TENAZ ENERGY CORP.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2022

March 21, 2023

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CERTAIN DEFINITIONS

Unless the context indicates otherwise, the following terms shall have the meanings set out below when used in this Annual Information Form. Certain other terms and abbreviations used herein, but not defined herein, are defined in NI 51-101 (as defined below) or the COGE Handbook (as defined below) and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook.

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including any regulations promulgated thereunder;

"**AER**" means the Alberta Energy Regulator;

"**AIF**" or "**Annual Information Form**" means this annual information form;

"**Altura**" means Altura Energy Inc. or the predecessor corporation of the Company prior to the amalgamation of Tenaz Energy Corp. and Altura Energy Inc. on October 15, 2021 under the ABCA;

"**Audit Committee**" means the audit committee of the Board;

"**Board**" or "**Board of Directors**" means the board of directors of the Company;

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

"**Common Share**" or "**Common Shares**" means, respectively, one or more common shares in the capital of the Company. Effective December 23, 2021, the Company completed the Share Consolidation on the basis of one new Common Share for every ten existing Common Shares;

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

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

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

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

d) Provide improved hydrocarbon recovery systems;

"**exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain crude oil and natural gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property and after acquiring the property;

"**gross**" means:

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

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

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

"**IFRS**" means International Financial Reporting Standards;

"**LLR**" means Licensee Liability Rating;

"**McDaniel**" means McDaniel & Associates Consultants Ltd.;

"**McDaniel Report**" means the independent engineering reserves evaluation of certain oil, NGL and natural gas interests of the Company prepared by McDaniel dated March 15, 2023 and effective December 31, 2022.;

"**net**" means:

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

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

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

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

"Reorganization" has the meaning ascribed thereto under the heading "*General Development of the Business – 3-Year History - 2022*";

"Share Consolidation" has the meaning ascribed thereto under the heading "*General Development of the Business – 3-Year History – 2022*";

"**Shareholders**" means the holders from time to time of Common Shares;

"**Tenaz**" or the **"Company"** means Tenaz Energy Corp., a corporation existing under the ABCA;

"**TSX**" means the Toronto Stock Exchange; and

"**U.S.**" or "**United States**" means the United States of America.

The information set out in this Annual Information Form is stated as at December 31, 2022 unless otherwise indicated.

SELECTED ABBREVIATIONS

In this AIF, the abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		**Natural Gas**	
bbl	barrel of oil or NGLs	mcf	thousands of cubic feet
bbls	barrels of oil or NGLs	mcfe	thousands of cubic feet equivalent
bbls/d	barrels per day	mmcf	millions of cubic feet
mbbl	thousands of barrels of oil or NGLs	mcf/d	thousands of cubic feet per day
NGLs	natural gas liquids	mcf/d	thousands of cubic feet equivalent per day

API	American Petroleum Institute
° API	is an indication of the specific gravity of crude oil measured on the API gravity scale.
boe	barrel of oil equivalent of natural gas and crude oil on the basis of one bbl for six mcf of natural gas
boe/d	barrel of oil equivalent per day
mboe	1,000 barrels of oil equivalent
M$	thousands of dollars
OPEC	Organization of Petroleum Exporting Countries
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

To Convert From	To	Multiply By
mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
bbls	Cubic metres	0.159
Cubic metres	bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

CURRENCY OF INFORMATION

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

OIL AND GAS ADVISORIES

In this AIF, the abbreviation boe means barrel of oil equivalent on the basis of 6 mcf to 1 boe of natural gas when converting natural gas to boe. boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf to 1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

ADDITIONAL NON-GAAP AND OTHER FINANCIAL MEASURES

In addition, this AIF includes references to certain financial measures which are not specified, defined, or determined under IFRS and are therefore considered non-GAAP financial measures. These non-GAAP financial measures are unlikely to be comparable to similar financial measures presented by other issuers. These non-GAAP financial measures include:

- Operating netback: Tenaz calculates operating netback on a per boe basis, as petroleum and natural gas sales less royalties, operating costs and transportation costs. Operating netback is a key industry benchmark and a measure of performance for Tenaz that provides investors with information that is commonly used by other crude oil and natural gas producers. The measurement on a per boe basis assists management and investors with evaluating operating performance on a comparable basis. Information is included in this document by reference. More information and a reconciliation to primary financial statement measures can be found within the "Non-GAAP and Other Financial Measures " section of the December 31, 2022 MD&A available on SEDAR at www.sedar.com.

- Capital expenditures: Represents the Company's capital investment in exploration and production activity. Information is included in this document by reference, more information and a reconciliation to primary financial statement measures can be found within the "Non-GAAP Financial Measures" section of the December 31, 2022 MD&A available on SEDAR at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information set forth in this Annual Information Form, including certain documents incorporated by reference into this Annual Information Form, contain forward-looking information (within the meaning of applicable Canadian securities legislation). Such statements or information are generally identifiable by words such as "anticipate", "believe", "intend", "plan", "expect", "estimate", "budget", "outlook", "forecast", "will" or other similar words and include statements relating to or associated with individual wells, facilities, regions or projects. Any statements regarding the following are forward-looking statements:

- the performance characteristics of the Company's crude oil and natural gas properties;
- future crude oil, NGLs and natural gas prices;
- future production levels and production levels by commodity;
- future drilling, completion and tie-in of wells;
- development plans for proved and probable undeveloped reserves;
- anticipated land expiries;
- future facility access, acquisition or construction;
- future availability of financing, future sources of funding for capital programs and future availability of such sources;
- availability of credit facilities;
- future asset acquisitions or dispositions;
- intentions with respect to investments;
- future decommissioning costs and the related discount rates and inflation factors used to determine such estimates;
- development plans;
- 2023 capital budget and production guidance;
- future development potential on the Company's lands;
- expectations with respect to future growth and opportunities;
- treatment under governmental regulatory regimes and tax and royalty laws;
- dates or time periods by which wells will be drilled, completed and tied in, facility and pipeline construction completed and geographical areas developed;
- uncertainty about the impacts of the COVID-19 pandemic and the impact it will have on Tenaz's operations, the demand for Tenaz's products, and economic activity in general; and
- changes to any of the foregoing.

With respect to forward-looking statements contained in this Annual Information Form, including certain documents incorporated by reference into this Annual Information Form, the Company has made assumptions regarding:

- the continued performance of the Company's crude oil and natural gas properties in a manner consistent with its past experiences;
- that the Company will continue to conduct its operations in a manner consistent with past operations;
- the return of industry conditions to pre-COVID-19 pandemic levels;
- crude oil, NGLs and natural gas production rates;
- the size of crude oil, NGLs and natural gas reserves;
- projections of market prices and costs;
- supply and demand for crude oil, NGLs and natural gas;
- the success of the Company's operations and exploration and development activities;
- prevailing weather conditions, commodity prices, inflation and exchange rates;
- the availability of labour, services and drilling equipment;
- the availability of capital to fund planned expenditures;
- timing and amount of capital expenditures;
- future abandonment, decommissioning and reclamation costs;
- general economic and financial market conditions;
- tax horizons;
- the success, nature and timing of enhanced recovery activities;
- the ability of the Company to secure necessary personnel, equipment and services;

- government regulation in the areas of taxation, royalty rates and environmental protection;
- the success of exploration and development activities; and
- access to market for the Company's production.

The forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include:

- changes in commodity prices including, without limitation, as a result of the COVID-19 pandemic and related disruptions in crude oil and natural gas markets;
- industry conditions, including commodity prices;
- pipeline and third-party facility capacity constraints and access to sales markets;
- volatility of commodity prices and currency exchange rates;
- imprecision of reserve estimates and related costs including royalties, production costs and future development costs;
- environmental risks;
- stock market volatility;
- ability to access sufficient capital from internal and external sources and the ability of the Company to realize value from acquired assets and companies;
- debt financing risks;
- failure to realize anticipated benefits of acquisitions and dispositions;
- risks inherent in oil and natural gas operations;
- inability to secure labour, services or equipment on a timely basis or on favourable terms;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- unfavourable weather conditions;
- incorrect assessments of the value of acquisitions and exploration and development programs;
- success of drilling programs;
- geological, technical, drilling, completion and processing problems;
- results of enhanced recovery responses;
- changes to Income tax law, royalty and other government legislation relating to the oil and gas industry in the jurisdictions in which the Company operates ; and
- the other factors discussed under "Risk Factors".

All of these factors should be considered in the context of current economic conditions, in particular, volatility in commodity prices, including low prices for crude oil and natural gas over the past several years, the attitude of lenders and investors towards crude oil and natural gas assets, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company.

Ultimate recovery of reserves is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management of the Company.

Statements relating to "reserves" are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future.

Readers are advised that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under securities law.

References to forward-looking information are made elsewhere in this Annual Information Form. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

THE COMPANY

Tenaz is the corporation resulting from the amalgamation of Tenaz Energy Corp. and Altura Energy Inc. on October 15, 2021 under the ABCA.

On June 8, 2007, Altura Energy Inc. was incorporated under the ABCA under the name of "Northern Spirit Developments Inc.". On November 2, 2007, "Northern Spirit Developments Inc." filed articles of amendment to change its name to "Northern Spirit Resources Inc.". On January 1, 2012, “Northern Spirit Resources Inc." filed articles of amalgamation to amalgamate with Northern Spirit Operating Inc. and 1250900 Alberta Ltd. On October 16, 2015, “Northern Spirit Resources Inc.” filed articles of amendment to change its name to "Altura Energy Inc.". On October 15, 2021, in connection with the Reorganization, Altura Energy Inc. filed articles of amalgamation and changed its name to “Tenaz Energy Corp.”.

The Company is a reporting issuer (or the equivalent thereof) in Alberta, British Columbia and Ontario. The Common Shares are listed and posted for trading on the TSX under the symbol "TNZ". Prior to October 19, 2021, the Common Shares traded on the TSXV under the symbol "ATU" and prior to October 19, 2015, the Common Shares traded on the TSXV under the symbol "NS".

Tenaz has the following subsidiaries, each owned 100% percent, at December 31, 2022:

Name of subsidiary	**Jurisdiction**
1880675 Alberta Ltd.(1)	Alberta, Canada
Tenaz Energy Holdings (Canada) Corp.(2)	Alberta, Canada
Tenaz Energy (US) LLC(3)	Delaware, United States

(1) On January 1, 2023, amalgamated with Tenaz Energy Corp.
(2) Incorporated on December 12, 2022.
(3) On December 20, 2022, U.S private corporation acquired and renamed “Tenaz Energy (US) LLC” (Note 7). On January 30, 2023, Tenaz Energy (US) LLC migrated and continued as a Luxembourg private limited liability company, renamed “Tenaz Energy Netherlands Offshore S.A.R.L”.

The Company’s registered office is located at 1100, 225 – 6th Avenue S.W., Brookfield Place, Calgary, Alberta T2P 1N2, and its head and principal office is located at 2500, 605 – 5th Avenue S.W., Calgary, Alberta, T2P 3H5.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

The following is a summary of the general development of the Company’s business during the last three completed financial years.

2020

During the year ended December 31, 2020, Altura executed a $6.1 million capital program, net of divestitures totaling $1.7 million. In March 2020, Altura halted all discretionary capital expenditures in response to the impacts of COVID-19 on the global economy. Prior to the COVID-19 pandemic, Altura completed a Leduc-Woodbend horizontal oil well (93% working interest) that was drilled in the third quarter of 2019 and drilled a Leduc-Woodbend horizontal oil well (93% working interest) that was completed in February 2021. At Entice, Altura incurred $4.0 million to drill, complete, and equip a well targeting the Pekisko Formation.

Average production for 2020 was 880 boe/d following: (i) voluntarily curtailed production in April 2020 to match its hedged oil production in response to the COVID-19 pandemic and disruptions in the crude oil and natural gas markets; and (ii) a shut in of all production in May 2020 and the unwinding of its May 2020 hedging contracts.

In June 2020, Altura: (i) amended the December 2019 disposition agreement which divided a working interest sale at Leduc-Woodbend into four separate dispositions of a 1.375% working interest for $875,000 each; (ii) did not execute the optional third transaction contemplated per the December 2019 disposition; and (iii) as part of stage one to the amended December 2019 disposition agreement, divested the first 1.375% working interest in the Company's production, wells, lands and facilities for cash of $871,000.

In September 2020, as part of stage two to the amended December 2019 disposition agreement, Altura divested the second 1.375% working interest in the Company's production, wells, lands and facilities for cash of $875,000.

2021

During the year ended December 31, 2021, the Company entered into a reorganization agreement in addition to executing a $8.6 million capital program, net of divestitures totaling $1.7 million. The Company drilled three and completed four wells at Leduc-Woodbend, and completed 12 rod upgrades and one recompletion at Leduc-Woodbend. Average production for the year was 1,015 boe/d.

In 2021, the Company divested the remaining 2.75% working interest in the Company's production, wells, lands and facilities for cash of $1,750,000 as part of the final two stages to the amended December 2019 disposition agreement, consisting of a 0.6875% asset disposition on January 29, 2021, a 0.6875% asset disposition on April 27, 2021 and a 1.375% asset disposition on June 15, 2021.

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 non-brokered private placement of units ("**Units**") of the Company ("**Non-Brokered Private Placement**") and a brokered private placement of subscription receipts ("**Subscription Receipts**") of the Company ("**Brokered Private Placement**" and together with the Non-Brokered Private Placement, the "**Private Placements**") for aggregate gross proceeds of $29.5 million; (ii) a reconstitution of the Board and appointment of a new management team (the "**Change of Management**"); and (iii) a change of the Company's name from "Altura Energy Inc." to "Tenaz Energy Corp." (collectively, the "**Reorganization**").

On September 22, 2021, the Company completed the Brokered Private Placement pursuant to which 136,112,000 Subscription Receipts were issued at a price of $0.18 per Subscription Receipt for gross proceeds of $24.5 million. The gross proceeds from the Brokered Private Placement were held in escrow pending completion of the Change of Management and the Non-Brokered Private Placement.

On October 8, 2021, the Company completed the Change of Management and the Non-Brokered Private Placement pursuant to which 27,778,000 Units were issued at a price of $0.18 per Unit for gross proceeds of $5.0 million. Each Unit was comprised of one Common Share and one warrant ("**Warrant**") of the Company, with each Warrant entitling the holder thereof to purchase one Common Share at a price of $0.18 per Common Share (price before share consolidation effective December 23, 2021) for a period of five years from the issuance date, subject to certain terms and conditions. One-third of the Warrants will vest and become exercisable upon the 20-day VWAP of the Common Shares (the "**Market Price**") equaling or exceeding $0.25 per Common Share, an additional one-third upon the Market Price equaling or exceeding $0.315 per Common Share and a final one-third upon the Market Price equaling or exceeding $0.36 per Common Share.

Immediately following the completion of the Change of Management and the Non-Brokered Private Placement, the Company issued 136,112,000 Common Shares pursuant to the conversion of the 136,112,000 Subscription Receipts previously issued by the Company in connection with the Brokered Private Placement, and $24.5 million in gross proceeds was released from escrow.

On October 15, 2021, the Company changed its name from "Altura Energy Inc." to "Tenaz Energy Corp." and the symbol for trading on the TSX Venture Exchange was changed to TNZ (formerly ATU).

On November 8, 2021, the Company announced the setting of the record date of November 15, 2021 for a rights ("**Rights**") offering (the "**Rights Offering**") pursuant to which each shareholder of Common Shares received one (1) Right for each Common Share held by such shareholder. Each eight (8) Rights entitled the holder to subscribe for one Common Share upon payment of a subscription price of $0.18 per Common Share. The Common Shares commenced trading on the TSXV on an ex-rights basis at the opening of business on November 12, 2021. The Rights Offering expired at 4:00 p.m. (Calgary time) on December 13, 2021, after which time unexercised Rights were voided and of no value. Subscribers under the Private Placements agreed not to participate in the Rights Offering in respect of the securities subscribed for thereunder and having undertaken not to exercise, sell, trade or otherwise convey any interest in the Right Offering. Under the Rights Offering, holders of Rights purchased an aggregate of 10,179,840 Common Shares at a subscription price of $0.18 per Common Share for aggregate gross proceeds of approximately $1.8 million.

On December 17, 2021, the Company announced that it would proceed with the previously announced consolidation of its outstanding Common Shares (the "**Share Consolidation**") on the basis of one new Common Share for every ten existing Common Shares (the "**Consolidation Ratio**"). The Consolidation Ratio was determined by the Company's board of directors in accordance with the parameters authorized by the Company's Shareholders at the special meeting of Shareholders held on October 7, 2021. Effective December 23, 2021, the Common Shares commenced trading on the TSXV on a post-consolidation basis.

2022

During the year ended December 31, 2022, the Company executed a $17.1 million capital program whereby it drilled, completed, equipped and tied-in four wells in the Rex member of the Manville formation at its Leduc-Woodbend field.

On May 9, 2022, Tenaz received conditional approval from the Toronto Stock Exchange to list its common shares on such exchange and cease trading on the TSX Venture exchange. Tenaz Common Shares commenced trading under the symbol "TNZ" on the TSX on May 12, 2022.

On May 25, 2022, Tenaz announced that it had entered into an agreement to acquire all of the issued and outstanding shares of SDX Energy PLC ("**SDX**"), an AIM listed company with assets in Egypt and Morocco. On July 29, 2022, Tenaz announced that it had terminated the SDX acquisition.

On August 5, 2022, the TSX approved the Company to commence a normal course issuer bid ("**NCIB**"). The NCIB will allow Tenaz to purchase up to 2,619,970 common shares (approximately 9.2% of the outstanding common shares) over a twelve-month period beginning August 12, 2022 with a daily maximum purchase of 6,108 Common Shares.

The Company entered into an automatic share purchase plan ("**ASPP**") with National Bank Financial which allowed for continued and consistent purchases of common shares at pre-determined levels. The ASPP will allow for the purchase of Common Shares at times when Tenaz would not be active in the market due to applicable regulatory restrictions or internal trading black-out periods.

During 2022, Tenaz purchased 454,700 common shares under the NCIB for total consideration of $0.8 million. The Common Shares purchased under the NCIB, representing 1.6% of the issued and outstanding share of the company, were cancelled following the settlement of the transactions.

On December 20, 2022 Tenaz acquired 100% of the issued and outstanding shares of a private company with Netherlands upstream and midstream assets (the "**Netherlands Acquisition**"), details of which are provided below.

At December 31, 2022, Tenaz's credit facilities (the "Credit Facilities") with ATB Financial (the "Lender") consisted of:

- a revolving operating demand loan (the "Operating Loan") in a principal amount of up to $10.15 million (December 31, 2021 - $4.0 million) accruing interest at a rate of prime + 3.5% per annum and subject to redetermination at least annually with the next redetermination date expected to be held on or before May 31, 2023;

- a non-revolving facility in the principal amount of up to $8.75 million accruing interest at a rate of prime + 5.5% per annum until February 28, 2023 and prime + 7.5% per annum thereafter, repayable on or before April 30, 2023 (the "Commercial Term Loan"). The Commercial Term Loan was repaid in full on March 10, 2023; and
- a non-revolving facility under Export Development Canada's Program in the principal amount of up to $6.25 million accruing interest at a rate of prime + 5.5% per annum until February 28, 2023 and prime + 7.5% per annum thereafter, repayable on or before April 30, 2023 (the "EDC Term Loan"). The EDC Term Loan was repaid in full on March 10, 2023.

As at December 31, 2022, Tenaz had a drawn balance of $21.5 on the credit facilities. On March 10, 2023, the drawn balance was fully repaid with the revolving operating demand loan remaining undrawn with an available limit of $10.15 million.

Significant Acquisitions

On December 20, 2022 Tenaz acquired 100% of the issued and outstanding shares of a private company with upstream and midstream assets in the Netherlands.

Upstream Assets

The Netherlands Acquisition provided Tenaz with 5 mmcf/d of natural gas production from 9 offshore licenses in the Dutch North Sea ("**DNS**"). The producing fields are located on the K9ab, K9c, K12 and L10/L11a licenses operated by Neptune Energy ("**Neptune**"), with a production-weighted average working interest of 8.4%. The producing fields include a number of unbooked optimization, development and exploration opportunities, which have the potential to improve the production rate profile and reserves over time.

In addition to the licenses that are currently producing, Tenaz acquired a position in 5 non-producing licenses consisting of 9.85% interest in the N7a license and 5% interest in the F10, F11a, F17a Deep and F18a Deep licenses. The F17a Deep license contains the undeveloped Rembrandt and Vermeer oil discoveries operated by Wintershall Dea BG.

At year end, McDaniel and Associates updated their independent assessment of the reserves associated with the upstream assets and have assigned 771 mboe (99% natural gas) of Proved Developed Producing and 1,156 mboe (99% natural gas) of Total Proved + Probable reserves based on an effective date of December 31, 2022. McDaniel's assessment projects that the upstream assets will have a remaining productive life of 10 years.

Midstream Assets

Tenaz also acquired an 11.34% ownership interest in Noordgastransport B.V. ("**NGT**"), which holds one of the largest gas gathering and processing networks in the DNS. NGT has been in operation for over forty-five years, with nearly 500 km of pipelines in the DNS. Gas transported through the NGT pipeline network is treated at NGT's onshore gas plant at Uithuizen before entering the Netherlands national grid.

Carbon Reduction Projects

In June 2022, Neptune (as operator), XTO Netherlands B.V., the acquired private company and the Netherlands government (through state-owned energy producer EBN Capital B.V.) announced the signing of a cooperation agreement to progress the L10 Carbon Capture and Storage Project ("**CCS Project**") toward Front-end Engineering and Design ("**FEED**") stage. The CCS Project envisions reuse of certain of the L10 hydrocarbon producing infrastructure and reservoirs to capture 5 to 8 megatons of CO2e per year for up to 30 years. The carbon dioxide for this project would be sourced from regional industrial emitters, including those in and around the Port of Rotterdam, one of the largest industrial ports in Europe.

Consideration and Financing

Consideration for the Netherlands Acquisition is in the form of the assumption of future decommissioning liabilities for the acquired assets. This security was pledged from a combination of cash on hand and an expanded credit facility totalling $25 million led by ATB Financial. Subsequent to year end, the drawn portion of the $25 million credit facilities have been repaid in full.

DESCRIPTION OF THE BUSINESS

Tenaz is an energy company focused on the acquisition and sustainable development of international oil and gas assets capable of returning free cash flow to shareholders. Tenaz has domestic operations in Canada along with non-operated offshore natural gas assets in the Netherlands. The domestic operations consist of a semi-conventional oil project in the Rex member of the Upper Mannville group at Leduc-Woodbend in central Alberta. The Netherlands natural gas assets are located in the Dutch sector of the North Sea.

While Tenaz believes that it has the skills and resources necessary to achieve its stated objectives, participation in the exploration for, and development of, crude oil and natural gas has several inherent risks. See "*Risk Factors*" in this AIF.

Corporate Strategy

In addition to the continued development of the Company's existing assets, the Company intends to target the acquisition of conventional and semi-conventional oil and gas assets in global markets. The Company will focus on building a portfolio of free cash flow assets that have the potential to provide returns to Shareholders through a growth-and-income capital markets model.

The Company believes it has established itself as a viable public vehicle for the acquisition of oil and gas producing assets. The Company endeavors to identify, evaluate and acquire producing properties for which there is an opportunity for operational improvement and which have the potential to generate free cash flow and production growth. The Company recognizes the critical importance of sustainability in its environmental, social and governance practices, and will place a correspondingly high priority on performance and leadership in these areas. The Company is committed to the short and long-term environmental and economic sustainability of the jurisdictions in which it invests and the local communities in which it operates.

Personnel

As at December 31, 2022, the Company employed twelve full-time employees located at the head office. The Company also retained four consultants, two of which are located at the head office and two of which are located in the field. In addition, the Company hires skilled contractors to perform drilling operations, well completions and other field service operations.

STATEMENT OF RESERVES DATA

The report on reserves data by McDaniel in Form 51-101F2 of NI 51-101 and the report of management and directors on reserves data and other information in Form 51-101F3 of NI 51-101 are attached as Appendix "A" and "B" to this AIF, respectively.

Disclosure of Reserves Data

The reserves data set forth below (the "**Reserves Data**") was prepared by McDaniel, the Company's independent qualified reserves evaluator, with an effective date of December 31, 2022 and a preparation date of March 15, 2023. The Reserves Data summarizes the crude oil, NGLs and natural gas reserves of the Company and the net present values of future net revenue for these reserves using forecast prices and costs.

The McDaniel Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101 and the COGE Handbook. Additional information not required by NI 51-101 has been presented to provide continuity and additional information, which the Company believes is important to readers of this AIF. McDaniel was engaged to provide evaluations of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

Tenaz's consolidated reserves are located onshore in Alberta, Canada and offshore in the Dutch North Sea in the country of the Netherlands.

The McDaniel Report is based on certain factual data supplied by Tenaz and McDaniel's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to petroleum properties and contracts (except for certain information residing in the public domain) were supplied by Tenaz to McDaniel. McDaniel accepted this data as presented and neither title searches nor field inspections were conducted.

The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures and well abandonment, decommissioning and reclamation costs.

Tenaz determined the future net revenue and present value of future net revenue after income tax expenses by utilizing McDaniel's before income tax future net revenue and the Company's estimate of income tax. Tenaz's estimates of the after-income tax value of future net revenue have been prepared based on before income tax reserves information and include assumptions and estimates of the Company's tax pools and the sequences of claims and rates of claim thereon. The values shown may not be representative of future income tax obligations, applicable tax horizon or after-tax valuation. The after-tax net present value of Tenaz's crude oil and natural gas properties reflects the tax burden of its properties on a stand-alone basis. It does not provide an estimate of the value of the Company as a business entity, which may be significantly different. Tenaz's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2022 should be consulted for additional information regarding the Company's taxes.

There are numerous uncertainties inherent in estimating quantities of crude oil, NGLs and natural gas reserves and the future cash flows attributed to such reserves. In general, such estimates are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of crude oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, estimates of the economically recoverable crude oil, NGLs and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its consolidated reserves will vary from estimates thereof and such variations could be material.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by McDaniel represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of crude oil, NGLs and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

The information relating to the Company's consolidated crude oil, NGLs and natural gas reserves contains forward-looking statements relating to future net revenues, forecast capital expenditures, future development plans, timing and costs related thereto, forecast operating costs, anticipated production and abandonment costs. See "*Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

In certain of the tables set forth below, the columns may not add due to rounding.

Reserves Data (Forecast Prices and Costs)

Summary of Oil and Gas Reserves

	Light & Medium Oil		Heavy Crude Oil		Conventional Natural Gas		Natural Gas Liquids (3)		Oil Equivalent (mboe)	
Reserve Category	**Gross (1) mbbl**	**Net (2) mbbl**	**Gross (1) mbbl**	**Net (2) mbbl**	**Gross (1) mmcf**	**Net (2) mmcf**	**Gross (1) mbbl**	**Net (2) mbbl**	**Gross (1) mboe**	**Net (2) mboe**
Canada										
Proved Developed Producing	101	81	892	758	6,848	6,141	119	98	2,253	1,960
Proved Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	2,989	2,539	14,693	12,857	253	209	5,691	4,891
Total Proved	**101**	**81**	**3,881**	**3,297**	**21,541**	**18,998**	**372**	**307**	**7,944**	**6,851**
Total Probable	**16**	**13**	**2,293**	**1,892**	**12,068**	**10,468**	**208**	**167**	**4,529**	**3,817**
Total Proved + Probable	**117**	**94**	**6,174**	**5,189**	**33,609**	**29,465**	**580**	**474**	**12,473**	**10,668**
Netherlands										
Proved Developed Producing	-	-	-	-	4,604	3,804	3	3	771	637
Proved Developed Non-Producing	-	-	-	-	247	215	-	-	41	36
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	**-**	**-**	**-**	**-**	**4,851**	**4,019**	**3**	**3**	**812**	**673**
Total Probable	**-**	**-**	**-**	**-**	**2,052**	**1,925**	**3**	**2**	**345**	**323**
Total Proved + Probable	**-**	**-**	**-**	**-**	**6,903**	**5,944**	**6**	**5**	**1,156**	**996**
Total Company										
Proved Developed Producing	101	81	892	758	11,452	9,944	122	101	3,023	2,597
Proved Developed Non-Producing	-	-	-	-	247	215	-	-	41	36
Proved Undeveloped	-	-	2,989	2,539	14,693	12,857	253	209	5,691	4,891
Total Proved	**101**	**81**	**3,881**	**3,297**	**26,392**	**23,017**	**375**	**310**	**8,756**	**7,523**
Total Probable	**16**	**13**	**2,293**	**1,892**	**14,120**	**12,393**	**211**	**170**	**4,874**	**4,140**
Total Proved + Probable	**117**	**94**	**6,174**	**5,189**	**40,512**	**35,409**	**586**	**479**	**13,629**	**11,664**

(1) Gross reserves are working interest reserves before royalty deductions.
(2) Net reserves are working interest reserves after royalty deductions plus royalty interest reserves.
(3) Natural Gas Liquids include Condensate volumes.

Summary of Net Present Value of Future Net Revenue

Reserve Category	Before Income Taxes Discounted at 0% M$	5% M$	10% M$	15% M$	20% M$	After Income Taxes Discounted at 0% M$	5% M$	10% M$	15% M$	20% M$	Unit Value Before Tax 10% (1) ($/boe)
Canada											
Proved Developed Producing	37,697	36,303	34,117	31,924	29,941	37,697	36,303	34,117	31,924	29,941	17.40
Proved Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	89,201	64,121	46,963	35,042	26,573	71,758	51,044	36,894	27,116	20,219	9.60
Total Proved (2)	**126,897**	**100,424**	**81,080**	**66,966**	**56,515**	**109,454**	**87,346**	**71,011**	**59,040**	**50,161**	**11.83**
Total Probable (2)	**104,010**	**71,285**	**51,297**	**38,534**	**30,002**	**80,278**	**54,653**	**39,044**	**29,154**	**22,601**	**13.44**
Total Proved + Probable (2)	**230,907**	**171,709**	**132,377**	**105,499**	**86,517**	**189,733**	**141,999**	**110,055**	**88,194**	**72,762**	**12.41**
Netherlands											
Proved Developed Producing	18,169	30,857	36,747	39,141	39,721	-6,753	7,163	14,159	17,550	19,031	57.73
Proved Developed Non-Producing	2,356	2,507	2,496	2,404	2,274	319	696	870	932	933	69.37
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-	-
Total Proved (2)	**20,524**	**33,364**	**39,243**	**41,545**	**41,995**	**-6,434**	**7,859**	**15,029**	**18,482**	**19,964**	**58.35**
Total Probable (2)	**34,219**	**31,349**	**27,623**	**24,097**	**21,059**	**18,692**	**17,998**	**16,035**	**13,952**	**12,109**	**85.48**
Total Proved + Probable (2)	**54,744**	**64,713**	**66,866**	**65,641**	**63,054**	**12,259**	**25,857**	**31,064**	**32,434**	**32,072**	**67.16**
Total Company											
Proved Developed Producing	55,865	67,159	70,864	71,065	69,662	30,944	43,465	48,276	49,474	48,972	27.29
Proved Developed Non-Producing	2,356	2,507	2,496	2,404	2,274	319	696	870	932	933	69.37
Proved Undeveloped	89,201	64,121	46,963	35,042	26,573	71,758	51,044	36,894	27,116	20,219	9.60
Total Proved (2)	**147,422**	**133,788**	**120,323**	**108,511**	**98,509**	**103,021**	**95,205**	**86,040**	**77,523**	**70,124**	**15.99**
Total Probable (2)	**138,230**	**102,635**	**78,919**	**62,630**	**51,062**	**98,971**	**72,651**	**55,079**	**43,106**	**34,710**	**19.06**
Total Proved + Probable (2)	**285,651**	**236,423**	**199,242**	**171,141**	**149,571**	**201,992**	**167,856**	**141,119**	**120,629**	**104,834**	**17.08**

(1) The unit values are based on net reserve volumes.
(2) Numbers may not add due to rounding.

Total Future Net Revenue (Undiscounted)

Reserve Category	Revenue (1) M$	Royalties (2) M$	Operating Costs M$	Development Costs M$	Abandonment & Reclamation Costs M$	Future Net Revenue Before Income Taxes M$	Income Taxes M$	Future Net Revenue After Income Taxes M$
Canada								
Total Proved	**441,651**	**64,529**	**157,690**	**81,778**	**10,758**	**126,897**	**17,443**	**109,454**
Total Proved + Probable	**715,780**	**110,480**	**253,499**	**108,733**	**12,161**	**230,907**	**41,175**	**189,733**
Netherlands								
Total Proved	**185,782**	**36,297**	**62,771**	**1,917**	**64,273**	**20,524**	**26,958**	**-6,434**
Total Proved + Probable	**244,241**	**41,429**	**80,855**	**2,936**	**64,277**	**54,744**	**42,485**	**12,259**
Total Company								
Total Proved	**627,432**	**100,825**	**220,460**	**83,695**	**75,030**	**147,422**	**44,401**	**103,021**
Total Proved + Probable	**960,020**	**151,909**	**334,354**	**111,669**	**76,438**	**285,651**	**83,660**	**201,992**

(1) Includes all product revenues and other revenues as forecast.
(2) Royalties include any net profits interests paid.

Future Net Revenue by Product Type

Reserve Category	Product Type	Future Net Revenue Before Income Taxes (discounted at 10%) M$	Unit Value (1) $/mcf, $/bbl
Total Proved Reserves - Canada	Light Crude Oil and Medium Crude Oil (Including Solution Gas and By-products)	1,618	20.04
Total Proved Reserves - Canada	Heavy Crude Oil (Including Solution Gas and By-products)	79,462	24.10
Total Proved Reserves - Netherlands	Conventional Natural Gas (Including By-products)	39,243	9.76
	Total	**120,323**	
Total Proved + Probable Reserves - Canada	Light Crude Oil and Medium Crude Oil (Including Solution Gas and By-products)	1,793	19.09
Total Proved + Probable Reserves - Canada	Heavy Crude Oil (Including Solution Gas and By-products)	130,584	25.17
Total Proved + Probable Reserves - Netherlands	Conventional Natural Gas (Including By-products)	66,866	11.25
	Total	**199,243**	

(1) Unit values are calculated using the 10% discount rate divided by the Major Product Type Net reserves for each group.

Pricing Assumptions – Forecast Prices and Costs

McDaniel employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2022 in the McDaniel Report in estimating reserves data using forecast prices and costs. The forecast prices used are based on an average of the price decks of three independent engineering firms, GLJ Ltd., Sproule Associates Limited and McDaniel & Associates Consultants Ltd. (the "**Consultant Average Price Forecast**") at January 1, 2023, Benchmark weighted average historical prices for 2022 are also reflected in the tables below.

Summary of Price Forecasts
January 1, 2023

	Crude Oil Price Forecasts			Natural Gas Liquids Price Forecasts				Natural Gas Price Forecasts			
Year	WTI Crude Oil $US/bbl	Edmonton Light Crude Oil $C/bbl	Western Canadian Select Crude Oil $C/bbl	Edmonton Ethane $/bbl	Edmonton Propane $/bbl	Edmonton Butanes $/bbl	Edmonton Cond. & Natural Gasolines $/bbl	U.S. Henry Hub Gas Price $US/mmbtu	Alberta AECO Spot Price $C/mmbtu	Inflation %	US/CAN Exchange Rate $US/$CAN
	(1)	(2)	(3)						(4)		
History											
2012	94.20	86.10	73.10		28.60	69.55	100.80	2.75	2.45	1.55	1.000
2013	97.95	93.05	75.25		38.90	69.40	104.65	3.75	3.20	0.95	0.970
2014	93.00	93.50	79.10		45.05	69.60	102.40	4.35	4.40	1.90	0.905
2015	48.80	57.75	44.80		6.60	36.50	60.30	2.60	2.80	1.10	0.785
2016	43.30	53.90	39.15		13.15	34.35	56.15	2.50	2.10	1.45	0.755
2017	50.90	62.85	50.70		28.90	44.60	66.85	3.00	2.40	1.60	0.770
2018	64.95	69.65	49.95		27.55	32.80	79.20	3.05	1.55	2.25	0.770
2019	57.00	69.00	58.70		17.40	23.55	70.30	2.55	1.60	2.00	0.755
2020	39.25	45.00	35.40		16.40	22.15	49.15	2.05	2.25	0.75	0.745
2021	68.00	80.35	68.85		43.10	51.15	85.50	3.90	3.55	3.40	0.800
2022	94.65	120.55	98.85		50.35	61.20	123.05	6.40	5.55	6.85	0.770
Forecast											
2023	80.33	103.76	76.54	13.75	39.80	53.88	106.22	4.74	4.23	-	0.745
2024	78.50	97.74	77.75	14.33	39.14	52.67	101.35	4.50	4.40	2.30	0.765
2025	76.95	95.27	77.55	13.77	39.74	51.42	98.94	4.31	4.21	2.00	0.768
2026	77.61	95.58	80.07	13.98	39.86	51.61	100.19	4.40	4.27	2.00	0.772
2027	79.16	97.07	81.89	14.20	40.47	52.39	101.74	4.49	4.34	2.00	0.775
2028	80.74	99.01	84.02	14.49	41.28	53.44	103.78	4.58	4.43	2.00	0.775
2029	82.36	100.99	85.73	14.79	42.11	54.51	105.85	4.67	4.51	2.00	0.775
2030	84.00	103.01	87.44	15.09	42.95	55.60	107.97	4.76	4.60	2.00	0.775
2031	85.69	105.07	89.20	15.39	43.81	56.71	110.13	4.86	4.69	2.00	0.775
2032	87.40	106.69	91.11	15.71	44.47	57.56	112.33	4.95	4.79	2.00	0.775
2033	89.15	108.83	92.93	16.02	45.35	58.71	114.58	5.05	4.88	2.00	0.775
2034	90.93	111.00	94.79	16.34	46.26	59.88	116.87	5.15	4.98	2.00	0.775
2035	92.75	113.22	96.69	16.67	47.19	61.08	119.21	5.26	5.08	2.00	0.775
2036	94.61	115.49	98.62	17.00	48.13	62.30	121.59	5.36	5.18	2.00	0.775
2037	96.50	117.80	100.59	17.34	49.09	63.55	124.02	5.47	5.29	2.00	0.775
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	2.00	0.775

	Exchange Rates		US and Europe Crude Oil and Natural Gas Price Forecasts								
			US Crude Oil		US Natural Gas			Europe Crude Oil		Europe Natural Gas	
	$US to GBP £	$US to EUR €	WTI Oil $US/bbl	LLS Oil $US/bbl	Henry Hub Gas $US/mmbtu	CIG Gas $US/mmbtu	Chicago Gas $US/mmbtu	UK Brent Crude Oil $US/bbl	UK Forties Oil $US/bbl	UK NBP Gas $US/mmbtu	Dutch TTF Gas $US/mmbtu
Forecast											
2023	1.20	1.08	80.33	82.83	4.74	4.30	4.50	84.67	84.67	31.61	35.33
2024	1.23	1.09	78.50	80.68	4.50	4.05	4.29	82.69	82.69	25.38	28.05
2025	1.26	1.11	76.95	78.81	4.31	3.85	4.10	81.03	81.03	18.46	20.58
2026	1.28	1.12	77.61	79.49	4.40	3.90	4.19	81.39	81.39	15.73	17.89
2027	1.28	1.12	79.16	81.07	4.49	4.00	4.26	82.65	82.65	14.87	17.07
2028	1.28	1.12	80.74	82.68	4.58	4.10	4.35	84.29	84.29	15.17	17.41
2029	1.28	1.12	82.36	84.33	4.67	4.15	4.44	85.98	85.98	15.47	17.75
2030	1.28	1.12	84.00	86.00	4.76	4.25	4.54	87.71	87.71	15.79	18.11
2031	1.28	1.12	85.69	87.71	4.86	4.35	4.61	89.46	89.46	16.10	18.47
2032	1.28	1.12	87.40	89.46	4.95	4.40	4.71	91.25	91.25	16.42	18.84
2033	1.28	1.12	89.15	91.25	5.05	4.50	4.81	93.07	93.07	16.75	19.22
2034	1.28	1.12	90.93	93.07	5.15	4.60	4.90	94.93	94.93	17.09	19.60
2035	1.28	1.12	92.75	94.93	5.26	4.70	5.00	96.83	96.83	17.43	20.00
2036	1.28	1.12	94.61	96.83	5.36	4.80	5.10	98.77	98.77	17.78	20.40
2037	1.28	1.12	96.50	98.77	5.47	4.85	5.20	100.74	100.74	18.13	20.80

(1) West Texas Intermediate at Cushing Oklahoma 40 degrees API, 0.5% sulphur
(2) Edmonton Light Sweet 40 degrees API, 0.3% sulphur
(3) Western Canadian Select at Hardisty, Alberta
(4) Historical prices based on AECO 7A (near month prices). 5A (daily price) expected to be equal to 7A over long term. 2022 historical prices: 7A $5.56/mmbtu, 5A $5.34/mmbtu

Weighted average historical prices Tenaz realized for the year ended December 31, 2022, were $101.79/bbl for heavy crude oil, $7.21/mcf for natural gas and $72.96/bbl for NGLs.

Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the Company's gross reserves as at December 31, 2022, derived from the McDaniel Report using forecast prices and cost estimates, reconciled to the Company's gross reserves as at December 31, 2021.

	Company Gross Reserves[1][2] by Product Type[3]				
Canada	**Light Oil (mbbl)**	**Heavy Oil (mbbl)**	**Conventional Natural Gas (mmcf)**	**Natural Gas Liquids (mbbl)**	**Oil Equivalent (mboe)**
Total Proved					
December 31, 2021	165	3,094	18,421	434	6,762
Extensions and improved recovery[4]	-	193	939	16	366
Technical Revisions[5]	(59)	653	1,436	(88)	745
Acquisitions	-	-	-	-	-
Economic Factors	19	160	1,777	31	506
Production	(25)	(219)	(1,033)	(20)	(436)
December 31, 2022[3]	**101**	**3,881**	**21,541**	**372**	**7,944**
Total Probable					
December 31, 2021	45	2,149	12,451	293	4,562
Extensions and improved recovery[4]	-	44	248	4	90
Technical Revisions[5]	(31)	31	(1,412)	(102)	(338)
Acquisitions	-	-	-	-	-
Economic Factors	2	69	781	13	215
Production	-	-	-	-	-
December 31, 2022[3]	**16**	**2,293**	**12,068**	**208**	**4,529**
Total Proved + Probable					
December 31, 2021	210	5,243	30,872	726	11,324
Extensions and improved recovery[4]	-	237	1,188	21	456
Technical Revisions[5]	(90)	684	24	(191)	408
Acquisitions	-	-	-	-	-
Economic Factors	22	229	2,559	44	721
Production	(25)	(219)	(1,033)	(20)	(436)
December 31, 2022[3]	**117**	**6,174**	**33,609**	**580**	**12,473**

Notes:

(1) Gross reserves are Company working interest reserves before royalty deductions.

(2) Based on the January 1, 2022 Consultant Average Price Forecast.

(3) Numbers may not add due to rounding.

(4) Extensions and Improved Recovery includes all new wells booked during the year at Leduc-Woodbend.

(5) Technical revisions were realized in all reserve categories. The revisions were driven by performance deviations from earlier estimates.

Netherlands	Company Gross Reserves[1][2] by Product Type[3]				
	Light Oil (mbbl)	Heavy Oil (mbbl)	Conventional Natural Gas (mmcf)	Natural Gas Liquids (mbbl)	Oil Equivalent (mboe)
Total Proved					
December 31, 2021	-	-	-	-	-
Extensions and improved recovery[4]	-	-	-	-	-
Technical Revisions[5]	-	-	-	-	-
Acquisitions	-	-	4,903	3	821
Economic Factors	-	-	-	-	-
Production[4]	-	-	(52)	-	(9)
December 31, 2022[3]	**-**	**-**	**4,852**	**3**	**812**
Total Probable					
December 31, 2021	-	-	-	-	-
Extensions and improved recovery[4]	-	-	-	-	-
Technical Revisions[5]	-	-	-	-	-
Acquisitions	-	-	2,052	3	345
Economic Factors	-	-	-	-	-
Production[4]	-	-	-	-	-
December 31, 2022[3]	**-**	**-**	**2,052**	**3**	**345**
Total Proved + Probable					
December 31, 2021	-	-	-	-	-
Extensions and improved recovery[4]	-	-	-	-	-
Technical Revisions[5]	-	-	-	-	-
Acquisitions	-	-	6,955	6	1,165
Economic Factors	-	-	-	-	-
Production[4]	-	-	(52)	-	(9)
December 31, 2022[3]	**-**	**-**	**6,903**	**6**	**1,156**

Notes:

(1) Gross reserves are Company working interest reserves before royalty deductions.

(2) Based on the January 1, 2022 Consultant Average Price Forecast.

(3) Numbers may not add due to rounding.

(4) Netherlands operations were acquired on December 20, 2022 and have since produced an average of 733 boe/d in 2022.

Total Company	Company Gross Reserves[1][2] by Product Type[3]				
	Light Oil (mbbl)	Heavy Oil (mbbl)	Conventional Natural Gas (mmcf)	Natural Gas Liquids (mbbl)	Oil Equivalent (mboe)
Total Proved					
December 31, 2021	165	3,094	18,421	434	6,762
Extensions and improved recovery[4]	-	193	939	16	366
Technical Revisions[5]	(59)	653	1,436	(88)	745
Acquisitions	-	-	4,903	3	821
Economic Factors	19	160	1,777	31	506
Production	(25)	(219)	(1,085)	(20)	(445)
December 31, 2022[3]	**101**	**3,881**	**26,392**	**375**	**8,756**
Total Probable					
December 31, 2021	45	2,149	12,451	293	4,562
Extensions and improved recovery[4]	-	44	248	4	90
Technical Revisions[5]	(31)	31	(1,412)	(102)	(337)
Acquisitions	-	-	2,052	3	345
Economic Factors	2	69	781	13	215
Production	-	-	-	-	-
December 31, 2022[3]	**16**	**2,293**	**14,120**	**211**	**4,874**
Total Proved + Probable					
December 31, 2021	210	5,243	30,872	726	11,324
Extensions and improved recovery[4]	-	237	1,188	21	456
Technical Revisions[5]	(90)	684	24	(191)	408
Acquisitions	-	-	6,955	6	1,165
Economic Factors	22	229	2,559	44	721
Production	(25)	(219)	(1,085)	(20)	(445)
December 31, 2022[3]	**117**	**6,174**	**40,512**	**586**	**13,629**

Notes:

(1) Gross reserves are Company working interest reserves before royalty deductions.

(2) Based on the January 1, 2022 Consultant Average Price Forecast.

(3) Numbers may not add due to rounding.

(4) Extensions and Improved Recovery includes all new wells booked during the year at Leduc-Woodbend.

(5) Technical revisions were realized in all reserve categories. The revisions were driven by performance deviations from earlier estimates.

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

Undeveloped reserves are attributed by McDaniel in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

Proved Undeveloped Reserves

The following table discloses, for each product type, the volumes of proved undeveloped reserves that were first attributed in each of the most recent three financial years.

	Light Crude Oil & Medium Crude Oil (mbbl)		Heavy Crude Oil (mbbl)		Conventional Natural Gas (mmcf)		Natural Gas Liquids (mbbl)	
Year	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
2020	-	-	-	2,559.0	-	8,034.0	-	233.0
2021	-	-	258.3	2,494.5	1,342.6	13,300.7	31.6	312.6
2022	-	-	193.0	2,988.9	939.4	14,692.6	16.2	253.5

Proved undeveloped reserves have been assigned in areas where the reserves can be estimated with a high degree of certainty. In most instances, proved undeveloped reserves will be assigned on lands immediately offsetting existing producing wells within the same accumulation or pool. McDaniel has assigned 5,691.1 mboe of proved undeveloped reserves in the McDaniel Report with $81.8 million of associated undiscounted capital, of which $23.7 million is forecast to be spent in the first two years.

The Company's proved undeveloped reserves are in its core area where Tenaz is actively employing capital to develop the Leduc-Woodbend property. As such, the Company expects that most of its booked undeveloped projects will be completed within a three-year time frame and that substantially all of its currently booked undeveloped projects will be completed within a five-year time frame. There are a number of factors that could result in delayed or cancelled development, including the following: (i) existence of higher priority expenditures; (ii) changing economic conditions (due to pricing, operating and capital expenditure fluctuations); (iii) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (iv) multi-zone developments (for instance, a prospective formation completion may be delayed until the initial completion is no longer economic); (v) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (vi) surface access issues (including those relating to land owners, weather conditions and regulatory approvals). For more information, see "*Risk Factors"* herein.

Probable Undeveloped Reserves

The following table discloses, for each product type, the volumes of probable undeveloped reserves that were first attributed in each of the most recent three financial years.

	Light Crude Oil & Medium Crude Oil (mbbl)		**Heavy Crude Oil (mbbl)**		**Conventional Natural Gas (mmcf)**		**Natural Gas Liquids (mbbl)**	
Year	**First Attributed**	**Cumulative at Year End**	**First Attributed**	**Cumulative at Year End**	**First Attributed**	**Cumulative at Year End**	**First Attributed**	**Cumulative at Year End**
2020	-	-	509.1	2,268.2	1,967.9	11,062.8	894.2	320.8
2021	-	-	75.0	1,965.8	549.6	10,882.9	12.9	255.7
2022	-	-	44.4	2,006.3	248.3	9,881.1	4.3	170.5

Probable undeveloped reserves have been assigned in areas where the reserves can be estimated with less certainty. It is equally likely that the actual remaining quantities recovered will be greater or less than the proved and probable reserves. In most instances, probable undeveloped reserves have been assigned on lands in the area with existing producing wells but there is some uncertainty as to whether they are directly analogous to the producing accumulation or pool. McDaniel has assigned 3,823.7 mboe of probable undeveloped reserves in the McDaniel Report with $27.0 million of associated undiscounted capital, of which no capital is forecasted to be spent in the first two years.

The Company's probable undeveloped reserves are in its core area of Leduc-Woodbend. Tenaz is actively spending capital to develop the area. As such, the Company expects that substantially all of its currently booked undeveloped projects will be completed within a five-year time frame.

Significant Factors or Uncertainties Affecting Reserves Data

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting crude oil and natural gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserve estimates and the present value of the future net revenue therefrom. These factors and assumptions include, among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) timing and costs of future development activities; (vii) marketability of production; (viii) effects of government regulations; and (ix) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and government restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

While Tenaz does not anticipate any significant economic factors or significant uncertainties that will affect any particular components of the reserves data, the reserves can be affected significantly by fluctuations in product pricing, capital expenditures, costs to abandon and reclaim properties, operating costs, royalty regimes and well performance that are beyond the Company’s control.

Abandonment, Decommissioning and Reclamation Costs

In connection with its operations, the Company will incur abandonment, decommissioning and reclamation (“**ADR**”) costs for surface leases, wells, facilities and pipelines. Tenaz budgets for and recognizes as a liability the estimated present value of the future decommissioning liabilities associated with its property, plant and equipment. Tenaz's overall ADR costs include all costs associated with the process of restoring a property that has been disturbed by oil and gas activities to the standard imposed by the applicable government or regulatory authorities. The Company estimates such costs through a model that incorporates data from Tenaz’s operating history, industry sources and cost formulas used by AER, together with other operating assumptions. The Company expects all of its net wells to incur these costs.

Tenaz anticipates the total amount of such costs, excluding inflation, to be approximately $61.3 million ($72.0 million including inflation) on an undiscounted basis, and approximately $37.2 million discounted at 10% and assuming an inflation rate of 2%, calculated in accordance with NI 51-101.

All existing and future ADR costs are reflected in McDaniel's estimate of future net revenue. The calculations of future net revenue associated with proved plus probable reserves under "Oil and Natural Gas Reserves" in this Annual Information Form include expenditures of approximately $4.7 million (on an undiscounted basis) and $0.6 million (discounted at 10%) in respect of the ADR of future wells and facilities where that obligation has not yet been incurred but is expected to be incurred.

Over the next two years, the Company expects to spend $11.5 million in respect of ADR costs.

Future Development Costs

The table below sets out the total development costs deducted in the estimation in the McDaniel Report of future net revenue attributable to the Company’s proved reserves and proved plus probable reserves (using forecast prices and costs).

Canada ($000s)	Total Proved Reserves	Total Proved Plus Probable Reserves
2023	10,976	10,976
2024	12,700	15,912
2025	19,190	19,190
2026	19,761	23,431
2027	19,151	22,876
Thereafter	-	16,346
Total for all years undiscounted(1)	**81,778**	**108,733**
Total for all years discounted at 10% per year	**60,280**	**76,982**

Notes:

(1) Numbers may not add due to rounding.

Netherlands ($000s)		Total Proved Reserves	Total Proved Plus Probable Reserves
	2023	1,546	2,561
	2024	346	346
	2025	17	20
	2026	6	8
	2027	1	1
Thereafter		1	1
Total for all years undiscounted(1)		**1,917**	**2,937**
Total for all years discounted at 10% per year		**1,710**	**2,635**

Notes:

(1) Numbers may not add due to rounding.

Total Company ($000s)		Total Proved Reserves	Total Proved Plus Probable Reserves
	2023	12,523	13,537
	2024	13,046	16,258
	2025	19,208	19,210
	2026	19,766	23,439
	2027	19,152	22,877
Thereafter		1	16,347
Total for all years undiscounted(1)		**83,696**	**111,669**
Total for all years discounted at 10% per year		**61,990**	**79,618**

Notes:

(1) Numbers may not add due to rounding.

Tenaz expects to use a combination of internally generated cash from operating activities, its Credit Facility and the issuance of new equity or debt where and when it believes appropriate to fund future development costs set out in the McDaniel Report. There can be no guarantee that funds will be available or that the Board of Directors will allocate funding to develop all the reserves attributable in the McDaniel Report. Failure to develop those reserves could have a negative impact on the Company's future cash flow.

Interest expense or other costs of external funding are not included in the reserves and future net revenue estimates set forth above and would reduce the reserves and future net revenue to some degree depending upon the funding sources utilized. The Company does not anticipate that interest or other funding costs would make further development of any of the Company's properties uneconomic.

OTHER OIL AND NATURAL GAS INFORMATION

Principal Properties

Leduc-Woodbend

The Company has two producing properties in the Leduc-Woodbend area of central Alberta, located approximately 10 kilometers southwest of Leduc, Alberta.

Leduc-Woodbend Rex Pool

The majority of the Company's development and production activities in the Leduc-Woodbend area are directed towards 18° API heavy crude oil in the Rex member of the Upper Mannville Formation ("Leduc-Woodbend").

At December 31, 2022, Tenaz held a 87.4% working interest in 37,026 acres of land at Leduc-Woodbend, of which 14,083 net acres are undeveloped and 16,264 net acres are developed. Tenaz drilled, completed, and brought six (5.25 net) wells on production in 2022. Tenaz was assigned 7,835.5 mboe of proved reserves and 12,347.2 mboe of proved plus probable reserves at Leduc-Woodbend in the McDaniel Report.

During the year ended December 31, 2022, Tenaz had average production of 1116 boe/d (including 595 bbls/d of heavy crude oil, 59 bbls/d of NGLs and 2,804 mcf/d of natural gas) from 23 producing Rex wells. Production in the area is tied into two multi-well batteries and two single well batteries owned and operated by the Company. Crude oil sales volumes are trucked to multiple sales points and natural gas production is transported via pipeline and processed by two third-party operators.

Leduc-Woodbend Glauconitic D Unit No.1

The Company has a minor property in the Leduc-Woodbend area directed towards 33° API light crude oil in the Glauconitic D Unit No.1 (the "Glauc Unit").

At December 31, 2022, Tenaz held a 52.4% working interest in 1,920 acres of land in the Glauc Unit, of which all 1,239 net acres are developed. Tenaz was assigned 108.3 mboe of proved reserves and 125.7 mboe of proved plus probable reserves in the Glauc Unit in the McDaniel Report.

During the year ended December 31, 2022, Tenaz had average production of approximately 78 boe/d (including 73 bbls/d of light crude oil, 0.6 bbl/d of NGLs and 26 mcf/d of natural gas) from seven producing Glauc wells. Production in the area is tied into a 52.4% working interest multi-well battery, operated by the Company. Light crude oil from the Glauc Unit is blended with heavy crude oil from the Leduc-Woodbend Rex Pool and is sold into the heavy crude oil stream. The blended crude oil sales volumes are trucked to multiple sales points and natural gas production is transported via pipeline and processed by a third-party operator.

Entice Area

The Entice area of southern Alberta is located approximately nine kilometers south of Strathmore, Alberta. At December 31, 2022, Tenaz held a 87.5% working interest in 7,175 acres of land in the Entice Area, of which 425 net acres are developed. Tenaz has been assigned no proved plus probable reserves in the Entice area in the McDaniel Report.

Netherlands- Dutch North Sea

On December 20, 2022, Tenaz acquired a private company with a combination of upstream and midstream assets in the Dutch North Sea. Further details of the assets held by the acquired company are found below.

Upstream Assets

The Netherlands Acquisition provided Tenaz with 5 mmcf/d of natural gas production from 9 offshore licenses in the Dutch North Sea ("**DNS**"). The producing fields are located on the K9ab, K9c, K12 and L10/L11a licenses operated by Neptune Energy ("**Neptune**"), with a production-weighted average working interest of 8.4%. The producing fields include a number of unbooked optimization, development and exploration opportunities, which have the potential to improve the production rate profile and reserves over time.

In addition to the licenses that are currently producing, Tenaz acquired a position in 5 non-producing licenses consisting of 9.85% interest in the N7a license and 5% interest in the F10, F11a, F17a Deep and F18a Deep licenses. The F17a Deep license contains the undeveloped Rembrandt and Vermeer oil discoveries operated by Wintershall Dea BG.

At year end, McDaniel and Associates ("**McDaniel**") updated their independent assessment of the reserves associated with the upstream assets and have assigned 771 mboe (99% natural gas) of Proved Developed Producing and 1,156 mboe (99% natural gas) of Total Proved + Probable reserves based on an effective date of December 31, 2022. McDaniel's assessment projects that the upstream assets will have a remaining productive life of 10 years.

Midstream Assets

Tenaz also acquired an 11.34% ownership interest in Noordgastransport B.V. ("**NGT**"), which holds one of the largest gas gathering and processing networks in the DNS. NGT has been in operation for over forty-five years, with nearly 500 km of pipelines in the DNS. Gas transported through the NGT pipeline network is treated at NGT's onshore gas plant at Uithuizen before entering the Netherlands national grid.

Furthermore, NGT is one of two pipeline networks in the DNS to be certified as fit for service in the transportation of green hydrogen. Several DNS operators are considering the long-term repurposing of mature upstream assets as alternative energy assets, and NGT is well positioned to serve these projects in the future.

Carbon Reduction Projects

In June 2022, Neptune (as operator), XTO Netherlands B.V., the acquired private company and the Netherlands government (through state-owned energy producer EBN Capital B.V.) announced the signing of a cooperation agreement to progress the L10 Carbon Capture and Storage Project ("**CCS Project**") toward Front-end Engineering and Design ("**FEED**") stage. The CCS Project envisions reuse of certain of the L10 hydrocarbon producing infrastructure and reservoirs to capture 5 to 8 megatons of CO2e per year for up to 30 years. The carbon dioxide for this project would be sourced from regional industrial emitters, including those in and around the Port of Rotterdam, one of the largest industrial ports in Europe.

Oil and Natural Gas Wells

The following table sets forth the number and status of the Company's wells effective December 31, 2022.

	Oil Wells				Natural Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Canada	28	22.4	19	13.9	-	-	1	0.9
Netherlands	-	-	-	-	36	2.9	56	4.8
Total	**30**	**23.4**	**35**	**23.0**	**36**	**2.9**	**57**	**5.7**

Notes:
(1) "Gross" wells means the number of wells in which the Company has a working interest.
(2) "Net" wells means the aggregate number of wells obtained by multiplying each gross well by the Company's percentage working interest therein.

Properties With No Attributed Reserves

The following table summarizes, effective December 31, 2022, the gross and net acres of undeveloped properties in which the Company had an interest and also the number of net acres for which its rights to explore, develop or exploit are expected to expire within one year.

	Gross Acres	Net Acres	Net Acres Expiring Within One Year
Canada	22,784	19,936	5,950
Netherlands	447,050	28,969	5,702
Total	**469,834**	**48,905**	**11,652**

Significant Factors or Uncertainties Relevant to Properties With No Attributed Reserves

There are several economic factors and significant uncertainties that affect the anticipated development of Tenaz's properties with no attributed reserves. The Company will be required to make substantial capital expenditures in order to exploit, develop, prove and produce crude oil and natural gas from these properties in the future. If Tenaz's cash flow or Credit Facility are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on terms acceptable to the Company. Failure to obtain such financing on a timely basis could cause Tenaz to forfeit its interest in certain properties, miss certain opportunities and reduce or terminate its operations. The inability of Tenaz to access sufficient capital for its exploration and development activities could have a material adverse effect on Tenaz's ability to execute its business strategy to develop these prospects.

The significant economic factors that affect Tenaz's development of its lands to which no reserves have been attributed are future commodity prices for crude oil and natural gas and Tenaz's outlook relating to such prices, and the future costs of drilling, completing, equipping, tie-in and operating the wells at the time that such activities are considered in the future.

The significant uncertainties that affect Tenaz's development of such lands are: (i) the future drilling and completion results Tenaz achieves in its development activities; (ii) drilling and completion results achieved by others on lands in proximity to Tenaz's lands; and (iii) future changes to applicable regulatory or royalty regimes that affect timing or economics of proposed development activities. All of these uncertainties have the potential to delay the development of such lands. Alternatively, uncertainty as to the timing and nature of the evolution or development of improved exploration drilling, completion and production technologies has the potential to accelerate development activities and enhance the economics relating to such lands.

Marketing

The Company's financial results and condition are impacted primarily by the prices received for crude oil, NGLs and natural gas production. Crude oil, NGLs and natural gas prices have fluctuated widely and are determined by supply and demand factors, including available access to pipelines and markets, weather, general economic conditions in natural gas consuming and producing regions throughout North America and political factors. Any upward or downward movement in crude oil, NGLs and natural gas prices could have an effect on the Company's financial condition and capital development.

Tenaz's hedging transactions may include fixed price swaps, costless collars and put options to hedge a portion of its gross crude oil or natural gas production. To the extent that the Company engages in risk management activities related to commodity prices, it will be subject to credit risk associated with the parties with which it contracts. This credit risk will be mitigated by entering into contracts with only stable and creditworthy parties and through the frequent review of the Company's exposure to these entities.

At December 31, 2022, Tenaz held the following derivative contracts:

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
WTI Crude Oil Swap Contracts					
Jan 1/23—Feb 28/23	Crude Oil	Fixed Swap	200 bbls/d	WTI	USD $75.00
Natural Gas Swap Contracts					
Nov 1/22—Mar 31/23	Natural Gas	Bought Put Option	1,000 GJ/d	AECO 7A	CAD $4.00
Nov 1/22—Mar 31/23	Natural Gas	Sold Call Option	1,000 GJ/d	AECO 7A	CAD $7.34
Jan 1/23—Feb 28/23	Natural Gas	Fixed Swap	1,000 GJ/d	AECO 5A	CAD $5.54

Cross Currency Contracts	Type	Receive Notional Amount	Receive Rate	Mark to Market Asset (Liability)
Dec 16/22—Mar 3/23	Forward Contract	€25,250,000	1.4389	($428,429)

Costs Incurred

The following table summarizes capital expenditures, excluding property dispositions, incurred by the Company during the year ended December 31, 2022.

	Property Acquisitions			
(M$)	**Proved Properties**	**Unproved Properties**	**Exploration Costs**	**Development Costs**
Canada	-	-	-	**17,101**
Netherlands	-	-	-	-
Total	-	-	-	**17,101**

Drilling Activity

The following table sets forth the gross and net exploratory and development wells drilled by the Company during the year ended December 31, 2022. All wells were drilled in Canada.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Crude Oil	-	-	4	3.5
Natural Gas	-	-	-	-
Service	-	-	-	-
Stratigraphic Test	-	-	-	-
Dry	-	-	-	-
Total	**-**	**-**	**4**	**3.5**

Planned Capital Expenditures

In November 2022, the Board of Tenaz approved a capital budget of $16 - $18 million for 2023. The budget provides for a four well (3.5 net) summer drilling campaign and facility expansion to support field extension in the southern portion of the Leduc-Woodbend field. The drilling portion of the capital program is planned for late Q2 2023, after spring breakup, with contributions from the new wells expected in the second half of 2023.

On December 20, Tenaz acquired a private company with upstream and midstream assets located in the Dutch North Sea. Upon closing the Netherlands Acquisition, the Board approved an increase to Tenaz's 2023 capital budget guidance to a range of $20 - $22 million. The 2023 capital program for Tenaz's Netherlands assets consists of workovers and optimizations carried out on the existing well stock, as well as planning and permitting work associated with a development well that the operator may propose for partner approval during the course of 2023.

Production Estimates

The following table discloses for each product type the total volume of production estimated by McDaniel in the McDaniel Report for 2023 in the estimates of future net revenue from gross proved and gross proved plus probable reserves disclosed above.

Reserve Category	**Light Oil (bbls/d)**	**Heavy Oil (bbls/d)**	**Conventional Natural Gas (Mcf/d)**	**Natural Gas Liquids (bbls/d)**	**Oil Equivalent (Boe/d)**
Canada					
Total Proved	**64**	**983**	**3,749**	**65**	**1,737**
Total Probable	**1**	**88**	**101**	**2**	**108**
Total Proved + Probable	**64**	**1,072**	**3,850**	**67**	**1,844**
Netherlands					
Total Proved	**-**	**-**	**4,087**	**4**	**685**
Total Probable	**-**	**-**	**327**	**1**	**55**
Total Proved + Probable	**-**	**-**	**4,414**	**4**	**740**
Total Company					
Total Proved	**64**	**983**	**7,836**	**68**	**2,421**
Total Probable	**1**	**88**	**428**	**2**	**163**
Total Proved + Probable	**64**	**1,072**	**8,264**	**71**	**2,584**

Production History

The following table summarizes certain information in respect of the Company's production, product prices received, royalties paid, operating expenses, transportation expenses and resulting netback for the periods indicated below.

Canada	**Quarter Ended 2022**				**Year Ended Dec. 31, 2022**
	Mar. 31	**Jun. 30**	**Sep. 30**	**Dec. 31**	
Average Daily Production[(1)]					
Heavy Crude Oil[(2)] (bbls/d)	515	636	687	836	667
NGLs (bbls/d)	62	61	47	52	89
Conventional Natural Gas (mcf/d)	2,579	2,524	2,929	3,315	2,830
Combined (boe/d)	1,007	1,118	1,222	1,441	1,194
Average Prices Received					
Heavy Crude Oil[(2)] ($/bbl)	100.92	120.21	99.73	90.04	101.79
NGLs ($/bbl)	58.74	94.99	71.12	65.81	73.03
Conventional Natural Gas ($/mcf)	5.15	8.11	4.00	5.43	5.59
Combined ($/boe)	68.44	91.90	68.39	67.14	73.51
Royalties Paid					
Heavy Crude Oil[(2)] ($/bbl)	16.85	24.92	21.21	16.98	19.94
NGLs ($/bbl)	15.81	16.96	20.30	13.29	16.50
Conventional Natural Gas ($/mcf)	0.31	0.89	1.05	0.66	0.74
Combined ($/boe)	10.38	17.11	15.23	11.87	13.65
Operating Expenses[(3)]					
Heavy Crude Oil[(2)] ($/bbl)	31.17	20.75	26.00	28.42	23.89
NGLs ($/bbl)	10.39	6.18	5.55	3.84	9.61
Conventional Natural Gas ($/mcf)	1.73	1.03	0.93	0.64	1.60
Combined ($/boe)	21.02	14.47	17.05	18.11	17.59
Transportation Expenses					
Heavy Crude Oil[(2)] ($/bbl)	2.33	4.83	2.40	3.34	3.26
NGLs ($/bbl)	1.05	1.38	1.78	2.58	1.66
Conventional Natural Gas ($/mcf)	0.12	0.13	0.14	0.16	0.14
Combined ($/boe)	1.57	3.12	1.75	2.41	2.23
Netback Received[(4)]					
Heavy Crude Oil[(2)] ($/bbl)	50.57	69.71	50.12	41.30	54.70
NGLs ($/bbl)	31.49	70.47	43.49	46.10	45.26
Conventional Natural Gas ($/mcf)	2.99	6.06	1.88	3.97	3.11
Combined ($/boe)	35.47	57.20	34.36	34.75	40.04

Notes:
(1) Before the deduction of royalties.
(2) Light crude oil from Tenaz's Glauconitic Unit is blended with heavy crude oil from the Leduc-Woodbend Rex Pool and is sold into the heavy crude oil stream.
(3) The Company does not record operating expenses on a commodity basis. Information in respect of operating expenses for heavy crude oil and NGLs ($/bbl) and natural gas ($/mcf) has been determined by allocating expenses on a relative volume of heavy crude oil, NGLs and natural gas production basis.
(4) Netback is calculated by subtracting royalties, operating expenses and transportation expenses from prices received. See "Non-GAAP Measures".

Netherlands	Quarter Ended 2022				Year Ended Dec. 31, 2022
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	
Average Daily Production[1]					
NGLs (bbls/d)				2	-
Conventional Natural Gas (mcf/d)				570	142
Combined (boe/d)				97	24
Average Prices Received					
NGLs ($/bbl)				64.08	64.08
Conventional Natural Gas ($/mcf)				39.36	39.36
Combined ($/boe)				233.28	233.28
Operating Expenses[3]					
NGLs ($/bbl)				-	-
Conventional Natural Gas ($/mcf)				12.37	12.37
Combined ($/boe)				72.96	72.96
Transportation Expenses					
NGLs ($/bbl)				-	-
Conventional Natural Gas ($/mcf)				0.92	0.92
Combined ($/boe)				5.46	5.46
Netback Received[4]					
NGLs ($/bbl)				64.08	64.08
Conventional Natural Gas ($/mcf)				26.07	26.07
Combined ($/boe)				154.86	154.86

Notes:
(1) Before the deduction of royalties.
(2) Netherlands operations were acquired on December 20, 2022 and average production was 733 boe/day.
(3) The Company does not record operating expenses on a commodity basis. Information in respect of operating expenses for heavy crude oil and NGLs ($/bbl) and natural gas ($/mcf) has been determined by allocating expenses on a relative volume of heavy crude oil, NGLs and natural gas production basis.
(4) Netback is calculated by subtracting royalties, operating expenses and transportation expenses from prices received. See "Non-GAAP Measures".

Total Company	Quarter Ended 2022				Year Ended Dec. 31, 2022
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	
Average Daily Production[1]					
Heavy Crude Oil[2] (bbls/d)	515	636	687	836	667
NGLs (bbls/d)	62	61	47	53	56
Conventional Natural Gas (mcf/d)	2,579	2,524	2,929	3,885	2,972
Combined (boe/d)	1,007	1,118	1,222	1,537	1,218
Average Prices Received					
Heavy Crude Oil[2] ($/bbl)	100.92	120.21	99.73	90.04	101.79
NGLs ($/bbl)	58.74	94.99	71.12	65.75	72.96
Conventional Natural Gas ($/mcf)	5.15	8.11	4.00	10.41	7.21
Combined ($/boe)	68.44	91.90	68.39	77.59	76.67
Royalties Paid					
Heavy Crude Oil[2] ($/bbl)	16.85	24.92	21.21	16.98	19.94
NGLs ($/bbl)	15.81	16.96	20.30	12.89	16.38
Conventional Natural Gas ($/mcf)	0.31	0.89	1.05	0.57	0.70
Combined ($/boe)	10.38	17.11	15.23	11.12	13.38
Operating Expenses[3]					
Heavy Crude Oil[2] ($/bbl)	31.17	20.75	26.00	28.18	23.70
NGLs ($/bbl)	10.39	6.18	5.55	3.60	9.42
Conventional Natural Gas ($/mcf)	1.73	1.03	0.93	2.42	2.16
Combined ($/boe)	21.02	14.47	17.05	21.56	18.69
Transportation Expenses					
Heavy Crude Oil[2] ($/bbl)	2.33	4.83	2.40	3.34	3.26
NGLs ($/bbl)	1.05	1.38	1.78	2.50	1.65
Conventional Natural Gas ($/mcf)	0.12	0.13	0.14	0.27	0.18
Combined ($/boe)	1.57	3.12	1.75	2.60	2.29
Netback Received[4]					
Heavy Crude Oil[2] ($/bbl)	50.57	69.71	50.12	41.54	54.89
NGLs ($/bbl)	31.49	70.47	43.49	46.76	45.31
Conventional Natural Gas ($/mcf)	2.99	6.06	1.88	7.15	4.17
Combined ($/boe)	35.47	57.20	34.36	42.31	42.31

Notes:
(1) Before the deduction of royalties.
(2) Light crude oil from Tenaz's Glauconitic Unit is blended with heavy crude oil from the Leduc-Woodbend Rex Pool and is sold into the heavy crude oil stream.
(3) The Company does not record operating expenses on a commodity basis. Information in respect of operating expenses for heavy crude oil and NGLs ($/bbl) and natural gas ($/mcf) has been determined by allocating expenses on a relative volume of heavy crude oil, NGLs and natural gas production basis.
(4) Netback is calculated by subtracting royalties, operating expenses and transportation expenses from prices received. See "Non-GAAP Measures".

Health, Safety, Environmental and Social Policies

The Company's *Code of Business Conduct and Ethics* policy and *Corporate Social Responsibility Policy* guide Tenaz's commitment to operating in a responsible manner. In 2020, the Company established an Environmental, Social and Governance committee and published its first sustainability report detailing its efforts and performance in health and safety, environmental management, and business and governance. These policies and the 2021 and 2022 sustainability reports are available on Tenaz's website at www.tenazenergy.com.

Tenaz's management, employees, consultants and all contractors are responsible and accountable for the overall health, safety and environmental program of the Company. Tenaz operates in compliance with all applicable regulations and ensures that all staff and contractors employ sound practices to protect the environment and to ensure employee and public health and safety.

Tenaz maintains a safe and environmentally responsible workplace and provides training, equipment and procedures to all individuals in adhering to its policies. It also solicits and takes into consideration input from neighbors, communities and other stakeholders in regard to protecting people and the environment.

The Company has an *Emergency Response Plan* (the "**ERP**") which is prepared in accordance with applicable regulations. The ERP is designed to provide the policies, practices and procedures to be implemented in the event of an emergency situation that arises at or as a result of Tenaz's operations, including but not limited to: a serious injury or fatality, fire or explosion, uncontrolled or hazardous product release and oil or hazardous chemical spill. The purpose of the ERP is to protect the health, safety and welfare of the public and workers and minimize the potential adverse environmental effects. On an annual basis, Tenaz holds a functional tabletop ERP exercise in Alberta to test its understanding and effectiveness in the case of an actual emergency. In addition, Tenaz holds exercises annually to ensure that its staff and executives are trained to respond to an emergency situation.

DIRECTORS AND EXECUTIVE OFFICERS OF THE CORPORATION

Tenaz has a Board of Directors currently consisting of five individuals. The Board of Directors are nominated by the Company and elected annually by Shareholders by ordinary resolution, and hold office until the next annual general meeting of the Shareholders or until each director's successor is appointed or elected pursuant to the ABCA. The Company's officers are appointed by and serve at the discretion of the Board of Directors.

The name, municipality of residence and principal occupation of each of the directors and executive officers of the Company are as follows:

Name and Municipality of Residence	Position Held with the Company	Date First Elected or Appointed
Anthony Marino Calgary, Alberta	President, Chief Executive Officer and Director	October 8, 2021
Michael Kaluza Calgary, Alberta	Chief Operating Officer	October 8, 2021
Bradley Bennett Calgary, Alberta	Chief Financial Officer	October 8, 2021
David Burghardt Calgary, Alberta	Senior Vice President, Operations	July 31, 2015
Jennifer Russel-Houston Calgary, Alberta	Vice President, Geoscience	October 8, 2021
Jonathan Balkwill Calgary, Alberta	Vice President, Business Development	October 8, 2021
Marty Proctor(1)(2)(3) Calgary, Alberta	Director and Board Chair	October 8, 2021
Anna Alderson(1 Chair)(2) Calgary, Alberta	Director	October 8, 2021
John Chambers(1)(2)(3 Chair) Canmore, Alberta	Director	June 4, 2019
Mark Rollins(2 Chair)(3) Gryon, Vaud, Switzerland	Director	October 8, 2021

Notes:

(1) Member of the Audit Committee.
(2) Member of the Sustainability, HSE, and Reserves Committee.
(3) Member of the Governance and Human Resources Committee.

As at March 21, 2023, the directors and executive officers as a group beneficially owned, directly or indirectly, or exercised control or direction over 2,345,932 Common Shares, representing approximately 8.2% of the issued and outstanding Common Shares (including Warrants and Stock Options, up to 20.4% on a fully diluted basis).

Anthony Marino, President, Chief Executive Officer and Director

Anthony Marino serves as the President, Chief Executive Officer and a Director of Tenaz since the completed Change of Management in October 2021. Mr. Marino has more than 39 years of oil and gas industry experience with an extensive background in operations management, business development, and capital markets. Mr. Marino has been Chief Executive Officer for several Canadian oil and gas companies. From 2016 to May 2020, he led Vermilion Energy Inc. ("**Vermilion**") 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. ("**Baytex Energy**") and Dominion Exploration Canada Ltd. He is the Chairperson of the Supervisory Board of Naftogaz of Ukraine.

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.

Michael Kaluza, Chief Operating Officer

Michael Kaluza serves as the Chief Operating Officer of Tenaz since the completed Change of Management in October 2021. Mr. Kaluza has over 36 years of experience in oil and gas industry, including operations, strategic operational planning and growth strategies. Mr. Kaluza has held senior leadership positions with intermediate and junior oil and gas producers, focusing on free cash flow generation from existing assets while achieving material cost reductions and capital-efficient production growth on acquired assets. His roles have included Chief Operating Officer of Vermilion from 2016 to November 2020, Executive Vice President/Director of Vermilion's Canadian Business Unit from 2013 to 2016, Vice President of Corporate Development and Planning of Baytex Energy and Chief Operating Officer of Delphi Energy Corp.

Mr. Kaluza holds a Bachelor of Science (Honours) degree in Petroleum Engineering from Montana College of Mineral Science and Technology.

Bradley Bennett, Chief Financial Officer

Bradley Bennett serves as the Chief Financial Officer of Tenaz since the completed Change of Management in October 2021. Mr. Bennett has significant public company experience managing global treasury, risk management, insurance, assurance and financial reporting. He has successfully established regional offices for new country entries, raised funds in US High Yield markets and managed syndicated credit facility arrangements. Most recently, Mr. Bennett was Treasurer of Vermilion from 2016 to April 2021. Prior to assuming the role of Treasurer at Vermilion Mr. Bennett held various positions within finance from 2011 to 2016. Prior to 2011, Mr. Bennett held positions at Enbridge Inc. and Deloitte.

Mr. Bennett has a Bachelor of Commerce degree in Accounting and Finance from the University of Northern British Columbia and is a Chartered Professional Accountant (Alberta).

David Burghardt, Senior Vice President, Operations

David Burghardt serves as the Senior Vice President, Operations of Tenaz since the completed Change of Management in October 2021 and was the former President and Chief Executive Officer at Altura. Mr. Burghardt is a Professional Engineer with 35 years of multi-discipline domestic and international experience with a background in numerous industry functions, particularly asset exploitation, reservoir management and production engineering. Prior to forming Altura, he worked in Europe for eight years with Vermilion, most recently as the Managing Director of their French Business Unit. Mr. Burghardt's prior experience includes being Founder, President and Chief Executive Officer of Kerogen Petroleum, Managing Director International Engineering at Equatorial Energy (Indonesia) Inc. and Founder and Vice President Engineering for Bison Resources.

Mr. Burghardt has a Bachelor of Science degree in Chemical Engineering from the University of Saskatchewan, is registered as a Professional Engineer with the Association of Professional Engineers and Geoscientists of Alberta ("**APEGA**") and holds an ICD.D designation from the Institute of Corporate Directors.

Jennifer Russel-Houston, Vice President Geoscience

Jennifer Russel-Houston serves as Vice President Geoscience of Tenaz since the completed Change of Management in October 2021. Dr. Russel-Houston has significant experience as a petroleum geologist and technical leader overseeing geoscience evaluations of assets and guiding the assessment of opportunities, most recently with Osum Oil Sands Corp. as Vice President Geoscience and Land from 2014 to June 2021. Prior to joining Osum in 2008, Dr. Russel-Houston worked for Shell on both onshore and offshore projects where she developed expertise in reservoir evaluations, thermal production geology, and leading technical teams.

Dr. Russel-Houston holds a Bachelor of Science (Honours) degree from Queen’s University, a Bachelor of Education degree from the University of Ottawa and a Doctorate in Earth Sciences from Dalhousie University. Dr. Russel-Houston was President of the Canadian Society of Petroleum Geologists in 2020 and is registered as a Professional Geologist with APEGA.

Jonathan Balkwill, Vice President Business Development

Jonathan Balkwill serves as Vice President Business Development of Tenaz since the completed Change of Management in October 2021. Mr. Balkwill brings a combination of global technical and commercial experience in asset development and acquisitions. He has led multidisciplinary asset teams in Canada and Australia and successfully transacted on over $2.5 billion of acquisitions globally. Most recently, Mr. Balkwill was with Vermilion as an Asset Team Lead and Senior Business Development Engineer from 2014 to December 2020.

Mr. Balkwill has a Bachelor of Applied Science in Petroleum Engineering with distinction from the University of Regina, holds the Chartered Financial Analyst designation, and is registered as a Professional Engineer with APEGA.

Marty Proctor, Director and Board Chair

Mr. Proctor became the Chair of the Tenaz Board of Directors following the Change of Management in October 2021. Mr. Proctor is a seasoned energy executive with more than 35 years’ experience in Canada and other international markets. Mr. Proctor is the Director of ARC Resources Ltd.’s (“**ARC**”) Director of GreenFirst Forest Products Inc, Athabasca Oil Corp. Prior to its merger with ARC in April 2021, Mr. Proctor was the President and Chief Executive Officer of Seven Generations Energy Ltd. (“**7G**”) since 2017, the President and Chief Operating Officer of 7G from May 2014 to mid-2017 and the Chief Operating Officer of Baytex Energy from 2009 to 2014.

Mr. Proctor holds Bachelor of Science and Master of Science degrees in Petroleum Engineering from the University of Alberta, earned 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.

Anna Alderson, Director

Ms. Alderson joined the Tenaz Board of Directors following the Change of Management in October 2021. Ms. Alderson served as an Audit Partner with KPMG prior to her retirement in 2019 following a 36-year career. She has extensive experience providing audit and other services to domestic and international oil and gas companies. She is a Director of YMCA Calgary since 2017 and Past Chair of its Audit and Investment Committee. Ms. Alderson is also a member of the Audit Committees for both the Calgary Stampede and Calgary Foundation since April 2021.

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.

John Chambers, Director

Mr. Chambers is a continuing Altura Board Member following the Change of Management in October 2021. Mr. Chambers is an independent businessman since November 2018 and has over 29 years experience in energy capital markets and merger and acquisition advisory. He is the Chairman of Westside Capital Inc., a Director of Sun God Resources Inc., a Director of Infra Fund IAL and sits on the Advisory Board of BlueX Energy Corp. 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.

Mark Rollins, Director

Mr. Rollins joined the Tenaz Board of Directors following the Change of Management in October 2021. Mr. Rollins' career spans more than 33 years in the oil and gas industry including senior leadership positions across international markets, midstream and downstream oil and gas and deregulated utility sectors with a proven commercial track record with extensive experience in business development, government negotiation and private equity. He is the Non-Executive Chairman and Director of Beacon Energy plc (United Kingdom) since February 2020. From 2015 to May 2019, he was the Chief Executive Officer and Chairman of the Executive Board of Ukrnafta, a publicly-listed company responsible for a significant proportion of oil production in Ukraine, and from 2008 to 2015 he was a Senior Vice President of BG Group plc (United Kingdom).

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.

Bankruptcies and Cease Trade Orders

To the knowledge of management of the Company, no director, executive officer or shareholder holding a sufficient number of securities to affect materially the control of the Company is, as of the date of this AIF, or has been, within the last 10 years, been a director or executive officer of any company (including the Company) that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been 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 that person.

Penalties or Sanctions

To the knowledge of management of the Company, no director, executive officer or Shareholder holding a sufficient number of securities to affect materially the control of the Company, within the last 10 years, has been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer or theft or fraud.

Personal Bankruptcies

To the knowledge of management of the Company, no director, executive officer or Shareholder holding a sufficient number of securities to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years preceding the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or being 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 individual.

Conflicts of Interest

Some of the directors of Tenaz are also engaged in and will continue to engage in other activities in the oil and natural gas industry and, as a result of these and other activities, the directors and officers of Tenaz may become subject to conflicts of interest. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose the interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. No assurances can be given that opportunities identified by a director in the context of their relationship with another corporation will be provided to the Company. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

As at the date hereof, Tenaz is not aware of any existing or potential material conflicts of interest between Tenaz and a director or officer of Tenaz.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or officer of the Company, nor any other insider of the Company, nor their associates or affiliates has or has had, at any time within the three most recently completed financial years ending December 31, 2022, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Company other than in respect of the Change of Management and their participation in the Non-Brokered Private Placement. See "*General Developments of the Business – 3-Year History – 2021*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings that the Company is or was a party to, or that any of its property is or was the subject of, during the Company's most recent financial year, nor are any such legal proceedings known to the Company to be contemplated, that involves a claim for damages, exclusive of interest and costs, exceeding 10% of the current assets of the Company.

There are no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2022; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that it believes would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by the Company with a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2022.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate and Terms of Reference

Tenaz has established an audit committee (the "**Audit Committee**") to assist the Board of Directors 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 set out in Appendix "C" to this AIF.

Composition of the Audit Committee

The Audit Committee is comprised of three 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 "*Management of the Corporation – Directors and Officers – Biographies*".

External Auditor Service Fees

The Audit Committee reviews and pre-approves all audit and non-audit services to be provided to Tenaz by its external auditor.

The following table discloses fees billed to the Company for the last two fiscal years by the Company's independent auditors:

	Year ended December 31, 2022 ($)	**Year ended December 31, 2021 ($)**
Audit fees(1)	190,460	132,145
Audit-related fees(2)	64,200	-
Tax fees(3)	16,585	7,000
All other fees	-	16,050
Total	**271,245**	**155,195**

Notes:

(1) Audit fees include costs of professional services rendered by KPMG for the audit of the Company's annual financial statements, and the review of the Company's interim financial statements.

(2) Represents the aggregate fees incurred in each of the last two fiscal years by the Company for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements (and not reported under the heading "Audit Fees").

(3) Tax fees consist of fees in respect of services provided in connection with tax compliance relating to the Company's federal and provincial income tax returns, tax advice and tax planning.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Company includes an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. **Effective December 23, 2021, the Company completed the Share Consolidation on the basis of one new Common Share for every ten existing Common Shares. The information below is presented on a post-consolidation basis.** As at December 31, 2022, 28,093,174 Common Shares are issued and outstanding as fully paid and non-assessable and no preferred shares were issued or outstanding. As at March 21, 2023, 28,781,674 Common Shares are issued and outstanding as fully paid and non-assessable and no preferred shares were issued or outstanding.

Common Shares

Each Common Share entitles the holder to receive notice of and to attend all meetings of Shareholders and to one vote at any such meeting. The holders of Common Shares are, at the discretion of the Board of Directors and subject to applicable legal restrictions, entitled to receive any dividends declared by the Board of Directors on the Common Shares. The holders of Common Shares are entitled to share equally in any distribution of the assets of the Company upon the liquidation, dissolution, bankruptcy or winding-up of the Company or other distribution of its assets among the Shareholders for the purpose of winding-up the Company's affairs.

Normal Course Issuer Bid

On August 5, 2022, the TSX approved the Company to commence a NCIB. The NCIB allows the Company to purchase up to 2,619,970 Common Shares (approximately 9.2% of the outstanding common shares) over a twelve-month period beginning August 12, 2022 with a daily maximum purchase of 6,108 Common Shares.

During the year ended December 31, 2022, the Company purchased 454,900 Common Shares under the NCIB. Common Shares purchased under the NCIB were cancelled following the settlement of the transactions.

Other

See Tenaz's annual consolidated financial statements as at and for the year ended December 31, 2022 (a copy of which is available on SEDAR at www.sedar.com under Tenaz's SEDAR profile) for further details regarding the Company's issued and outstanding Warrants and awards pursuant to which a holder may receive Common Shares that have been issued under the Company's long-term incentive plans, including the Stock Option Plan and the Tenaz Incentive Plan.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared nor paid any dividends on its Common Shares. Any decision to pay dividends on the Common Shares will be made by the Board of Directors on the basis of the Company's earnings, financial requirements and other conditions existing at such future time.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the symbol "TNZ". The following table sets forth the price range and trading volume of these securities as reported by the TSX for the period January 1, 2022 to March 21, 2023.

Trading Price and Volume

Month	High ($)	Low ($)	Volume
2022			
January	3.23	2.27	906,720
February	2.79	2.06	470,884
March	2.74	2.15	866,078
April	2.62	2.19	412,158
May	2.80	2.01	1,320,221
June	2.76	2.08	916,860
July	2.32	1.75	604,378
August	2.17	1.87	900,625
September	1.99	1.24	1,040,516
October	1.84	1.34	1,287,225
November	1.80	1.46	850,368
December	2.29	1.39	3,854,898
2023			
January	2.47	2.02	2,912,258
February	2.60	1.92	2,416,677
March (1-21)	2.56	1.83	904,088

RISK FACTORS

The following is a summary of certain risk factors relating to the business of the Company. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. Additional risks and uncertainties not currently known to Tenaz that it currently views as immaterial or remote may also materially and adversely affect its business, financial condition and/or results of operations in the future.

Investors should carefully consider the information contained herein and, in particular, the following risk factors.

Market risks

Volatility of oil and gas prices

The Company's reserves, financial performance, financial position, and cash flows are dependent on the prices received for oil and natural gas production. Oil and natural gas prices are volatile and fluctuate materially from year to year. Supply and demand factors influence the realized prices for oil and natural gas in both physical and financial markets. Supply factors influencing prices include regional and global transportation capacity and production levels for each product, some of which are determined by groups such as OPEC. Demand factors influencing pricing include general economic conditions, supply chain requirements, environmental and behavioural factors. Environmental and behavioural factors include changes in weather, weather patterns, fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and gas, and technology advances in fuel economy and energy generation methods.

Availability Facility and transportation services

The Company delivers its products via gathering and processing facilities, pipeline systems and trucks. The amount of crude oi, natural gas, and natural gas liquids that the Company can produce and sell is subject to the availability, proximity, and capacity of these systems and related infrastructure. Unexpected shutdowns or curtailment of infrastructure capacity such as processing facilities and pipeline systems, or an inability to secure trucks could affect the Company's production, operations, and financial results. The Company's production may flow through third-party facilities that the Company does not control. These facilities may discontinue or decrease operations due to normal course service requirements, unexpected events or otherwise. A lack of availability of these third-party facilities could adversely affect the Company's ability to process its production and deliver to market. Midstream and pipeline companies may take actions to maximize their return on investment, which may in turn adversely affect producers and shippers.

Volatility of foreign exchange rates

The Company's reserves, financial performance, financial position, and cash flows are affected by prevailing foreign exchange rates. An increase in the exchange rate for the Canadian dollar versus the U.S. dollar and Euro would reduce the Canadian equivalent cash receipts for Tenaz's production. Conversely, a decrease in the exchange rate for the Canadian dollar versus the U.S. dollar and Euro would increase the Canadian equivalent cash outflows for Tenaz's operating and capital expenditures.

Volatility of Tenaz Share Price

The market price of Tenaz's Common Shares may be volatile and may affect Shareholders' ability to sell Common Shares at an advantageous price. Market price fluctuations in the common shares may be due to: the Company’s operating results or financial performance failing to meet the expectations of securities analysts or investors in any quarter; downward revision in securities analysts’ estimates; governmental regulatory action; adverse change in general market conditions or economic trends; acquisitions, dispositions or other material public announcements by the Corporation or its competitors; along with a variety of additional factors, including, without limitation, those set forth under “Note Regarding Forward-Looking Statements” in this AIF.

Hedging arrangements

Tenaz may enter into arrangements to fix commodity prices, interest rates, and foreign exchange rates to offset the risks affecting the business. To the extent that Tenaz engages in price risk management activities to protect the Company from unfavourable fluctuations in prices and rates, the Company may be prevented from realizing the benefits of favourable changes in prices and rates. To the extent that risk management activities and hedging strategies are employed to address these risks, the Company would also be exposed counterparty credit and settlement risk. These risks could impact or negate any benefits of risk management activities and hedging strategies. In addition, commodity hedging arrangements could expose the Company to the potential for financial loss if production falls short of the hedged volumes.

Operational risks

Increase in operating costs or a decline in production level

The Company's financial performance, financial position, and cash flows are affected by its operating costs and production levels. Operating costs may increase and production levels may decline at rates greater than anticipated due to unforeseen circumstances, many of which are beyond Tenaz’s control. Production levels may decline due to an inability to market oil and natural gas production. The inability to market its production could result from changes in the availability, proximity and capacity of gathering systems, pipelines and processing facilities that Tenaz depends on in the jurisdictions in which it operates. Operating costs could increase if blowouts, environmental damage, or other unforeseen circumstances occur. Circumstances beyond the control of Tenaz include, but are not limited to, climate-change and other unexpected and dangerous conditions which could result from operating and natural hazards associated with Tenaz’s operations. In addition to higher costs, Tenaz may have a potential liability to regulators and third parties as a result. Tenaz maintains liability insurance, where available, in amounts consistent with industry standards. Business interruption insurance may be purchased for certain operations to the extent that such insurance is commercially viable. Tenaz may become liable for damages arising from such events against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons.

Operator performance

Continuing production from a property depends upon the operator's ability, and the operator may fail to perform these functions properly.

Weather conditions

The operations of Tenaz could be impacted by a change in weather conditions, which could include changes in temperature extremes, changes in precipitation patterns (including drought and flooding), rising sea levels, and increased severity of extreme weather events such as cyclones or floods. These events can impact Tenaz’s operations, causing shutdowns and increased costs.

Cost of new technology

The oil and natural gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil and natural gas companies may have greater financial, technical and personnel resources that provide them with technological advantages and may allow them to implement new technologies before Tenaz does. There can be no assurance that Tenaz will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost.

Regulatory and political risks

Tax, royalty, and other government legislation

Income tax law, royalty and other government legislation relating to the oil and gas industry in the jurisdictions in which the Company operates may change in a manner that adversely affects Tenaz. Tenaz is exposed to increased taxation and royalties due to windfall taxes on profits and other levees. Windfall taxes have been substantively enacted within the European Union for oil and gas companies for 2022 and/or 2023 at a minimum rate of 33% calculated on taxable profits above a 20% increase in the average yearly taxable profits as compared to the period from 2018 to 2021. Windfall tax rates have been legislated at 33% in the Netherlands for 2022, as has an increase in the royalty attributable to natural gas production for 2023 and 2024. In addition, there is uncertainty on whether windfall taxes or higher royalties will continue beyond their currently-legislated expiries, or whether similar legislation could be enacted in other jurisdictions.

Government regulations

Tenaz's operations are subject to laws and regulations regarding environmental, health and safety issues, lease interests, and taxes and royalties, among others. Each jurisdiction has its own framework and requirements for the oil and natural gas industry. Failure to comply with the applicable laws can result in increased costs, penalties and even forfeiture of hydrocarbon licenses. The regulatory process involved in each of the countries in which Tenaz operates is not uniform and regulatory regimes vary as to complexity, timeliness of access to, and response from, regulatory bodies and other matters specific to each jurisdiction. If permits or regulatory approvals are delayed, not obtained, or revoked, there can be impacts on planned projects and Tenaz may not be able to execute its strategy. Governments may also amend or create new legislation and regulatory bodies may also amend regulations or impose additional requirements. Changes to existing legislation, regulations or legal requirements could result in reduced production and increased capital, operating and compliance costs.

Policy and legal risks

Policy actions to constrain activities that contribute to the adverse effects of climate change could include implementing carbon-pricing mechanisms to reduce green house gas emissions, shifting energy-efficient solutions, or promoting more sustainable land-use practices. The risks and financial impact of policy changes depend on the nature and timing of the policy change. Tenaz may be exposed to increased litigation risk relating to climate change as the oil and gas industry has experienced an increase in climate-related litigation claims. Some of these claims include the failure of organizations to mitigate the impacts of climate change, failure to adapt to climate change, and the insufficiency of disclosure around material financial risks.

Political events and terrorist attacks

Political events could cause supply disruptions, affecting the marketability and price of oil and natural gas produced now or in the future by Tenaz. Political developments arising in the countries in which Tenaz operates can have a significant impact on the local price of oil and natural gas. Tenaz's oil and natural gas properties, wells and facilities could also be subject to a terrorist attack. If any of Tenaz's properties, wells, facilities or any infrastructure on which the Company relies are the subject of a terrorist attack, such attack may have a material adverse effect on Tenaz's financial performance, financial position, and cash flows.

Financing risks

Discretionary nature of dividends and share buybacks

The declaration and payment (including the amount thereof) of future cash dividends and the amount of share buybacks under an NCIB, if any, is subject to the discretion of the Board of Directors of the Company and may vary depending on a variety of factors and conditions, including the satisfaction of the liquidity and solvency tests under the ABCA for the declaration and payment of dividends and the amount of the Company's cash flows. The Company's cash flows may be impacted by risks affecting the Company's business including fluctuations in commodity prices, foreign exchange and interest rates; production and sales volume levels; production costs; capital expenditure requirements; royalty and tax burdens; external financing availability; and debt service requirements. Depending on these and other factors considered relevant by the Company's Board of Directors and management, the Company may alter its approach to its share buybacks or dividends from time to time.

Additional financing

Tenaz's credit facility and any replacement credit facility may not provide sufficient liquidity. The amounts available under Tenaz's credit facility may not be sufficient for future operations, or Tenaz may not be able to obtain additional financing on attractive economic terms, if at all. To the extent that external sources of capital, including the issuance of additional Common Shares, become limited or unavailable, Tenaz's ability to make the necessary capital investments to maintain or expand its oil and natural gas reserves may be impaired.

Debt service

Tenaz may finance a significant portion of its operations through debt. Amounts paid in respect of interest and principal on debt incurred by Tenaz may impair its ability to satisfy its other obligations. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service before payment by Tenaz of its debt obligations. Lenders may be provided with security over substantially all of the assets of Tenaz and its Subsidiaries. If Tenaz becomes unable to pay its debt service charges or otherwise commits an event of default such as bankruptcy, a lender may be able to foreclose on or sell the assets of Tenaz and/or its Subsidiaries.

Environmental risks

Environmental legislation

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial, state and federal legislation. A breach of such legislation may result in the imposition of fines, the issuance of clean up orders in respect of Tenaz or its assets, or the loss or suspension of regulatory approvals. Such legislation may include carbon taxes, enhanced emissions reporting obligations, mandates on the equipment specifications, and emissions regulations. Such legislation may be changed to impose higher standards and potentially more costly obligations on Tenaz. In addition, such legislation may inhibit Tenaz's ability to operate the Company's assets and may make it more difficult for Tenaz to compete in the acquisition of new property rights.

Tenaz expects to incur abandonment and reclamation costs in the ordinary course of business as existing oil and gas properties are abandoned and reclaimed. These costs may materially differ from the Company's estimates due to changes in environmental regulations. Tenaz's facilities and other operations and activities emit some amount of greenhouse gases, which may be subject to legislation regulating emissions of greenhouse gases. This may result in a requirement to reduce emissions or emissions intensity from Tenaz's operations and facilities. It is possible that future regulations may require further reductions of emissions or emissions intensity.

Hydraulic fracturing regulations

Hydraulic fracturing involves the injection of water, sand and small amounts of additives under pressure into rock formations to stimulate oil and natural gas production. Hydraulic fracturing is used to produce commercial quantities of oil and natural gas from reservoirs that were previously unproductive. Hydraulic fracturing has featured prominently in recent political, media and activist commentary on the subject of water usage and environmental damage. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third party or governmental claims, and could increase Tenaz's costs of compliance and doing business as well as delay the development of oil and natural gas resources which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of oil and natural gas that the Company is ultimately able to produce from its reserves, as well as increase costs. In addition, concerns regarding hydraulic fracturing may result in changes in regulations that delay the development of oil and natural gas resources and adversely affect Tenaz's costs of compliance and reputation. Changes in government may result in new or enhanced regulatory burdens in respect of hydraulic fracturing which could affect Tenaz's business.

Acquisition and expansion risks

Competition

Tenaz actively competes for acquisitions, exploration leases, licenses, concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than Tenaz. Tenaz's competitors include numerous other independent oil and natural gas companies and individual producers and operators. Tenaz's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with counterparties will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators. The ability of Tenaz to select and evaluate suitable properties and to consummate transactions in a highly competitive environment is dependant on a large number of factors beyond its control.

International operations and future geographical expansion

The operations and expertise of Tenaz's management are currently focused primarily on oil and natural gas production, exploration and development in three geographical regions, the Americas, Europe and Middle East North Africa ("MENA"). In the future Tenaz may acquire or move into new industry related activities, enter into new geographical areas, or acquire different energy related assets. These actions may result in unexpected risks, or alternatively, significantly increase the Company's exposure to one or more existing risk factors.

Acquisition assumptions

When making acquisitions, Tenaz estimates the future performance of the assets to be acquired. These estimates are subject to inherent risks associated with predicting the future performance of those assets. These estimates may not be realized depending on a wide variety of risk factors.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Company intends to target the acquisition of conventional and semi-conventional oil and gas assets in international markets. The Company seeks to build a portfolio of free cash flow assets that have the potential to provide returns to Shareholders through a growth-and-income capital markets model.

In order to achieve the benefits of any future acquisitions, the Company will be dependent upon its ability to successfully consolidate functions and integrate operations, procedures and personnel in a timely and efficient manner and to realize the anticipated growth opportunities and synergies from combining the acquired assets and operations with those of the Company. The integration of acquired assets and operations requires the dedication of management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during the process. The integration process may result in the disruption of ongoing business and customer relationships that may adversely affect the Company's ability to achieve the anticipated benefits of such acquisitions.

Management continually assesses the value and contribution of individual properties and other assets. In this regard, non-core assets may periodically be disposed of, so that the Company can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Company, if disposed of, could realize less than their carrying amount on the financial statements of the Company.

Reserve estimates

Reserves and estimated future net revenue to be derived from reserves are estimates and have been independently evaluated by McDaniel. The estimation of reserves is a complex process and requires significant judgment. Actual production and ultimate reserves will vary from those estimates and these variations may be material.

Assumptions incorporated into the estimation of reserves are based on information available when the estimate was prepared. These assumptions are subject to change and many are beyond the Company's control. These assumptions include initial production rates; production decline rates; ultimate recovery of reserves; timing and amount of capital expenditures; marketability of production; future prices of crude oil and natural gas; operating costs; well abandonment costs; and royalties, taxes, and other government levies that may be imposed over the producing life of the reserves.

In addition, estimates of reserves that may be developed and produced in the future are often based on methods other than actual production history, including volumetric calculations, probabilistic methods, and analogy to similar types of reserves. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, in the estimated reserves. As such, reserve estimates may require revision based on actual production experience.

The present value of estimated future net revenue referred to in this AIF should not be construed as the fair market value of estimated crude oil and natural gas reserves attributable to the Company's properties. The estimated discounted future revenue from reserves are based upon price and cost estimates which may vary from actual prices and costs and such variance could be material. Actual future net revenue will also be affected by factors such as the amount and timing of actual production, supply and demand for crude oil and natural gas, curtailments or increases in consumption by purchasers and changes in governmental regulations and taxation.

Other risks

Cyber security

Tenaz manages cyber security risk by ensuring appropriate technologies, processes and practices are effectively designed and implemented to help prevent, detect and respond to threats as they emerge and evolve. The primary risks to Tenaz include, loss of data, destruction or corruption of data, compromising of confidential customer or employee information, leaked information, disruption of business, theft or extortion of funds, regulatory infractions, loss of competitive advantage and damage to the Company's reputation. As result of the unpredictability of the timing, nature and scope of disruptions from such events, Tenaz could potentially be subject to production downtimes, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of its systems and networks or financial losses, any of which could have a material adverse effect on Tenaz’s competitive position, financial condition or results of operations.

Accounting adjustments

The presentation of financial information in accordance with IFRS requires that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in Tenaz’s consolidated financial statements. The accounting policies may result in non-cash charges to net income and write-downs of net assets in the consolidated financial statements and such adjustments may be viewed unfavourably by the market or may impact the ability to borrow funds.

Ineffective Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken and will undertake a number of procedures in order to help ensure the reliability of its financial reports, including those that may be imposed on the Company under Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause the Company to fail to meet its reporting obligations. Additionally, implementing and monitoring effective internal controls can be costly. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and may result in a decline in the price of Common Shares.

Reliance on Key Personnel, Management and Labour

The Company's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company does not have any key person insurance in effect. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and the labour force in certain areas in which the Company operates may be limited. The Company expects that similar projects or expansions will proceed in the same area during the same time frame as the Company's projects. The Company's projects require experienced employees, and such competition may result in increases in compensation paid to such personnel or in a lack of qualified personnel. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of the Company's business and the execution of its strategy.

Ukraine War

During 2022, Russian military forces invaded Ukraine resulting in a war between the two countries. The ongoing conflict between countries has impacted the supply of oil and gas from the region and has resulted in countries throughout the world imposing financial and trade sanctions against Russia which have had macroeconomic effects. The risks disclosed in the Risk Factors section above may be exacerbated as a result of the Ukraine war, including market risks such as volatility of oil and gas prices, volatility of foreign exchange rates, volatility of market price of common shares, and hedging arrangements; regulatory and political risks including tax, royalty, and other government legislation; financing risks including additional financing, debt service, variations in interest rates and foreign exchange rates; acquisition and expansion risks including international operations and future geographical/industry expansion, acquisition assumptions, and failure to realize anticipated benefits of prior acquisitions.

COVID-19

COVID-19 has continued to result in varied actions by governments worldwide, impacting global oil and gas markets. The actions taken by these governments have typically included, but is not limited to travel bans, mandatory and self-imposed quarantines and isolations, social distancing, and the closing of non-essential businesses which may have significant negative effects on economies, including a substantial decline in crude oil and natural gas demand. The following risks disclosed in the Risk Factors section above may be exacerbated as a result of the COVID-19 pandemic: market risks related to the volatility of oil and gas prices, volatility of foreign exchange rates, volatility of the market price of common shares, and hedging arrangements; operational risks related to increasing operating costs or declines in production levels, operator performance, payment delays, and government regulations; financing risks related to the ability to obtain additional financing, ability to service debt, and variations in interest rates and foreign exchanges rates; and other risks related to cyber-security as our workforce continues to work part time through remote connections, accounting adjustments, effectiveness of internal controls, and reliance on key personnel, management, and labour.

__Forward-Looking Statements May Prove Inaccurate__

Readers are cautioned not to place undue reliance on forward-looking information in this AIF. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's Common Shares is Odyssey Trust Company at its principal office in Calgary, Alberta.

AUDITOR

The Company's auditor is KPMG LLP, Chartered Professional Accountants, 3100, 205 - 5th Avenue S.W., Calgary, Alberta, T2P 2V7.

MATERIAL CONTRACTS

The Company has not entered into any material contracts outside its normal course of business.

INTERESTS OF EXPERTS

Reserve estimates contained in this AIF are derived from reserve reports prepared by McDaniel. As of the date hereof, McDaniel, as a group, does not beneficially own, directly or indirectly, any Common Shares.

KPMG LLP are the auditors of the Company and have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com under Tenaz's SEDAR profile.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Common Shares and securities authorized for issuance under equity compensation plans, where applicable, are contained in the Company's information circular in respect of its most recent annual general meeting of Shareholders involving the election of directors. Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the most recently completed financial year ended December 31, 2022.

APPENDIX "A"

FORM 51-101F2
REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

To the Board of Directors of Tenaz Energy Corp. (the "**Company**"):

1. We have evaluated the Company's reserves data as at December 31, 2022. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2022 estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved + probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2022, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

			Net Present Value of Future Net Revenue $M (before income taxes, 10% discount rate)			
Independent Qualified Reserves Evaluator	**Effective Date of Evaluation Report**	**Location of Reserves**	**Audited**	**Evaluated**	**Reviewed**	**Total**
McDaniel & Associates	December 31, 2022	Canada	-	132,377	-	132,377
McDaniel & Associates	December 31, 2022	Netherlands	-	66,866	-	66,866
		Total	-	**199,242**	-	**199,242**

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.

8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

"signed by C. T. Boulton"

Cameron T. Boulton, P.Eng.

Executive Vice President

Calgary, Alberta, Canada

March 15, 2023

APPENDIX "B"

FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of Tenaz Energy Corp. (the "**Company**") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented in Appendix "A" to the Annual Information Form of the Company for the year ended December 31, 2022 (the "**AIF**").

The Sustainability, HSE, and Reserves Committee of the board of directors of the Company (the "**Board of Directors**") has:

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator, McDaniel & Associates Consultants Ltd. ("**McDaniel**");

(b) met with McDaniel to determine whether any restrictions affected the ability of McDaniel to report without reservation; and inquired whether there had been disputes between the previous independent qualified reserves evaluator and management; and

(c) reviewed the reserves data with management and with McDaniel.

The Sustainability, HSE, and Reserves Committee has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Sustainability, HSE, and Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1, incorporated into the AIF, containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2, which is the report of McDaniel on the reserves data, contingent resources data or prospective resources data; and

(c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

(signed)	(signed)
Anthony Marino President and Chief Executive Officer	Michael Kaluza Chief Operating Officer
(signed)	(signed)
Mark Rollins Director	Marty Proctor Board Chair

March 21, 2023

APPENDIX "C"

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. The Committee may include a

[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.

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.

C. 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.

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

E. 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.

F. 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.

G. 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.

H. 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.

I. 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 Business 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.