their employment with the Company (including with respect to geographic location) and there would be no reduction in the executive's annual salary or a material reduction in benefits or other remuneration;

- any failure by the Company to continue to provide the executive any benefit, bonus, profit sharing, incentive, remuneration or compensation plan, stock ownership or purchase plan, stock option plan, life insurance, disability plan, pension plan or retirement plan in which the executive was entitled to participate in as at the date of the executive employment agreement (or as may be added to or amended to benefit the executive, from time to time) or the taking by the Company of any action materially adversely affecting the executive's participation in or materially reducing their rights or benefits under or pursuant to any such plan.

The following table sets forth, for each of the NEOs who held their offices on December 31, 2023, the payments that would have been made to such individuals as of December 31, 2023, as a result of the termination of their employment or a change of control.

Name and principal position	Payment made in the event of termination with cause ($)	Payment made in the event of termination without cause or in the event of both a change of control and good reason ($)
Anthony Marino President and CEO	-	2,351,050
Bradley Bennett CFO	-	1,590,150
Michael Kaluza COO	-	1,340,400
Jennifer Russel-Houston VP, Geoscience	-	1,280,400
Jonathan Balkwill VP, Business Development	-	1,234,650

EQUITY COMPENSATION PLAN INFORMATION

The following sets forth information in respect of Common Shares authorized for issuance under the Company's equity compensation plans as at December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights (a)	Weighted average exercise price of outstanding Options, warrants and rights ($) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Stock Option Plan	1,525,000	2.70	Nil
Tenaz Incentive Plan	1,115,500	Nil	224,144
Total	2,640,500		224,144

Stock Option Plan

The TIP replaced the Stock Option Plan upon its adoption and no further Options were issued pursuant to the Stock Option Plan. Options granted under the Stock Option Plan prior to the adoption of the TIP continue to be governed by the Stock Option Plan. The following is a summary of the Stock Option Plan.

The Stock Option Plan permitted the granting of Options to purchase Common Shares to directors, officers, employees, consultants and other service providers of the Company and its subsidiaries. The Stock Option Plan was intended to afford persons who provide services to Tenaz an opportunity to obtain an increased proprietary interest in Tenaz by permitting them to purchase Common Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with Tenaz. The Stock Option Plan was administered by the Board.

The Stock Option Plan limited the number of Common Shares that could be issued on exercise of Options to a number not exceeding 10% of the number of Common Shares outstanding from time to time. Options that were cancelled, terminated or expired prior to exercise of all or a portion thereof resulted in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Stock Option Plan. As the Stock Option Plan was a “rolling” plan, the issuance of additional Common Shares by the Company or the exercise of Options gave rise to additional availability under the Stock Option Plan.

The exercise price of the Options granted pursuant to the Stock Option Plan was determined by the Board at the time of grant, provided that the exercise price was not to be less than the discounted market price (as determined in accordance with the rules of the TSX of the Common Shares on the day preceding the date of grant).

Tenaz Incentive Plan

Under the TIP PSUs may be granted to officers, employees and consultants of the Company (or any affiliate). The following is a summary of the PSUs. Capitalized terms referred to in the following summary that are not otherwise defined have the same meaning as in the TIP. A copy of the TIP is available on the Company's website.

PSUs

Subject to the Insider Participation Limits, the Board may grant PSUs to a Participant (other than a NED). Each PSU which will consist of the right to receive one Common Share as at the date of redemption subject to such restrictions as the Board may impose, which restrictions may lapse separately or in combination at any time or times, in such installments or otherwise as the Board may determine. The Board may impose any conditions or restrictions on the vesting or redemption of PSUs as it may determine appropriate. No PSUs shall be granted to a non-employee director.

Each PSU shall be evidenced by an Award Agreement containing the PSU vesting provisions and such conditions or restrictions imposed by the Board and such other terms and conditions consistent with the Plan as the Company, in its sole discretion, may determine appropriate. An Account, designated as a "Performance Share Unit Account" ("**PSU Account**"), shall be maintained by the Company for each Participant. The PSU Account will be credited with the PSUs granted to a Participant as of the date of grant of the PSUs. At the time of grant of a PSU, the Board shall specify the year of service of the Participant in respect of which the PSU is granted (the "**PSU Service Year**").

Subject to Section 7 of the TIP, on the date that is no later than December 15th of the third year following the end of the relevant PSU Service Year as determined by the Board in its sole discretion (the "**PSU Redemption Date**"), PSUs that have vested in accordance with the provisions of the applicable Award Agreement shall be redeemed with Common Shares issued from the treasury of the Company, in cash (equal to the Fair Market Value (as of the PSU Redemption Date) of the Common Shares otherwise deliverable), through market purchases of Common Shares, or a combination thereof. All payments in respect of a PSU following the applicable PSU Redemption Date shall be made no later than December 31st of the third year after the end of the relevant PSU Service Year.

If the PSU Redemption Date for PSUs occurs during a Blackout Restriction Period applicable to the relevant Participant then payment in respect of the PSUs shall be made by delivering cash (equal to the Fair Market Value (as of the PSU Redemption Date) of the Common Shares otherwise deliverable), provided that, if the Board determines in its sole discretion (outside of a Blackout Restriction Period) to settle the PSUs in Common Shares and such determination does not result in the extended PSU Redemption Date being later than December 31st of the third year after the end of the relevant PSU Service Year, then the PSU Redemption Date for the PSUs shall be the date that is not later than 10 business day after the expiry date of the Blackout Restriction Period.

The PSUs shall vest based in whole or in part on the Performance Criteria and any applicable performance or other multiplier(s) set forth in the applicable Award Agreement, provided that the maximum of all applicable multipliers (in aggregate) shall not exceed two times.

Notwithstanding any other provision of the Plan, but subject to the limits described in Section 3 and Section 4 of the TIP and any other applicable requirements of the TSX, the Board reserves the right to make, in the applicable Award Agreement or otherwise, any additional adjustments to the number of Common Shares to be issued pursuant to any PSUs if, in the sole discretion of the Board, such adjustments are appropriate in the circumstances having regard to the principal purposes of the Plan and do not extend the PSU Redemption Date in respect of such PSUs to later than December 31st of the third year after the end of the relevant PSU Service Year.

Performance Scorecards and Peer Group

Short Term Incentive Plan ("STIP") Scorecard

In the first quarter of 2023, the Board approved the STIP scorecard to be used for compensation years beginning on and after January 1, 2023. The STIP scorecard is designed to evaluate annual corporate performance against the achievement of a combination of financial, operational, health & safety, environment and strategy goals. Each quantitative goal has a threshold, target and maximum performance requirement identified at the beginning of the annual performance period. The weighted average of the STIP measures results in a performance factor of between 0 and 2 which sets the Company component of the performance scorecard. Employees have a weighting of personal performance and Company performance which establishes the overall multiplier. The exception to the weighting between personal and Company performance are executives with performance measured entirely against the Company performance.

STIP Scorecard Achievement

The Board determined that the Company's 2023 corporate performance was above target, approving a calculated corporate achievement multiplier of 1.8 times based on the 2023 corporate scorecard metrics. However, to contain cost, the aggregate STIP payout was reduced to 1.3 times target level.

The following table outlines the 2023 STIP scorecard and final achievements, as approved by the Board.

Short Term Incentive Scorecard	Weight	Target	Result	Outcome (Multiplier)
Financial & Operating Performance	**50%**			
Total Shareholder Return ("TSR") (1 year)	10%	8% - 10%	83%	Maximum (2.0)
Production Guidance (boe/d)	10%	2,300 - 2,500	2,424	Above Target (1.5)
Capital Expenditure Guidance	10%	$20 - $24 mm	$21.9 mm	Target (1.0)
E&D Capex Payout Ratio	10%	100% - 90%	80.4%	Above Target (1.5)
Cash Flow per Share	10%	>0.30	1.05	Maximum (2.0)
HSE & Sustainability	**25%**			
HSE Metrics	10%	Leading and lagging indicators exceeded key targets		Maximum (2.0)
Regulatory Compliance	10%			Maximum (2.0)
ESG strategy	5%	Achieve Most Targets	Achieved Key Targets	Above Target (1.5)
Strategy	**25%**			
Mergers & Acquisitions	15%	Target Strategy Execution	Maximum Execution	Maximum (2.0)
Capital access	10%			Maximum (2.0)
STIP Multiplier				**1.8 times**

The Strategy performance metric considers management's success in advancing the corporate strategy, improving our portfolio with transactions that enhance our balance sheet strength, and sustainability.

The table below summarizes key achievements that influenced our overall STIP scorecard outcome.

<table>
<tr><th>STIP Measures</th><th>Achievements</th></tr>
<tr><td>Financial & Operating Performance</td><td>

Shareholder Returns

Tenaz delivered a total shareholder return of 83%, ranking TNZ in the top 1.3% of all TSX-listed issues.
During 2023, we deployed $3.9 million for our Normal Course Issuer Bid ("NCIB") program, repurchasing and retiring 1.3 million shares at an average price of $2.97/share. Since the beginning of the NCIB program in Q3 2022, we have retired 1.8 million common shares (6.1% of basic common shares) at an average cost of $2.63/share.

Financial Performance

Funds flow from operations(1) ("FFO") for the fourth quarter was $13.4 million ($0.50/share(2)), 178% higher than Q3 2023 and 315% higher than Q4 2022. Higher quarter-over-quarter FFO resulted from higher production in Canada and higher prices for TTF(4) natural gas.
FFO for full year 2023 was $28.9 million ($1.05/share), 236% higher than in 2022. Increased annual FFO primarily resulted from contributions from the new Netherlands assets and higher production in Canada, partially offset by higher transaction costs.
Net income for full year 2023 was $26.5 million ($0.97/share), as compared to $5.2 million ($0.18/share) in 2022. Higher net income resulted primarily from the recognition of a gain on the acquisition of XTO Netherlands Ltd. ("XTO Acquisition") in Q3 2023, partially offset by increased G&A and transaction costs pertaining both to closed acquisitions and potential future transactions.
We ended 2023 with positive adjusted working capital(1) of $49.3 million, an increase of $4.4 million over the prior quarter and $35.3 million over year-end 2022. The improvement was driven by free cash flow and the XTO Acquisition for the respective periods, partially offset by spending on decommissioning activity and share buybacks. We remain undrawn on our $10 million bank facility.

Operational Performance

Production volumes averaged 2,439 boe/d(3) for the full year 2023, more than double full year 2022 levels. Production was higher due to the acquisition of Netherlands assets and continued organic growth at Leduc-Woodbend ("LWB") in Canada. Production from LWB was 30% higher year-over-year.
Completion and tie-in activities were completed on four gross well (3.35 net) development program at the end of Q3 2023. All of the wells have been successfully put on production and gross production rates from the four wells averaged 230 boe/d (87% oil) per well in Q4 2023.

</td></tr>
</table>

STIP Measures	Achievements
HSE & Sustainability	• Year-end HSE and ESG outcomes were outstanding, with no recorded incidents of lost time, restricted work, medical treatment, or motor vehicle issues. • Our regulatory inspection compliance was 96%.
Strategy	• XTO Netherlands closed early in Q3 2023. The XTO acquisition increased our position in the Dutch North Sea, nearly doubling our working interest in the producing fields in which we already had ownership. • The acquisition also increased our ownership in the NGT midstream assets to 21.4%, making Tenaz the second-largest shareholder in NGT.

Notes:
*(1) This is a non-GAAP and other financial measure. Refer to "Non-GAAP and Other Financial Measures" included in the "Advisories" section of the Company's Management's Discussion & Analysis ("**MD&A**") available on SEDAR+ and the Company's website.*
(2) Per share metrics calculated using the weighted average common shares for the applicable period.
(3) The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 bbl) of crude oil. Refer to "Barrels of Oil Equivalent" section included in the "Advisories" section of the MD&A available on SEDAR+ and the Company's website.

Long Term Incentive Plan ("LTIP") Scorecard

In the first quarter of 2023 the Board approved the LTIP scorecard to be used for compensation years beginning on and after January 1, 2023. The principal elements of the LTIP scorecard include a set of measures covering the strategic and operational objectives of the Company. The weighted average of the LTIP measures results in a performance factor of between 0 and 2 which sets the multiplier for PSU's vesting during the year.

LTIP Measures

Set forth below are the LTIP scorecard measures applied to PSUs vesting in 2024.

			Outcome (Multiplier)			
Long-term Incentive Scorecard	**Weight**	**Basis**	**Below Target (0x)**	**Target (1.0x)**	**Above Target (1.5x)**	**Maximum (2.0x)**
Public Market Performance	**35%**					
Total Shareholder Return (Starting Jan 1, 2023)	35%	Peer	Q4	Q3	Q2	Q1
Financial & Operating performance	**30%**					
2P Operating Recycle Ratio (3-year)	10%	Target	<1.2x	1.2x to 1.5x	1.5x to 2.0x	2x
Return on Capital Employed (3-year)	10%	Peer	Q4	Q3	Q2	Q1
Production Growth	10%	Target	<5%	5% to 10%	10% to 15%	>15%
Strategy	**25%**					
Strategic Execution	25%	Judgement based on execution of strategy				
Sustainability	**10%**					
Sustainability measures	10%	Judgement based on execution of strategy				

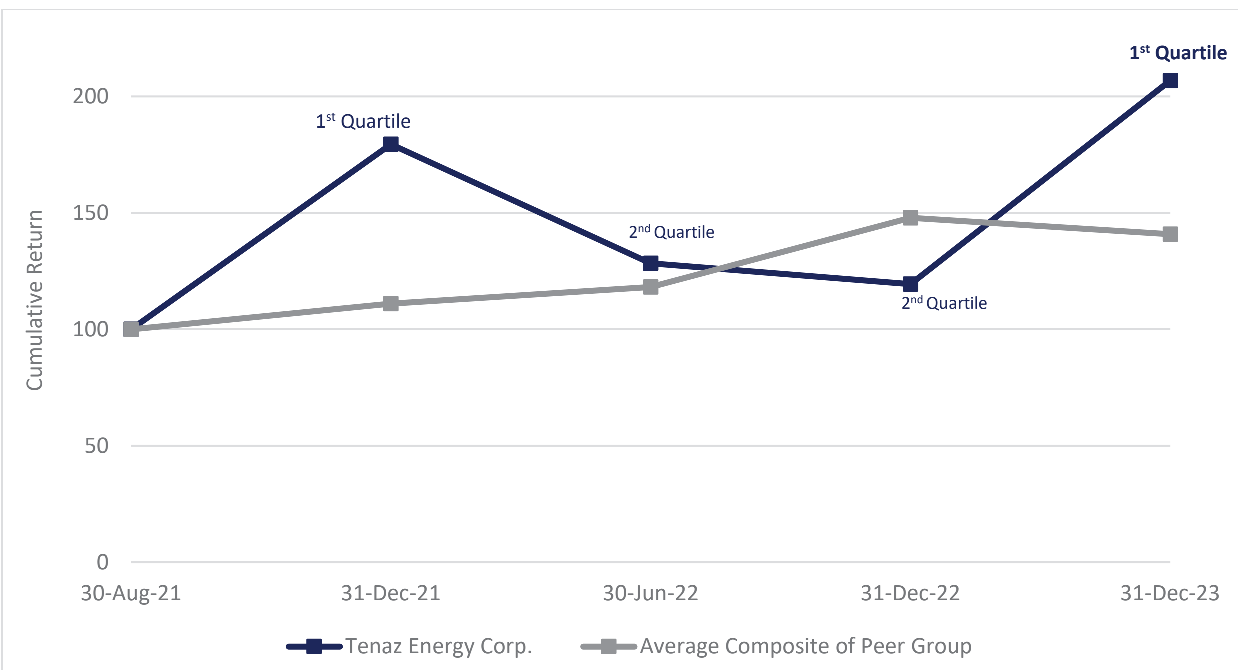
Peer Group Selection

In the first quarter of 2023, the GHR Committee established a peer group of companies for the purpose of benchmarking the relative performance of Tenaz. The GHR Committee will use the peer group to evaluate the measures established under the LTIP scorecard in which relative performance determines the outcome for the measure. In addition, the peer group will be used to benchmark the compensation of the NEOs and Directors where applicable. The peer group was selected by identifying companies that Tenaz could be competing against for capital, assets for sale, and talent. The following companies are currently included in the 2023 peer group:

ADX Energy – ADX (ASX)	SDX Energy – SDX (AIM)
Arrow Exploration – AXL (AIM, TSXV)	Serinus Energy – SENX (AIM)
Falcon Oil & Gas – FO (AIM, TSXV)	Tag Oil – TAG (TSXV)
IGas Energy – IGAS (AIM)	Touchstone Exploration – TXP (AIM, TSX)
Jadestone Energy – JSE (AIM)	Trinity Exploration and Production – TRIN (AIM)
Predator Oil & Gas – PRD (AIM)	Valeura Energy – VLE (AIM, TSX)

The GHRC conducts an annual review of the peer group to confirm the suitability of its members and to detect any conditions that could justify modifications to the group. After our 2023 annual review and based on the GHRC's recommendations, the Board confirmed the 2024 peer group, which remains unchanged from 2023.

The following graph illustrates the change in the cumulative total Shareholder return since the Reorganization of a $100 investment in Common Shares, with the composite average cumulative total return of the peer group companies for the period commencing August 30, 2021, and ending December 31, 2023. This period was chosen to reflect performance after announcement of the Reorganization, with the starting share price of Tenaz at the recapitalization at $1.80 per share, after adjustment for the 10:1 reverse split.



Tenaz has achieved a total shareholder return of 206% since the Recapitalization, outperforming the peer group average of 140%, placing it in the first quartile in TSR.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Company or the proposed directors of the Company, nor any of their associates or affiliates, is now or was during the most recently completed financial year indebted to the Company, other than for routine indebtedness, nor is, or at any time since the beginning of the most recently completed financial year of the Company has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Information Circular, no director or executive officer of the Company holding such position since the beginning of the Company's last financial year, nor any proposed nominee for director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any informed person (including a director, officer, or holder of 10% or more Common Shares), any proposed director, or any known associate or affiliate of such persons in any transactions since the commencement of Tenaz's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

AUDIT RELATED DISCLOSURE

The Audit Committee was established to assist the Board in carrying out its oversight responsibilities with respect to, among other things, financial reporting, internal controls, and the external audit process of the Company. The Terms of Reference for the Audit Committee are attached as Appendix "A" to this Information Circular.

Composition of the Audit Committee

The Audit Committee is comprised of three (3) members: Anna Alderson (Chair), Marty Proctor and John Chambers each of whom is considered "independent" and "financially literate" in accordance with National Instrument 52-110 – *Audit Committees*. Each of the members of the Audit Committee has identified themselves as financial experts due to their relevant education and experience. Their backgrounds and qualifications which are relevant to their service on the Audit Committee are listed above – see "*Directors – Nominees*".

ADDITIONAL INFORMATION

Additional information relating to Tenaz may be found on SEDAR+ at www.sedarplus.ca under Tenaz's SEDAR profile. Financial information is provided in Tenaz's audited consolidated financial statements for the year ended December 31, 2023, and the related management's discussion and analysis. Copies of Tenaz's financial statements and related management's discussion and analysis are available upon request from the Tenaz's head office at 1100, 605 – 5th Avenue SW Calgary, Alberta T2P 3H5 and on the Company's website at www.tenazenergy.com.

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

APPENDIX "A"

Tenaz Energy Corp.
Terms of Reference for the Audit Committee

I. PURPOSE

The primary function of the Audit Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") of Tenaz Energy Corp. (the "**Corporation**") in fulfilling its oversight responsibilities with respect to the Corporation's accounting and financing reporting processes and the audit of the Corporation's financial statements, including oversight of:

A. the integrity of the Corporation's financial statements;

B. the Corporation's compliance with legal and regulatory requirements;

C. the external auditors' qualifications and independence and the performance of the audit processes;

D. the financial information and the internal controls associated with the preparation of information, that will be provided to the shareholders and others;

E. the Corporation's risk management, legal compliance and ethics, which management and the Board have established; and

F. such other matters required by applicable laws and rules of any stock exchange on which the Corporation's shares are listed for trading.

While the Committee has the responsibilities and powers set forth in its terms of reference, it is not the duty of the Committee to prepare financial statements, plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with International Financial Reporting Standards and applicable rules and regulations. Primary responsibility for the financial reporting, information systems, risk management, and disclosure controls and internal controls of the Corporation is vested in management.

II. COMPOSITION AND OPERATIONS

A. The Committee shall be composed of not fewer than three directors, all of whom are "independent"[1] under the requirements or guidelines for audit committee service under applicable securities laws and rules of any stock exchange on which the Corporation's shares are listed for trading.

B. All Committee members shall be "financially literate"[2], and at least one member shall have "accounting or related financial expertise" as such terms are interpreted by the Board in its business judgment in light of, and in accordance with, the requirements or guidelines for audit committee service under applicable securities laws and rules of any stock exchange on which the Corporation's shares are listed for trading.

Notes:

(1) *Committee members must be "independent", as defined in Sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees ("NI 52-110").*

(2) *The Board has adopted the NI 52-110 definition of "financial literacy", which is an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.*

C. The Committee may include a member who is not financially literate, provided he or she attains this status within a reasonable period of time following his or her appointment and providing the Board has determined that including such member will not materially adversely affect the ability of the Committee to act independently.

D. No Committee member shall serve on the audit committees of more than two other public issuers without prior determination by the Board that such simultaneous service would not impair the ability of such member to serve effectively on the Committee.

E. The Committee shall operate in a manner that is consistent with the Committee Guidelines outlined in the Board Manual.

F. The Corporation's external auditors shall be advised of the names of the Committee members and will receive notice of and be invited to attend meetings of the Committee, and to be heard at those meetings on matters relating to the auditor's duties.

G. The Committee may request any officer or employee of the Corporation, or the Corporation's legal counsel, or any external or internal auditors to attend a meeting of the Committee to provide such pertinent information as the Committee requests or to meet with any members of, or consultants to the Committee. The Committee has the authority to communicate directly with the internal and external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.

H. The Committee shall have the authority to select, retain, terminate and approve the fees and other retention terms of special independent legal counsel and other consultants or advisers to advise the Committee, as it deems necessary or appropriate, at the Corporation's expense.

I. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Corporation, (ii) compensation to any advisers employed by the Committee and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties.

J. The Committee shall meet periodically, but no less than quarterly, with the Chief Financial Officer, and the external auditors in separate executive sessions to discuss any matters that the Committee or any of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without management present.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the following duties:

A. Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes the responsibility to:

i) review and recommend approval of the Corporation's annual financial statements, MD&A and earnings press release and report to the Board of Directors before the statements are approved by the Board of Directors;

ii) review and recommend approval for release the Corporation's quarterly financial statements, MD&A and press releases and report to the Board of Directors before the statements are approved by the Board of Directors;

iii) satisfy itself that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in items (i) and (ii) above, and periodically assess the adequacy of those procedures; and

iv) review the Annual Information Form and any Prospectus/Private Placement Memorandums.

Review, and where appropriate, discuss:

v) the appropriateness of critical accounting policies and financial reporting practices used by the Corporation;

vi) major issues regarding accounting principles and financial statement presentations, including any significant proposed changes in financial reporting and accounting principles, policies and practices to be adopted by the Corporation and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;

vii) analyses prepared by management or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative International Financial Reporting Standards ("IFRS") methods on the financial statements of the Corporation and any other opinions sought by management from an independent or other audit firm or advisor with respect to the accounting treatment of a particular item;

viii) any management letter or schedule of unadjusted differences provided by the external auditor and the Corporation's response to that letter and other material written communication between the external auditor and management;

ix) any problems, difficulties or differences encountered in the course of the audit work including any disagreements with management or restrictions on the scope of the external auditor's activities or on access to requested information and management's response thereto;

x) any new or pending developments in accounting and reporting standards that may affect the Corporation;

xi) the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures on the financial statements of the Corporation and other financial disclosures;

xii) any reserves, accruals, provisions or estimates that may have a significant effect upon the financial statements of the Corporation;

xiii) the use of special purpose entities and the business purpose and economic effect of off-balance sheet transactions, arrangements, obligations, guarantees and other relationships of Corporation and their impact on the reported financial results of the Corporation;

xiv) the use of any “pro forma” or “adjusted” information not in accordance with generally accepted accounting principles;

xv) any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements; and

xvi) accounting, tax and financial aspects of the operations of the Corporation as the Committee considers appropriate.

B. Risk Management, Internal Control and Information Systems

The Committee will review and discuss with management, and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes the responsibility to:

i) review the Corporation’s risk management policies and processes with specific responsibility for credit & counterparty, market & financial, and risks as identified from time to time; and

ii) review management steps to implement and maintain appropriate internal control procedures including a review of significant policies.

C. External Audit

The external auditor is required to report directly to the Committee, which will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

i) review and recommend to the Board, for shareholder approval, the appointment of the external auditor;

ii) review and approve the annual external audit plan, including but not limited to the following:

a) engagement letter between the external auditor and financial management of the Corporation;

b) objectives and scope of the external audit work;

c) procedures for quarterly review of financial statements;

d) materiality limit;

e) areas of audit risk;

f) staffing;

g) timetable; and

h) compensation and fees to be paid by the Corporation to the external auditor.

iii) meet with the external auditor to discuss the Corporation's quarterly and annual financial statements and the auditor's report including the appropriateness of accounting policies and underlying estimates;

iv) maintain oversight of the external auditor's work and advise the Board, including but not limited to:

a) the resolution of any disagreements between management and the external auditor regarding financial reporting;

b) any significant accounting or financial reporting issue;

c) the auditors' evaluation (if applicable) of the Corporation's system of internal controls, procedures and documentation;

d) the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;

e) any other matters the external auditor brings to the Committee's attention; and

f) evaluate and assess the qualifications and performance of the external auditors for recommendation to the Board as to the appointment or reappointment of the external auditor to be proposed for approval by the shareholders and ensuring that such auditors are participants in good standing pursuant to applicable regulatory laws.

v) review the auditor's report on all material subsidiaries (if applicable);

vi) review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Corporation and its affiliates in order to determine the external auditors' independence, including, without limitation:

a) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditors, including a list of all relationships between the external auditor and the Corporation that may reasonably be thought to bear on the independence of the external auditors with respect to the Corporation;

b) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors; and

c) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence.

vii) annually request and review a report from the external auditor regarding (a) the external auditor's quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the external auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and (c) any steps taken to deal with any such issues;

viii) review and pre-approve any non-audit services to be provided to the Corporation or any affiliates by the external auditor's firm or its affiliates (including estimated fees), and consider the impact on the independence of the external audit;

ix) review the disclosure with respect to its pre-approval of audit and non-audit services provided by the external auditors; and

x) meet periodically, and at least annually, with the external auditor without management present.

D. Compliance

The Committee shall:

i) Ensure that the external auditor's fees are disclosed by category in the Annual Information Form in compliance with regulatory requirements;

ii) Disclose any specific policies or procedures adopted for pre-approving non-audit services by the external auditor including affirmation that they meet regulatory requirements;

iii) Assist the Governance and Human Resources Committee with preparing the Corporation's governance disclosure by ensuring it has current and accurate information on:

   a) the independence of each Committee member relative to regulatory requirements for audit committees;

   b) the state of financial literacy of each Committee member, including the name of any member(s) currently in the process of acquiring financial literacy and when they are expected to attain this status; and

   c) the education and experience of each Committee member relevant to his or her responsibilities as Committee member; and

iv) Disclose, if required, if the Corporation has relied upon any exemptions to the requirements for committees under applicable securities laws and rules of any stock exchange on which the Corporation's shares are listed for trading.

E. Other

The Committee shall:

i) establish and periodically review procedures for:

   d) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

   e) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters or other matters that could negatively affect the Corporation, such as violations of the Code of Conduct.

ii) review and approve the Corporation's hiring partners, employees and former partners and employees of the present and former external auditor;

iii) review insurance coverage of significant business risks and uncertainties;

iv) review material litigation and its impact on financial reporting;

v) review policies and procedures for the review and approval of officers' expenses and perquisites; and

vi) review the terms of reference for the Committee at least annually and otherwise as it deems appropriate and recommend changes to the Board as required. The Committee shall evaluate its performance with reference to the terms of reference annually.

IV. ACCOUNTABILITY

A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on financial and other matters considered by the Committee relative to the Corporation.

B. The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

APPENDIX "B"

CHANGE OF AUDITOR NOTICE

TO: KPMG LLP

AND TO: Deloitte LLP

AND TO: Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

The audit committee (the "Audit Committee") of the board of directors (the "Board") of Tenaz Energy Corp. ("Tenaz or the "Company") completed a request for proposal process for the Tenaz external auditor engagement.

After consideration and deliberation, and upon the recommendation of the Audit Committee, on May 8, 2024 the Board approved the Company proposing to its shareholders that Deloitte LLP (the "Successor Auditor") be appointed as the Company's auditor at the annual general meeting of shareholders of the Company to be held on June 14, 2024 (the "AGM") upon expiry of the term of appointment of KPMG LLP (the "Current Auditor") at the AGM.

In accordance with clause 7 of Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"):

1. May 8, 2024, the date of the decision by the Board referenced in this notice, is, under NI 51-102, the date of the respective auditor appointment and termination.

2. The Current Auditor will continue as the auditor of the Company until the expiry of its term of appointment at the AGM, and will not be proposed to shareholders of the Company for reappointment as auditor of the Company at the AGM.

3. The Successor Auditor will be proposed to shareholders of the Company for appointment as auditor of the Company at the AGM.

4. The Current Auditor's reports on the Company's consolidated financial statements for the two most recently completed financial years of the Company, being the financial years ended December 31, 2023 and December 31, 2022, did not express a modified opinion.

5. There are no "reportable events" (as defined in NI 51-102).

Dated the 8th day of May, 2024.

TENAZ ENERGY CORP.

By: ______________________
Bradley Bennett
Chief Financial Officer

KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary AB T2P 4B9
Tel 403-691-8000
Fax 403-691-8008
www.kpmg.ca

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

May 9, 2024

Dear Sir/Madam

Re: Notice of Change of Auditors of Tenaz Energy Corp.

We have read the Notice of Tenaz Energy Corp. dated May 8, 2024 and are in agreement with the statements contained in such Notice except that we are not in a position to agree or disagree with Tenaz Energy Corp.'s statement 3.

Yours very truly,

KPMG LLP

Chartered Professional Accountants

Calgary, Alberta

Deloitte.

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Deloitte LLP
700, 850 2 Street SW
Calgary, AB T2P 0R8
Canada

Tel: 403-267-1700
www.deloitte.ca

May 10, 2024

Private and confidential

Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

Subject: Change of Auditor Notice of Tenaz Energy Corp. ("Tenaz")

Dear Sirs/Mesdames:

As required by subparagraph (6)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Tenaz dated May 8, 2024 (the "Notice") and, based on our knowledge of such information at this time, we agree with statements 1 and 3 as it relates to Deloitte LLP and we have no basis to agree/disagree with statements 2, 4 and 5 contained in the Notice.

Yours truly,

/s/ Deloitte LLP

Chartered Professional Accountants